

The Principles That FCA Regulated Businesses Must Adhere to

The Principles for Businesses

1. Integrity

A firm must conduct its business with integrity.

2. Skill, care and diligence

A firm must conduct its business with due skill, care and diligence.

3. Management and control

A firm must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems.

4. Financial prudence

A firm must maintain adequate financial resources.

5. Market conduct

A firm must observe proper standards of market conduct.

6. Customers' interests

A firm must pay due regard to the interests of its customers and treat them fairly.

7. Communications with clients

A firm must pay due regard to the information needs of its clients, and communicate information to them in a way

which is clear, fair and not misleading.

8. Conflicts of interest

A firm must manage conflicts of interest fairly, both between itself and its customers and between a customer and another client.

9. Customers: relationships of trust

A firm must take reasonable care to ensure the suitability of its advice and discretionary decisions for any customer who is entitled to rely upon its judgment.

10. Clients' assets

A firm must arrange adequate protection for clients' assets when it is responsible for them.

11. Relations with regulators

A firm must deal with its regulators in an open and cooperative way, and must disclose to the appropriate regulator appropriately anything relating to the firm of which that regulator would reasonably expect notice.

Treating Customers Fairly Outcomes

Outcome 1:

Consumers can be confident that they are dealing with firms where the fair treatment of their customers is central to the corporate culture.

Outcome 2:

Products and services marketed and sold in the retail market have been designed to meet the needs of identified consumer groups and are targeted accordingly.

Outcome 3:

Consumers are provided with clear information and are kept appropriately informed before, during and after the point of sale.

Outcome 4:

Where consumers receive advice, the advice is suitable and takes account of their circumstances.

Outcome 5:

Consumers are provided with products that perform as firms have led them to expect, and the associated service is both of an acceptable standard and also as they have been led to expect.

Outcome 6:

Consumers do not face unreasonable post-sales barriers imposed by firms to change product, switch provider, submit a claim or make a complaint.