

FCA Regulation

Most businesses that offer consumer credit facilities to their customers are now FCA authorised or awaiting confirmation of authorisation after submitting their application. If you carry out regulated consumer credit activities you must be authorised by the FCA.

To become authorised you sign a declaration confirming that all the required documents are available for immediate inspection. These documents include a compliance monitoring programme and procedures, Treating Customers Fairly (TCF) procedures and TCF management information as well as a number of other supporting documents. The declaration highlights that it is a criminal offence to give information that is materially false, misleading or deceptive.

It is now imperative that all regulatory documentation is in place and just as importantly is being used on a daily basis. Being non-compliant could seriously endanger your business. Our FCA healthcheck details some of the documents and procedures that are required to ensure you are compliant with FCA regulations.

FCA Healthcheck

For your business to be compliant with FCA regulations, you must have the following in place:

Policies and Procedures which show you treat your customers fairly at all times	Yes <input type="checkbox"/>	No <input type="checkbox"/>
The ability to complete regulatory returns via Gabriel (the FCA reporting system)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Compliance Monitoring Programme to evidence you are acting in a compliant manner at all times	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Compliant sales process to ensure you can evidence your affordability and suitability assessments	Yes <input type="checkbox"/>	No <input type="checkbox"/>
A file checking process to ensure your sales procedures are correctly followed	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Compliant complaints handling process	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Management Information available to show you treat your customers fairly	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Training programmes covering FCA regulation	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Compliance audit programme and completion of regulatory logs	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Regulatory Business Plan	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Key Business Risks assessment	Yes <input type="checkbox"/>	No <input type="checkbox"/>

If you have answered yes to all the questions above, it looks like you are in good shape to ensure you remain FCA compliant. However, if you have answered no to a number of these questions, you should seek assistance now.

Otherwise you could be dealing with your customers in a non-compliant way. Recent FCA interventions have shown that the FCA will not only stop businesses carrying on non-compliant practices, but will also require businesses to carry out a review of past sales and even compensate customers where the correct procedures have not been followed.

Product Partnerships is uniquely positioned to help businesses remain compliant whichever regulatory route is taken. We are regulated to act as a 'Principal' and therefore not only can we help you if you are directly authorised, we can appoint you as an Introducer Appointed Representative or Appointed Representative if you decide this route suits you better. The table below shows the varying options available to you:

Introducer Appointed Representative	Appointed Representative	Limited Permissions Directly Authorised	Full Permissions Directly Authorised
No direct relationship with the FCA. The Principal applies for FCA approval for the business to become an IAR. Does not require an Approved Person	No direct relationship with the FCA. The Principal applies for FCA approval for the business to become an AR and to appoint an Approved Person	Must retain a regulatory business plan. Applies to the FCA for authorisation and deals directly with the FCA. Must adhere to the Approved Person regime and inform the FCA of all relevant changes to the business, its key personnel and owners	
Can't be directly fined or censured by the FCA		Can be directly censured by the FCA	
Do not report data to the FCA		Must periodically report data to the FCA	
Do not pay FCA fees but pay fees to the Principal		Annual Fees payable to the FCA	Pays fees to the FCA at a higher level than Limited Permissions
Minimal regulatory requirements. Do not require a compliance monitoring programme. The Principal is responsible for a compliant customer process being undertaken	The Principal takes responsibility for the conduct of the Representative and supplies the necessary systems, processes and compliance programmes to ensure they remain compliant.	Must have systems and controls in place to show they treat their customer fairly (TCF) and have a compliance monitoring programme. Management Information must be available to enable an analysis of sales, TCF and complaints data. Must have an understanding of the Consumer Credit Sourcebook	
Can carry out non real time financial promotions, make an introduction to the Principal and receive commission but can't discuss individual finance details with the customer	Can act in the same way as a directly authorised business; advising customers, completing finance proposals, advertising finance and receiving commission	Able to handle all finance processes and promotions. Can't be directly authorised for other regulatory activities	Able to handle all finance processes and promotions. CAN be directly authorised for other regulatory activities

How Can Product Partnerships help:

- ✓ We can appoint dealers as Introducer Appointed Representatives or Appointed Representatives
- ✓ We can work with directly authorised businesses to ensure they remain compliant
- ✓ Our online systems cover compliant Sales and Complaints processes, Training Programmes and Compliance Task Management so you know what to do and when.

Our programmes can be tailored to suit your needs either through remote support or regular visits to your business to ensure all your compliance tasks are being properly completed.

It's important to act now so call or email and we will get straight back to you.