



## Checklist for Brokers- Complying with the Consumer Duty

### Factsheet – July 2023

#### Introduction

As a valued member of the BVRLA, we are committed to helping you maintain high standards of conduct and compliance with the Financial Conduct Authority (FCA) regulations. Considering the upcoming FCA Consumer Duty deadline, we have prepared a checklist to guide you in ensuring your leasing brokerage is prepared for the FCA's Consumer Duty requirements.

#### Purpose

From the 31<sup>st</sup> July 2023 the Consumer Duty rules are live for open products and services. This checklist covers ten essential areas, to help you check your readiness to meet this deadline.

#### Using this document

We encourage you to review the checklist and take the necessary steps to ensure that your leasing brokerage is FCA Consumer Duty compliant by the deadline. In addition, we have also provided a table with corresponding action items, descriptions, and methodologies to help you better understand the requirements and implement them effectively.

Should you have any questions or need assistance in meeting the FCA Consumer Duty requirements, please do not hesitate to reach out to us. Our team is here to support you and ensure that you continue to provide excellent service to your customers while complying with regulatory standards.

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Document prepared by Head of Compliance & Governance, Harry Madan.



## Consumer Duty for Brokers Checklist

1. Have you created and deployed your implementation plan, assigned responsibilities to your Consumer Duty champion and updated your Board or management structures (keeping appropriate records) in time to meet the Consumer Duty deadline?
2. Have you familiarised yourself with the FCA Consumer Duty principles and guidance relevant to leasing brokers?
3. Have you assessed and updated your policies and procedures to ensure they align with FCA Consumer Duty principles and promote good customer outcomes?
4. Have you developed and implemented a comprehensive training program covering FCA Consumer Duty principles for all relevant staff, including sales, customer service, and management personnel?
5. Have you reviewed and updated your marketing and promotional materials to ensure compliance with FCA Consumer Duty requirements for clarity, fairness, and balance?
6. Have you reviewed and updated your customer agreements and contracts to ensure they are clear, fair, transparent, and comply with FCA Consumer Duty principles?
7. Have you implemented an effective and compliant process for handling customer complaints in line with FCA guidelines?
8. Have you assessed and updated your record-keeping and reporting processes (including Management Information) to ensure they are accurate, up-to-date, and comply with FCA requirements?
9. Are you conducting regular internal compliance audits to assess adherence to FCA Consumer Duty principles and identify areas for improvement?
10. Have you ensured that you have received all the required information from the lender(s) regarding target market assessment results, allowing you to:
  - i. Understand the characteristics of the product or service;
  - ii. Identify the target market;
  - iii. Understand the needs of customers with characteristics of vulnerability;
  - iv. Identify the intended distribution strategy and how the product will be distributed in the target market?

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## Information and guidance sheet supporting the Checklist.

Question	Action Required	Description	Methodology
1. Have you created and deployed your implementation plan, assigned responsibilities to your Consumer Duty champion and updated your Board or management structures (keeping appropriate records) ready to meet the Consumer Duty deadline?	Create an Implementation Plan and assign a Consumer Duty Champion.	Develop a plan and timeline to become FCA Consumer Duty compliant by the deadline.	Set milestones, assign responsibilities, monitor progress, and make adjustments as needed to ensure compliance by the deadline.
2. Have you familiarised yourself with the FCA Consumer Duty principles and guidance relevant to leasing brokers?	Understand FCA Consumer Duty Requirements	Gain knowledge of the FCA Consumer Duty principles and guidelines relevant to leasing brokers.	Review FCA publications, attend industry seminars or workshops, and consult with compliance experts.
3. Have you assessed and updated your policies and procedures to ensure they align with FCA Consumer Duty principles and promote good customer outcomes?	Review and Update Policies and Procedures	Ensure existing policies and procedures align with FCA Consumer Duty principles and promote customers' best interests.	Identify gaps in current policies and procedures, update them accordingly, and obtain management approval.
4. Have you developed and implemented a comprehensive training program covering FCA Consumer Duty principles for all relevant staff, including sales, customer service, and management personnel?	Train Staff on Consumer Duty Principles	Educate all relevant staff on FCA Consumer Duty principles, their application in daily operations and ensure all staff have signed a contract addendum.	Develop a training program, schedule sessions for all relevant staff, and maintain records of completed trainings.
5. Have you reviewed and updated your marketing and promotional materials to ensure compliance with FCA Consumer Duty requirements for clarity, fairness, and balance?	Review and Update Marketing Materials	Ensure marketing and promotional materials comply with FCA Consumer Duty requirements for clarity, fairness, and balance.	Assess current materials, revise or create new materials as needed, and implement a review process for future materials.
6. Have you reviewed and updated your customer agreements and contracts to	Review and Update Customer Agreements	Ensure customer agreements and contracts are clear,	Review existing agreements, update terms and conditions as

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ensure they are clear, fair, transparent, and comply with FCA Consumer Duty principles?		fair, and transparent and comply with FCA Consumer Duty principles.	needed, and implement a review process for future agreements.
7. Have you implemented an effective and compliant process for handling customer complaints in line with FCA guidelines?	Implement Effective Complaints Handling	Establish a compliant and efficient process for handling customer complaints.	Review current procedures, update as necessary to align with FCA guidelines, and train staff on the updated process.
8. Have you assessed and updated your record-keeping and reporting processes (including Management Information) to ensure they are accurate, up-to-date, and comply with FCA requirements?	Maintain Accurate Record-Keeping	Ensure accurate and up-to-date record-keeping and reporting in line with FCA requirements.	Assess current record-keeping systems, implement improvements as needed, and establish reporting processes for FCA compliance.
9. Are you conducting regular internal compliance audits to assess adherence to FCA Consumer Duty principles and identify areas for improvement?	Conduct Internal Compliance Audits	Regularly assess adherence to FCA Consumer Duty principles and identify areas for improvement.	Develop an audit plan, schedule audits, address identified concerns, and use audit results to continuously improve compliance efforts.
10. Have you ensured that you have received all the required information from the manufacturer (lender) regarding target market assessment results, allowing you to: <ul style="list-style-type: none"> <li>• Understand the characteristics of the product or service;</li> <li>• Identify the target market;</li> <li>• Understand the needs of customers with characteristics of vulnerability;</li> <li>• Identify the intended distribution strategy and how the product will be distributed in the target market?</li> </ul>	Obtain Necessary Information from Manufacturer (Lender)	Ensure you have all the required information from the manufacturer (lender) regarding target market assessment results to provide compliant leasing information to customers.	Establish communication channels with the manufacturer (lender), request essential information such as target market assessment results, and implement processes for maintaining up-to-date records.

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## Further Information

Further guidance on Consumer Duty can be found on the BVRLA's [Consumer Duty Resource Page](#).

The FCA Consumer Duty guidance can be found here: [Consumer Duty | FCA](#)

All members should ensure that they have read and understood the following guidance from the FCA:

[FG22/5: Final non-Handbook Guidance for firms on the Consumer Duty \(fca.org.uk\)](#)

[PS22/9: A new Consumer Duty \(fca.org.uk\)](#)

## Contact

Please refer any further questions to:

[consumerduty@bvrla.co.uk](mailto:consumerduty@bvrla.co.uk)

01494 434 747

Version	Owner	Date
1.0	BVRLA Compliance Team	24/07/2023

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