

A1 Carriages Car Sales Ltd

Consumer Credit Policies and Procedures

Manual

Background

A1 Carriages Car Sales Ltd

A1 Carriages Car Sales Ltd of dealership is a Financial Conduct Authority (FCA) registered firm under firm reference number 653869. Our regulatory permissions include:

- Credit broking
- Debt adjusting
- Debt-counselling

From 1st April 2013, any business engaging in Consumer Credit activity had to be regulated by the Financial Conduct Authority (FCA).

Consumer Credit activity is not limited to sales and includes other areas such as debt adjusting and debt counselling. There are therefore a number of employees within our business that will be subject to the FCA rules and regulations.

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Consumer Duty Policy

Policy Overview

The Duty is made up of an overarching principle and new rules firms will have to follow. It will mean that consumers should receive communications they can understand, products and services that meet their needs and offer fair value, and they get the customer support they need, when they need it.

The Duty applies to all regulated firms and therefore includes A1 Carriages Car Sales Ltd

The FCA's aim being to introduce new rules that replace the previous TCF (Treating Customers fairly) outcomes with a set of new rules, namely:

- A new Consumer Principle that requires firms to act to deliver good outcomes for retail customers.
- Cross-cutting rules providing greater clarity on our expectations under the new Principle and helping firms interpret the four outcomes.
- Rules relating to the four outcomes we want to see under the Consumer Duty. These represent key elements of the firm-consumer relationship which are instrumental in helping to drive good outcomes for customers.

These outcomes relate to:

- Products and services
- price and value
- consumer understanding
- Consumer support

How the Duty links to the FCA objectives

- **Consumer protection:** The Duty sets a higher, clearer standard by requiring firms to ensure their products and services are fit for purpose and offer fair value, and to help consumers make effective choices or act in their interests. By focusing on outcomes, the Duty will help to ensure that the level of consumer protection is both appropriate for the environment in which consumers currently transact and for those in which they will transact in the future. The Duty also supports more agile and assertive supervision which should mean that firms focus on preventing harm before it arises and that, where harm does appear to occur, it is addressed more quickly and so ultimately reduced.
- **Effective competition in the interests of consumers:** The Duty will create a fairer and more consumer-focused playing field on which firms can compete and innovate in pursuit of good consumer outcomes. Competition can more effectively act in the interests of consumers where firms design products and services to meet consumer needs, and consumers are put in a position to make informed decisions and act in their interests. The international standing of the UK financial sector is based on high standards.

The final rules and guidance introduce a new Consumer Principle, which require firms “**to act to deliver good outcomes for retail customers**”. In recognition of the barriers many consumers face to pursuing their financial objectives, the FCA wants to see firms deliver a higher standard of customer care and protection, and to go further to equip consumers to make effective decisions in their interests.

A new Consumer Principle that requires firms to act to deliver good outcomes for retail customers.

Cross-cutting rules provides greater clarity on their expectations under the new Principle to help firms interpret the four outcomes (see below). The cross-cutting rules require firms to:

- act in good faith
 - avoid causing foreseeable harm
 - enable and support retail customers to pursue their financial objectives
- Rules relating to four outcomes. These represent key elements of the firm-consumer relationship which are instrumental in helping to drive These outcomes relate to:
- products and services
 - price and value
 - consumer understanding
 - consumer support

The rules require firms to consider the needs, characteristics and objectives of their customers – including those with characteristics of vulnerability – and how they behave, **at every stage of the customer journey**. As well as acting to deliver good customer outcomes, firms will need to understand and evidence whether those outcomes are being met.

The FCA are introducing a new consumer Principle: **A firm must act to deliver good outcomes to retail customers.**

These rules apply as of 31st July 2023.

The Duty applies to all regulated activity including general insurance and consumer credit sales, as well as claims handling and subscription services.



Consumer Principle

A firm must act to deliver good outcomes to retail clients

Cross cutting Rules

A firm must :

- Act in good faith towards retail customers
- Avoid foreseeable harm to retail customers
- Enable and support retail customer to pursue financial objectives

Four Outcomes

Key elements of the consumer relationship :

1. Products and services
2. Price and value
3. Consumer understanding
4. Consumer support

Who is Responsible for This?

The FCA expect that a Consumer Duty to be appointed at Board level as a result.

Mr Stephen Affleck will ensure we are able to evidence a culture embracing and applying the Consumer Duty across all staff and management levels.

A1 Carriages Car Sales Ltd have appointed Miss F Mutti as our Consumer Duty Champion.

“The primary role of the Board Consumer Duty Champion is to support the Chair and CEO in raising the Consumer Duty regularly in all relevant discussions and challenging the firm’s governing body/management on how it is embedding the Duty and focusing on consumer outcomes. “

How does this Affect Us?

The requirements for each key area are as follows:

| Outcome Rules | Requirements | Other Considerations |
|------------------------|--|--|
| Products and Services | <p>Staff must complete training which includes product knowledge and vulnerable customers assistance.</p> <p>A1 Carriages Car Sales Ltd have a process to support and record interactions with vulnerable customers and the mitigating actions taken to provide additional support.</p> <p>A1 Carriages Car Sales Ltd have systems that help support a robust customer journey by assessing and documenting a customers' Demands & Needs, their suitability, whilst providing all regulated documentation including, Initial Disclosure Document, Commission Disclosure, product comparisons and the customers rights.</p> | <p>A1 Carriages Car Sales Ltd will ensure that staff are provided with ongoing support and training both internally and via product providers to enhance knowledge and understanding of the products and services they offer.</p> <p>Any non-regulated Value-Added Products must comply with the Duty and support the desired outcomes? E.g., quality of sales literature and customer experience.</p> |
| Price and Value | <p>Products are reviewed and approved for distribution by the product manufacturer</p> <p>Remuneration structures are reviewed to ensure they meet FCA expectations.</p> | <p>Claims, Cancellations and complaints data should be reviewed regularly and where appropriate action plans implemented to remedy any issues that don't demonstrate</p> |
| Consumer Understanding | <p>Financial Promotions are reviewed and approved to ensure that they are clear, fair and not misleading.</p> <p>Financial Promotions Guide available.</p> <p>Cyclical website reviews are completed to ensure they meet FCA requirements.</p> | <p>Are all Individual communications fair, clear, and not misleading</p> <p>Do staff undergo appropriate training to enable them to explain products to customers in a way that helps them understand the products being offered</p> <p>Ensure that there is a robust financial promotions log and sign off process and that all staff are aware of the requirements.</p> |
| Consumer Support | <p>Robust complaints handling for all regulated complaints.</p> | <p>Ensure that staff have the knowledge and competence around post sales processes such as claims, cancellations and complaint handling.</p> <p>Claims, Cancellations and complaints data should be reviewed regularly and where appropriate action plans implemented to remedy any issues that don't demonstrate</p> |

Sales and Advice Process

A1 Carriages Car Sales Ltd may conduct transactions through a number of distribution channels including face to face, the telephone or web-based. The Consumer Duty will be considered across all sales channels.

An Advised Sale is where the firm give advice to a potential customer on the merits of them buying a specific regulated product, explaining how this meets their demands and needs and recommending its purchase. This will be specific, individual advice to the customer and should not be generic. This is in addition to all the relevant documentation, including the Initial Disclosure Document, Consumer Credit Information (CCI), Insurance Product Information Document (IPID) and full Policy Terms and Conditions, as applicable.

A Non-Advised Sale (the firm does not give advice) is where the firm provide information only to a potential customer leaving them to make a choice about how they wish to proceed and with no recommendation made.

In this situation, it is imperative that the customer is supplied with all the relevant documentation, including the Status Disclosure Document, Insurance Product Information Document (IPID) and full Policy Terms and Conditions to enable the customer to make an informed buying decision.

The following Consumer Duty Sales requirements apply to all:

- All sales and advice processes must be applied in a consistent and competent manner that complies with regulatory requirements such as being clear, fair and not misleading, informing customers of the firm's regulatory status and providing the customer with enough information for them to make an informed buying decision.
- All sales documentation (paper and electronic) must satisfy appropriate creation and retention standards.
- Management information must enable the effective oversight of sales and advice to customers to ensure compliance with regulatory requirements. For example; the number of complaints received, number of customer cancellations, and number of policies sold etc.
- Staff remuneration policies must not conflict with the overarching need to act in the interests of customers

To ensure compliance with this, A1 Carriages Car Sales Ltd provide a compliant platform on which to conduct sales. A1 Carriages Car Sales Ltd ensure that staff have sufficient knowledge to undertake the specific regulated activity competently.

After Sales Support

A1 Carriages Car Sales Ltd ensure after sales support delivers the required Consumer Duty outcomes, by:

- Ensuring customers are kept up to date with details of the business relationship with them. Ensuring that relationships with customers is underpinned with appropriate communications
- and contact to provide customers with access to relevant products, services and information.
- Ensuring that communications and contact with customers are appropriately targeted and are clear, fair and not misleading.
- Ensuring that customers are provided with the levels of service both promised to the customers and required by them as their needs dictate.

Complaints Handling

It is extremely important that all complaints about the sale of a regulated product are investigated fully. The Complaints handling policy provides further details on the process.

When dealing with complaints A1 Carriages Car Sales Ltd will:

- Make it clear for who they are acting for with reference to the Conflicts of Interests Policy. Ensure all communications are clear, fair and not misleading.
- Deliver standards of service consistent with the importance of complaints to customers.
- Ensure that staff are appropriately trained to equip them with the necessary skills to deal with complaints effectively.
- Ensure regulatory requirements are observed at all times. Gather appropriate management information to ensure adherence to the Consumer Duty and
- suitability of process and procedures are actioned, and processes improved where necessary.
-

Monitoring & Reporting

A1 Carriages Car Sales Ltd are responsible for maintaining compliance with the FCA Consumer Duty outcomes. To ensure this happens robust procedures are in place for the monitoring and the sign off, of financial promotions, websites and sales practises.

Management Information

A1 Carriages Car Sales Ltd collate Management Information including the number of regulated products sold and the number of complaints received. This is periodically reviewed and considered against the four Consumer Duty Outcomes.

Key Points to Remember

| Key Point | Notes |
|--|---|
| Mr Stephen Affleck is responsible for evidencing that a culture of achieving good Consumer Duty outcomes is embedded within A1 Carriages Car Sales Ltd | This should be across all staff and management levels . |
| There are four key areas where Consumer Duty outcomes should be demonstrated | <ol style="list-style-type: none">1. Products & Services2. Price & value3. Consumer understanding4. Consumer support |
| Products | A1 Carriages Car Sales Ltd review all of the regulated products that we sell to ensure they are suitable for our customer base and meet the FCA requirements. |
| Marketing Material (financial promotions) | Marketing Materials must be clear, fair and not misleading. |
| Complaints Handling | All Complaints about the sale of a regulated products must be dealt with fairly and impartially. |
| Monitoring & Reporting | Training records must be kept up to date. |

Conduct Risk Policy

Policy Overview

Since the inception of the FCA (Financial Conduct Authority) in April 2013, their work has been underpinned by the concept of Conduct Risk. **Conduct Risk is the risk that firms' behaviours may result in poor outcomes for the consumer.**

The FCA have not given a standard definition of Conduct Risk because it is important for everyone to think about what conduct risk means to them and come up with their own definition. Conduct Risk comprises a wide variety of activities and types of behaviour, which fall outside the other main categories of risk, and is always focussed on risks to the delivery of fair customer outcomes.

This policy sets out guidance for A1 Carriages Car Sales Ltd to aid in the management of conduct risks within the business.

Who is Responsible?

It is the responsibility of Mr Stephen Affleck to ensure that all policies and procedures within this manual are followed throughout their business to evidence the effective management of conduct risks.

How does this Affect Us?

Conduct Risk relates to every part of a governance, risk and compliance framework. This could be:

- ensuring oversight and monitoring is in place for conduct risks managing conflicts of interest,
- including incentive schemes implementing a robust sales process building robust audit
- procedures

All A1 Carriages Car Sales Ltd staff must be aware of conduct risk, the reasons for conduct risks to manifest and the processes that are in place to manage and monitor such risks.

Conduct can also be defined as 'Behaviour' and A1 Carriages Car Sales Ltd therefore need to be aware of the risks posed to customers by poor staff conduct (behaviour). Conduct risks can manifest in all areas of our business, wherever the actions of an individual or a process can impact upon a consumer outcome.

The more obvious conduct risks, and those with potentially the greatest impact, are likely to arise during the sales process. We ask ourselves key questions about the conduct risks associated with the sales process:

Are sales staff incentivised to sell regulated products and is this incentivisation likely to lead to customers being disadvantaged in any way? e.g. sold products that customers are not eligible for just to meet targets and earn a bonus, or to qualify for a 'prize'.

1. Are sales staff pressurised into making sales of regulated products by any other means? e.g. league tables, individual sales figures communicated to all sales staff, sales manager targets, aggressive stance by management.
2. Are there any other conflicts which may make sales staff eager to make sales without appropriate consideration of the customer's needs or eligibility? e.g. relationship with finance provider, inappropriate gifts or hospitality, sales linked to additional benefits for the dealership.

3. Do sales staff always follow a compliant sales process? i.e. complete all sections of the process fully, obtain all relevant information and provide customers with all required information and documentation without being pressurised by time constraints, or system constraints?
4. A1 Carriages Car Sales Ltd will also be aware of conduct risks outside of the sales process, including, but not limited to:

Are the Board, and senior management, of A1 Carriages Car Sales Ltd setting the right 'tone' within the business?

1. Are all conflicts being managed appropriately?
2. Are staff competent in their roles, with appropriate evidence of recruitment, oversight, appraisal and on-going training?
3. Are customer complaints being recognised and handled appropriately at the initial point of contact and beyond?
4. Are the regulated finance products available appropriate for the customer base and do all sales staff fully understand them, including benefits, limitations, exclusions etc?
5. Are you able to produce accurate MI for senior management?

A1 Carriages Car Sales Ltd will be able to assess, manage and monitor our own conduct risks.

A1 Carriages Car Sales Ltd 'Conduct Risk' strategy considers the following:

- Assess conduct risk across the organisation – What risks could affect our business? i.e. Breaches of remuneration or customer trust
- Establish a conduct risk appetite that is signed off by the board – i.e. Is our firm's risk appetite Cautious where our firm has a preference for safe options that have a low degree of risk or is it Adventurous/Hungry where our firm is eager to be innovative which may incorporate a greater risk?
- Measure and monitor key conduct risks – Such as conducting staff appraisals and keeping training records up to date
- Review and Assess potential conduct risk outcomes – i.e. review possible risks to the business such as miss-selling and the impact this could have on the business. Monitor and effectively
- manage regulatory change – Such as putting procedures in place ready for the implementation date.
- Create policies and procedures which focus on conduct risk outcomes – Such as a risk management policy and procedures that should be followed if a risk is identified.
- Address prevention and detection of conflicts of interest – Provide staff training and create a conflicts of interest log.
- Evaluate and control sales incentive programs – i.e. Could any current sales incentives lead a sales agent to miss-selling policies in order to gain more sales? Do you have any controls in place to prevent this?
- Educate staff on product suitability issues and enable a risk aware approach – Such as staff training.
- Maintain strong anti-bribery, Money Laundering and Fraud prevention controls – Provide staff training, keep records of possible breaches and notify relevant authorities.

It is not just about achieving good customers outcomes, but about A1 Carriages Car Sales Ltd and all employees conducting themselves in a way that shows integrity and builds the public's trust in the market. Good conduct should be demonstrated in both the governance of a firm, as well as in the actions and decisions of all employees.

Within this material are all the necessary policies, procedures and tools to assist in the management and mitigation of conduct risks. All the Policies within this material are linked to conduct risk and should be adopted accordingly.

Monitoring & Reporting

A1 Carriages Car Sales Ltd are responsible for identifying, managing and mitigating conduct risks.

Management Information

Mr Stephen Affleck will monitor aspects of Conduct Risk on behalf of A1 Carriages Car Sales Ltd via agreed risk controls deemed appropriate.

Key Points to Remember

| Key Point | Notes |
|---|---|
| What is Conduct Risk? | Conduct Risk is the risk that firms' behaviours may result in poor outcomes for the consumer. |
| Conduct Risk relates to every part of a governance, risk and compliance framework | This could be: ensuring oversight and monitoring is in place for conduct risks; managing conflicts of interest, including incentive schemes; implementing a robust sales process; or building robust audit procedures |

FCA Principles for Business Policy

Policy Overview

The Financial Conduct Authority (FCA) expects firms to conduct their business within the rules and Principles for Business they have put in place. There are 11 Principles.

A1 Carriages Car Sales Ltd will ensure that these 11 Principles, along with the 4 Consumer Duty outcomes, are central to everything we do.

This policy sets out the FCA 11 Principles for Business and explains how to adhere to them.

Who is Responsible for This?

It is the responsibility of the Mr Stephen Affleck to ensure that our firm fully adheres to these Principles and is therefore able to demonstrate compliance with the principles.

How does this Affect Us?

11 FCA Principles for Business

The 11 FCA Principles for Business and how A1 Carriages Car Sales Ltd adheres to them are set out below:

1. **Integrity:** 'A Firm must conduct its business with integrity'.

Ensure we are able to demonstrate the business is based on honesty, trustworthiness and sound business dealings.

This is demonstrated by documented sales practices, such as the provision of an Initial Disclosure Document (IDD), the completion of a Demands & Needs documents etc.

2. **Skill, Care & Diligence:** 'A Firm must conduct its business with due skill, care and diligence'.

Ensure that we are able to show that our business activities are structured in such a way that care and diligence are exercised on a continual basis.

This is demonstrated through the provision of the training ensuring that every member of staff is competent to perform their role within the firm.

3. **Management & Control:** 'A Firm must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems'.

These include training enabling us to demonstrate that all staff undertaking a regulated activity are competent to carry out that activity as well as the correct use a compliant sales platform.

4. **Financial Prudence:** 'A Firm must maintain adequate financial resources.'

It is our firms responsibility to ensure that it shall remain solvent as assessed in accordance with the Regulations and throughout the term of our authorisation with the FCA.

5. Market Conduct: 'A Firm must observe proper standards of market conduct'.

A1 Carriages Car Sales Ltd must conduct business affairs in a manner that is regarded as 'proper conduct' as expected of you by the FCA.

For example, A1 Carriages Car Sales Ltd, have an Approved Person who meets the FCA's criteria.

6. Customers' Interests: 'A Firm must pay due regard to the interests of its customers and treat them fairly'.

All customers must be placed at the centre of everything A1 Carriages Car Sales Ltd do.

This Principle can be met by issuing customers with appropriate IDD/SCCI documents, undertaking Demands and Needs assessments (where appropriate) and by following authorised procedures when selling a regulated product to a customer.

7. Client Communication: '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'.

A1 Carriages Car Sales Ltd note that this Principle applies to all communication with customers, including information given/provided before, during and after point of sale. In particular firms must take care to ensure that they identify and appropriately deal with vulnerable customers.

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'.

All Conflicts of Interest should be identified and managed in line with the Conflicts of Interest policy. Examples of a Conflict of Interest would be if a member of staff was placing large amounts of business to a product provider because they previously worked at the provider and still had friends there. This would have to be reported to senior management, in line with the Conflicts of Interest Policy immediately. Further information regarding conflicts of interest can be found in the Conflicts of Interest Policy in this manual.

9. 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 judgement'.

The suitability of advice and any other recommendations made by A1 Carriages Car Sales Ltd forms a key part of the regulatory regime. Therefore, the sales process and supporting documentation are of extreme importance. Staff must always ensure that it is completed diligently on every occasion and used to examine (amongst other things) customer eligibility, other existing products, and any major exclusions and benefits.

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

A1 Carriages Car Sales Ltd do not handle client assets (money) in relation to credit.

11. Relations with Regulators: 'A firm must deal with its regulators in an open and cooperative way and must disclose to the FCA appropriately anything relating to the firm of which the FCA would reasonably expect notice'.

A1 Carriages Car Sales Ltd will comply with any requests from FCA and engage in an honest and transparent manner.

Monitoring & Reporting

As a directly authorised firm it is our responsibility to ensure timely submission of FCA data requests including regulatory returns required via the FCA's Reg-Data.

Management Information

A1 Carriages Car Sales Ltd keep our own records, reviewing them periodically to ensure that compliance is maintained.

Key Points to Remember

| Key Point | Notes |
|--|---|
| All regulated firms are required by the FCA to act within the rules and Principles for Business. | This includes the activities undertaken by A1 Carriages Car Sales Ltd |
| A1 Carriages Car Sales Ltd must remain financially solvent. | This is our firms responsibility and must be confirmed to the FCA via regulatory reporting. |
| Customers must be placed at the centre of everything A1 Carriages Car Sales Ltd do. | This can be adhered to by following authorised procedures when selling a regulated product to a customer. |
| All communication with a customer should be presented in a way that is clear, fair and not misleading. | All financial promotions and Marketing Material and sales documentation must be authorised before being used. |
| Conflicts of Interest should be managed fairly. | Where any Conflicts of Interest occur, these should be managed appropriately. |
| You should not hold 'Client Money' Unless authorised to do so. | A1 Carriages Car Sales Ltd are aware of the limits of our regulatory permissions when dealing with product providers and consumers alike. |
| must co-operate fully if the FCA requests information from us. | This is a requirement of being directly authorised by the FCA. |

Sales Practices Policy

Policy Overview

The FCA have strict rules that govern selling practices for all types of financial services and products. All sales staff should be aware of how the rules set out by the FCA governs their sales processes and the requirements imposed upon them.

Of the FCA's 11 Principles for Businesses, Principles 6, 7 and 9 are the most relevant to Selling Practices:

6. A firm must pay due regard to the interests of its customers and treat them fairly.
7. 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.
9. A firm must take reasonable care to ensure the suitability of its advises and discretionary decisions for any customer who is entitled to rely upon its judgement. The Consumer Credit Sourcebook (CONC) within the FCA Handbook outlines the requirements for the selling of Consumer Credit products. Its overall aim is to ensure that customers are treated fairly by providing them with clear and fair information when they are sold a regulated product.

To summarise, CONC provides a framework of rules to ensure that firms, including A1 Carriages Car Sales Ltd:

- communicate with all customers in a way that is clear, fair and not misleading ensure that their
- customers understand who they are dealing with and what level of service they will be provided with
- take reasonable care to ensure the suitability of any advice given ensure that their
- customers fully understand what they are buying; and set professional business
- standards which they adhere to.

This document outlines the regulatory requirements with regard to undertaking regulated consumer credit activities. It provides guidance on what is incorporated into face to face and telephone sales processes in order to ensure sales are made in a compliant manner and that customer detriment is avoided. Consideration of the FCA's consumer duty outcomes must be made at all points of the customer journey.

Who is Responsible?

It is the responsibility of Mr Stephen Affleck to oversee this process and ensure that all employees are aware of their responsibilities.

How does this Affect Us?

This process applies to all sales staff.

Customer Types

A customer is defined as anyone who is a borrower or a prospective borrower. Essentially there are three types of customers:

- A commercial customer
- A retail consumer
- A mixed-use customer

Commercial Customer

The FCA defines a commercial customer as someone (or a company) who are acting within their trade or profession. For example:

- A partnership;
- Limited Liability partnership;
- PLC;
- Ltd company; or
- Mr/Ms Jones, trading as...
- Mr/Ms Jones, a farmer, leasing an agricultural vehicle.

The key here is that the customer must be purchasing the regulated product in relation to their trade or profession. For example, an Area Salesman looking to lease a car through their business would be deemed to be a commercial customer. However, a private person looking to obtain a vehicle through a Hire Purchase agreement, would be classed as a retail consumer.

Customer types should not be confused with product types e.g. commercial customers and commercial products are not the same thing.

Retail Consumer

The FCA defines a retail consumer as any natural person e.g. Relevant Pronoun - Mr, Miss, Ms, Lord etc. who is acting for purposes outside their trade, business or profession e.g. Mr Smith buying a car on a Hire Purchase Agreement.

Mixed Use Customer

Customers who act in the capacity of both a consumer and commercial customer are known as “mixed use customers”.

They are usually small traders and can be treated as a commercial customer UNLESS it is not clear in which capacity they are acting.

The Sales Process

The sales process described below, and the requirements imposed apply to all sales of regulated finance products.

There are essentially four broad regulatory stages to the sales process:

- Step 1 Status Disclosure
- Step 2 Assessment of Demands & Needs and Eligibility
- Step 3 Disclosure of Material Facts - SCCI
- Step 4 Arrangement of Finance

The specific requirements that need to be followed under each of the headings above are discussed in more detail below.

The sales process that needs to be followed applies to all customers, regardless of whether they are a commercial customer, a retail consumer or a mixed-use customer.

It is essential that all staff of A1 Carriages Car Sales Ltd are aware of what they can and can't say when selling regulated products on behalf of the business.

Step 1: Status (Initial) Disclosure and Scope of Service

In line with the FCA's regulatory requirements, A1 Carriages Car Sales Ltd are required to include regulatory disclosures on websites, financial promotions and other documentation provided to customers in relation to the arrangement of a regulated finance product.

These disclosures may vary and will be contained within our sales process.

In line with CONC 4.2.5, all customers must be provided with an Initial Disclosure Document (IDD).

The IDD contains the following information:

1. The name of A1 Carriages Car Sales Ltd, Crayford Road, Crayford, Kent DA1 4AW
2. That we are authorised and regulated by the FCA and that the customer can check this on the FCA register.
3. The scope of the service we provide (i.e. whether the customer will receive advice).
4. Whose products we offer, i.e. does the firm only deal with one finance provider or will products/service from a range of finance providers be offered?
5. Whether the customer will have to pay a fee for the services offered.
6. That the customers data will be provided to third party finance providers, including details of which providers, for the sole purpose of obtaining finance.
7. The process for making a complaint and the availability of the Financial Ombudsman Service.

There may be instances when a finance arrangement may be started as a telesales, but concluded face-to-face, e.g. where the customer lives a long distance away and requires conditional approval for finance before the vehicle is ordered.

For finance arrangements initiated over the telephone, there are two possible scenarios that can be followed, depending on whether the customer agrees to receive limited information.

If the customer agrees to receive limited information verbally the information that must be provided is:

1. The name of the sales agent, A1 Carriages Car Sales Ltd and the purpose of the call.
2. Details about the service that can be provided by us, i.e. we are credit broker.
3. Whether the customer will have to pay a fee for the services offered.
4. The possibility of other fees that may be payable.
5. Details on the cancellation rights and right to withdraw.
6. That other information is available on request.

If the customer does not agree to receive limited information, the full information as set out in the IDD, must be provided verbally to the customer.

Initial Disclosure Document Status Disclosure

It is important that you read this document carefully before purchasing any regulated products.

A1 Carriages Car Sales Ltd
address: Crayford Road, Crayford,
Kent DA14AW

A1 Carriages Car Sales Ltd is authorised and regulated by the Financial Conduct Authority (our registration number is 653869)

Permitted activities include acting as a credit broker not a lender.

Finance

We are a credit broker and not a lender. We can introduce you to a limited number of lenders and their finance products, we act as their agent for this introduction. We are not an independent financial advisor; we will provide details of products available. We may advise you on the products, subject to your personal circumstances, though you are not obliged to take our advice or recommendation.

We do not charge you a fee for our services. we will typically receive commission from whichever lender we introduce you to (either a fixed fee or a fixed percentage of the amount you borrow).

Acting as a credit broker we can introduce you to a selected group of lenders / brokers (see below) who may be able to help you finance your purchase. This group of lenders / brokers provides us with a range of products which may be suitable for your purchase. We will explain the key features of those products to you.

- MotoNovo Finance – Blue Motor Finance – V12 Finance – Zuto Finance – Car Finance 24/7 along with others

Unless we consider it to be inappropriate given your personal circumstances, for certain vehicles e.g. New, our approach is to introduce you to the lender who are usually able to offer the best available package for you, taking into account interest rates, residual valuations (where applicable) and other contributions. If they are unable to make you an offer of finance, or the vehicle is not one that we would normally place with them we will introduce you to other lenders on our panel. The lender we introduce you to and available rates will depend upon a number of factors including: the vehicle, your personal circumstances and the likelihood of a lender to accept an application based on information provided.

Lenders typically pay a commission to us for introducing you to them, calculated by reference to the vehicle model or amount you borrow. Different lenders may pay different commissions for such introductions; some lenders may also provide preferential rates to us for the funding of our vehicle stock and also provide financial support for our training and marketing. But any such amounts they and other lenders pay us will not affect the amounts you pay under your finance agreement, all of which are set by the lender concerned. If you would like to know the amount of any remuneration we have received from the finance provider, please ask us.

All finance applications are subject to status, terms and conditions apply, UK residents only, 18s or over, guarantees may be required.

Basis of our Service

We have taken steps to ensure that if, in the course of advising you, we make a recommendation; such recommendation will be suitable for your demands and needs at the time the recommendation is made. In assessing your demands and needs we may seek such information about your personal circumstances and objectives as might be relevant in order to enable us to identify your requirements. It is important that you provide us with accurate and relevant information.

Your Protection

We always aim to provide a first-class service, however if you have any cause for complaint any enquiry can be raised by either email, in writing or by telephoning A1 Carriages Car Sales Ltd, sales@a1carriages.co.uk 01322 281525. Should you remain dissatisfied you may have the right to ask the Financial Ombudsman Service to review your case. You should write to the Financial Ombudsman Service, Exchange Tower, London, E149SR. Telephone 0800 023 4567 or 0300 123 9123. Web address: www.financialombudsman.org.uk.

Details of A1 Carriages Car Sales Ltd authorisation can be confirmed by contacting the FCA on 0800 111 6768 or by visiting the FCA's website <http://www.fca.org.uk/register>.

As an organisation we are committed to providing good consumer outcomes, before, during and after a sale.

Before the sale you can expect:

- To have any significant and unusual exclusions or exceptions to the policy brought to your attention.
- A clear statement of price, including where applicable a breakdown of any interest charges.
- Details of your cancellation rights and our complaints procedure.
- Copies of your documentation or information as to when these documents will be dispatched.

After the sale you can expect: Not to encounter any barriers to cancelling your policy within regulatory agreed time frames.

To have any complaint dealt with in a timely and professional manner.

If at any time you feel you have not been treated fairly by any member of our staff please contact us at the address or telephone number above.

Under distance marketing rules you have a 14-day period in which to cancel the purchase (cooling off period) of the vehicle. If you are obtaining the vehicle on finance this cooling off period does not apply. Full detail will be provided by the finance company within their pre-contractual information.

Confidentiality and Data Protection

Your information will only be disclosed/provided to third parties for the purposes of providing, arranging, administering and renewing finance and insurance contract(s) and for the purposes of monitoring and/or enforcing compliance with regulatory rules/codes. For full details of where your information will be sent and the purposes of such data transfer, please ask us.

Your information will be retained for a period of up to twelve years. During this time you have the right to obtain details of the information held and how it has been processed.

If you would like to exercise any of these rights or have any concerns with how we are processing your data then please contact the Data Protection Officer at A1 Carriages Car Sales Ltd, sales@a1carriages.co.uk 01322 281525. If we are unable to resolve your concerns then you have the right to refer the matter to the Information Commissioner's Office. Further details about your rights and how to lodge a complaint can be found on the Information Commissioner's Office website (www.ico.org.uk/for-the-public).

I confirm the following. I have been given adequate time to read the Initial Disclosure Document. I have no known vulnerabilities. I am aware and have been advised there are various options for obtaining finance. A1 Carriages may receive a commission for setting up finance. My demands and needs have been met. I feel I have been treated fairly.

Print Name _____ Signature _____ Date _____

VAT Registration No: 467 5507 19 Company Reg No. 4910409 Registered Office: Riddington & Riddington The Old Barn off Wood Street, Swanley Village, Kent BR8 7PA

Step 2: Assessment of Demands & Needs and Eligibility

The golden rule is that the customer must be provided with sufficient information about what any finance product will and will not do, to be able to make an informed decision about whether that product is right for them.

In relation to consumer credit transaction, it is unacceptable to:

1. offer any incentive for the customer to enter any regulated agreement quickly or immediately.
2. encourage the customer to consolidate other debts where A1 Carriages Car Sales Ltd ought to know that is not in the customer's best interest. For example, A1 Carriages Car Sales Ltd should not encourage the consolidation of negative equity where it could be more beneficial for a customer to exercise their Voluntary Termination rights.

Eligibility

Our sales process confirms a customer's eligibility to enter into a regulated contract. However, common sense checks should be undertaken to see whether the customer would be unable to enter into the agreement. For example, if the consumer declared low affordability would a high-rate finance agreement be appropriate?

Misrepresentation

The finance provider will use the information provided by the customer to assess the risks of providing the product and to determine whether or not to accept the customer. It is therefore imperative that the customer is made aware of this and the consequences of not disclosing all relevant information. Customers must therefore be made aware of the consequences of non-disclosure as part of the sales process.

Affordability for Consumer Credit

Lenders are required to establish affordability for all regulated products. However, A1 Carriages Car Sales Ltd, as brokers, have a responsibility to take into consideration any information that we are aware of, or ought reasonably to be aware of, when assessing the appropriateness of arranging a finance product. Where this relates to consumer credit additional considerations apply:

- Consider any existing or future financial agreements the consumer may have
- Consider any future change in circumstances of the consumer e.g. redundancy, maternity leave etc
- The customer's credit history
- The vulnerability of the consumer
- That repayments are sustainable without undue difficulties
-

In establishing affordability lenders may require A1 Carriages Car Sales Ltd to obtain evidence of affordability by the consumer.

Assessment of Demands and Needs

In arranging finance, A1 Carriages Car Sales Ltd provide a customer with information on products which meet their needs. Questions assess:

- whether the purchase is for a commercial vehicle details of
- any part exchange (including negative equity) how frequently
- the customer changes vehicles
- whether the customer would like to defer a large amount of the loan until the end of the finance agreement
- Answers provided by the customer are used to identify the most suitable product(s) for their needs.

Where customers decide that the identified finance product is not appropriate, the sales executive should determine the reasons for this and document changes accordingly. For example, they may decide that, on consideration, they do want to defer a large amount of the loan until the end of the agreement.

The finance product must then be agreed by the customer before proceeding with the sale. Sales Executives must not change the product without providing the customer with a suitability document which demonstrates that the new product meets their demands and needs.

Step 3: Disclosure of Material Facts

As part of the sales process customers must be provided with sufficient and appropriate information about the product to allow them to make an informed decision.

As a minimum they should be provided with the following information:

- Additional status disclosure
- The name of the provider
- The type of product
- The cost of any optional extras
- Duration of the agreement
- Payments – initial, final and monthly
- APR
- Any additional fees, e.g. option to purchase fee or acceptance fee
- Consent to provide information to finance providers
- How to make a complaint

Customers must be given sufficient time to understand the documentation and make an informed decision before agreeing to proceed.

Step 4: Arrangement of Finance

Once the customer has agreed the documentation provided, then the customers details should be provided to the recommended finance provider for them to make an assessment of the application. Note that the finance provider may require additional information, including income and outgoings, in order to make a full assessment and provide a decision.

Should the application be successful, then sales agents should proceed with concluding the sale and providing the post-sale information detailed below. If the application is rejected, then sales agents can submit an application to another provider. However, sales agents should identify the reason for the rejection and attempt to select a provider who will be appropriate for the customer's circumstances. Sales agents should not just keep making applications as these will be recorded on the customer's credit record, thus reducing their credit rating.

Provision of Post-Sale Information

Following conclusion of the sale the customer should be provided with:

- Confirmation of the product, including a breakdown of the total amount paid
- Details of the product provided
- Full product wording containing all the terms and conditions
- Details on how to end the agreement early, including right to withdraw and voluntary termination rights (if applicable)
- Details on how to complain and the right to refer complaints to the Financial Ombudsman Service (FOS)
- A Copy of the agreement, however this copy does not have to be signed by the customer

Right to Withdraw

For a credit agreement there is no right to cancel unless it is a true distance contract, or the finance provider has failed to adhere to the terms of the agreement (CONC 11.1.2). However, there is a right to withdraw, without penalty, within 14 days with full repayment made within 30 days. These rights will be detailed in their finance agreement.

Vulnerable Customers

Policy overview

A lot of the customer legislation is underpinned by the notion of an average/typical customer and what the typical customer might expect, understand or how they might behave. Customers in vulnerable circumstances may be significantly less able to represent their own interests, and more likely to suffer harm than the average customer.

FCA Definition: A vulnerable consumer (customer) is someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care.

Examples of a detriment:

- Emotional - stress, embarrassment, anxiety
- Financial
- Loss of trust in firms
- Reduced ability to obtain redress
- Wasted time resolving issues

Vulnerable customers can be identified in many different ways. It may be a sudden change in circumstances, loss of job, bereavement, or it could be long standing vulnerability such as an illness.

Often it is a combination of factors that will particularly affect a vulnerable customer. It must be remembered that the customer may not identify themselves as vulnerable.

An example of some types of vulnerable customer are;

- Low literacy, numeracy and financial capability skills
- Physical disability
- Severe or long-term illness
- Mental health problems
- Low income and /or debt
- Caring responsibilities
- Elderly
- Inexperienced – young
- Change in circumstances – job loss, bereavement, divorce
- Lack of English skills

Non-standard requirements – e.g. armed forces returning home, ex-offenders, recent immigrants.

Staff at A1 Carriages Car Sales Ltd are aware that customers may not be able to deal with their financial affairs alone, and therefore may opt to have a third party manage their affairs. This may be in the form of an authorisation or an arrangement such as Power of Attorney/ Lasting Power of Attorney. There should not be any unnecessary barriers for the customer if this is the case.

Process:

If a member of staff identifies a vulnerable customer; they should obtain management approval to continue the sale. It would be at this stage that the firm takes the appropriate steps to ensure that the customers' needs are addressed.

Below are some guidelines on how we deal with vulnerable customers:

Do

- Provide the customer with a clear and simple product presentation.
- Look out for signs that the customer does not understand your explanation.
- Use different types of explanations to help explain difficult concepts. Suggest the customer brings a relative, friend or other reliable source of support if they are struggling to understand.
- Refer to your manager if you are unsure how best to progress with a vulnerable customer concern.
- Ensure we understand the product terms and conditions thoroughly.

Don't

- Rush explanations.
- Ignore or "side-step" customer's questions.
- Make up an explanation if you don't understand it yourself. Pressure customers to sign an agreement.

Monitoring and Reporting

Monitoring is undertaken as per A1 Carriages Car Sales Ltd internal monitoring procedures.

Management Information

A1 Carriages Car Sales Ltd monitor data in regard to vulnerable customers and look for opportunities for improvement in conjunction with our Consumer Duty Champion, Mr Stephen Affleck.

Key Points to Remember

| Key Point | Notes |
|---|--|
| The policy applies to all staff who undertake regulated sales activity. | A1 Carriages Car Sales Ltd will ensure we are able to evidence a culture of good sales practices. |
| In line with the FCA's regulatory requirements, all authorised firms for consumer credit are required to include the following regulatory disclosure on websites, financial promotions and other documentation provided to customers in relation to the arrangement of a regulated finance product. | <p>A1 Carriages Car Sales Ltd is authorised and regulated by the Financial Conduct Authority (registration number is 926990). Permitted activities include acting as a credit broker not a lender.</p> <p>We can introduce you to a limited number of lenders and their finance products, we act as their agent for this introduction. We are not an independent financial advisor; we will provide details of products available. We may advise you on the products, subject to your personal circumstances, though you are not obliged to take our advice or recommendation. We do not charge you a fee for our services. we will typically receive commission from whichever lender we introduce you to (either a fixed fee or a fixed percentage of the amount you borrow). Unless we consider it to be inappropriate given your personal circumstances, for certain vehicles e.g. New, our approach is to introduce you to the lender who are usually able to offer the best available package for you, taking into account interest rates, residual valuations (where applicable) and other contributions. If they are unable to make you an offer of finance, or the vehicle is not one that we would normally place with them we will introduce you to other lenders on our panel. The lender we introduce you to and available rates will depend upon a number of factors including: the vehicle, your personal circumstances and the likelihood of a lender to accept an application based on information provided. Lenders typically pay a commission to us for introducing you to them, calculated by reference to the vehicle model or amount you borrow. Different lenders may pay different commissions for such introductions; some lenders may also provide preferential rates to us for the funding of our vehicle stock and also provide financial support for our training and marketing. But any such amounts they and other lenders pay us will not affect the amounts you pay under your finance agreement, all of which are set by the lender concerned. If you would like to know the amount of any remuneration we have received from the finance provider, please ask us.</p> |
| Sales process documentation must be completed when arranging finance | <p>This is used to confirm:</p> <p>whether the purchase is for a commercial vehicle details of any part exchange (including negative equity) how frequently the customer changes vehicles whether the customer would like to defer a large amount of the loan until the end of the finance agreement</p> |
| <p>The needs and circumstances of Vulnerable Customers should be given consideration during the sales process.</p> <p>If further guidance is required, the staff member should refer to their line manager.</p> | <p>FCA Definition of Vulnerable Customers;</p> <p>A Vulnerable Customer is someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care.</p> |

Complaint Handling Policy

Policy Overview

The Financial Conduct Authority (FCA) expects firms to conduct their business within the Principles for Business and Consumer Outcomes they have put in place.

The definition of a complaint is:

“Any expression of dissatisfaction, either oral or written, whether justified or not, from or on behalf of, a person, about the provision of, or failure to provide, a financial service.”

All A1 Carriages Car Sales Ltd staff are trained on the identification of a Complaint and our internal referral process following the receipt or identification of any such complaint.

Who is Responsible for This?

In the event that a customer wishes to complain or express dissatisfaction about a regulated product sold by A1 Carriages Car Sales Ltd, we ensure that all staff are familiar with the complaints process and understand how to handle such a situation.

How does this Affect Us?

In order to deal with complaints, we maintain a Complaints Management System.

All regulated complaints must be reported to the FCA whether or not the complainant appears to be justified in his/her actions and whether or not A1 Carriages Car Sales Ltd has resolved the complaint to the complainant's satisfaction within 3 working days.

Upon receipt of a complaint:

- Date stamp it and log it on the Complaint Management System.
- Assess if the complaint is for us or a third party, e.g. finance provider.

If the complaint is not for A1 Carriages Car Sales Ltd, the Complaint Handler will ensure it is passed to the correct business immediately, by use of the quickest method, e.g. scan and email to their nominated Complaint Handler.

Once the complaint has been logged and it has been established that the complaint is to be handled, we undertake a thorough review to ascertain if the complaint can be resolved within three working days.

If a complaint is resolved by the close of the third working day, and a Summary Resolution Communication (SRC) is sent, this will still need to be reported to the FCA via our Reg Data return. We will also need to include the current version of the FOS complaint leaflet available from the FOS website (<https://www.financial-ombudsman.org.uk/>).

Where the complaint is responded to by email the complainant must be made aware that a hard copy of the Ombudsman leaflet can be provided upon request.

An example of wording to use for the Summary resolution Communication is below:

Dear xxxxxxxx,

You recently brought an issue to our attention that would be defined as a complaint, which we are satisfied has now been resolved.

(Optional but advised ~ Provide a brief summary of the complaint and resolution)

If you become dissatisfied with this resolution, please contact Mr Stephen Affleck 01322 281525 to discuss further, so we can treat the issue formally.

You have the right to refer your complaint to the Financial Ombudsman Service, free of charge – but you must do so within six months of the date of this communication. If you do not refer your complaint in time, the Ombudsman will not have our permission to consider your complaint and so will only be able to do so in very limited circumstances. For example, if the Ombudsman believes that the delay was as a result of exceptional circumstances.

For more information, please read the enclosed guide '[Want to take your complaint further?](#)'. For further assistance, the Financial Ombudsman Service can be contacted at the following address:

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR

www.financialombudsman.org.uk

Tel: 0800 023 4567

Yours,

Mr/Mrs X XXXXXX

Investigating the complaint

Once a complaint has been received, we have 8 weeks/56 days to undertake a thorough investigation.

If after 8 weeks (56 days), the required information has still not been received from the complainant or third party, which would allow us to resolve the complaint, an 8-week holding letter must be issued to the customer. This will detail the exact information outstanding and explain the reasons why we are not able to respond without this information. We should also confirm when you expect to be able to issue a final response.

When a final response is issued (or at eight weeks if earlier) the response will include the complainants right to refer to the Financial Ombudsman within 6 months and include a copy of the FOS complainants leaflet. The same wording as per the above summary resolution communication may be used as a template. FOS rights must be provided at this stage.

However, within a final response a full explanation of the complaint, findings and outcome must be clearly stated in addition to the FOS rights.

Decision definitions:

A table of decision definitions is below:

| | |
|------------------|---|
| Upheld | Where we agree with all the issues being raised by the complainant and may recommend redress/compensation. |
| Partially Upheld | Where we agree that some of the issues being raised were y our fault and may recommend redress/compensation or an ex-gratia payment. |
| Rejected | Where we do not agree with the complainant, no payment of redress/compensation or an ex-gratia payment will be made. |

Once the decision has been made, a final response letter is drafted should be sent to the complainant. This letter will also provide the customer with details of how to contact the Financial Ombudsman Service and the applicable 6-month time limit, if they are not satisfied with this outcome.

On occasion we may wish to reject a compliant and offer an 'ex-gratia' payment. This may be for a long-standing loyal customer to help retain the relationship. Where this is applied it should be clear within the response that the payment is ex-gratia.

The Financial Ombudsman Service (FOS)

The FOS is an independent dispute resolution service available to eligible complainants. Complainants have 6 months from the date of a final response letter to take their complaint to the Ombudsman if they remain unhappy with the final decision. If the complainant exercises this right, the Ombudsman will contact you in order to obtain sufficient information to carry out their own investigation. The FOS will charge a fee for every complaint that it has to adjudicate upon, although you may be entitled to some free cases depending on their currently published funding methods.

The FOS will consider complaints from an eligible complainant, where a final response has been issued or where the complaint has been outstanding for a period of over 8 weeks. An eligible complainant can be classed as:

The current definition of "eligible complainant" is limited to:

- Consumers (defined as natural persons acting for purposes outside of their trade, business or profession);
- Micro-enterprises (defined as enterprises which: employ fewer than 50 persons or it has a balance sheet total of less than £5 million and has a turnover of less than £6.5 million
- Charities which have an annual income of less than £1 million; and
- Trustees of trusts which have a net asset value of less than £1 million.

If a customer takes a complaint to the FOS before complaining to A1 Carriages Car Sales Ltd, the FOS will refer the complaint back to be fully investigated. If the complaint is then resolved to the customer's satisfaction, they will have no further involvement in the case.

Monitoring & Reporting

A1 Carriages Car Sales Ltd maintain complaint records to ensure that all complaints are dealt with within the FOS 8-week timescale.

We also monitor the causes of complaints to ensure that any common causes are identified to help mitigate future complaints. One way of achieving this is through Root Case Analysis (RCA).

Complaints reporting forms part of the firms regulatory obligation reporting. Mr Stephen Affleck is responsible for A1 Carriages Car Sales Ltd adhering to this policy.

Management Information

Management information pertaining to the results of Complaint handling captures:

- The outcome and any redress paid
- The root cause of complaints and resultant action
- Any FOS referred complaints
- Any trends and resultant action

This will be periodically reviewed by senior management.

Key Points to Remember

| Key Point | Notes |
|---|--|
| All regulated complaints must be logged and actioned within the prescribed timescales | All staff should be able to identify a complaint and |
| All upheld complaints must have a 'root cause analysis' completed and resultant action documented | This is not only a DISP rule but taking appropriate action helps mitigate future complaints of the same nature |
| FOS outcomes are legally binding on both a) the firm and b) the complainant | FOS outcomes should be reviewed for any failings or further action required |

Remuneration Policy

Policy Overview

The Financial Conduct Authority (FCA) expects firms to conduct their business within the Principles for Business and Consumer Outcomes they have put in place.

The FCA also have specified rules which outline the requirement that a firm must take care to establish and maintain such systems and controls as are appropriate to its business.

A1 Carriages Car Sales Ltd manage staff remuneration, including incentives in such a way that any potential risk of mis-selling is reduced.

The FCA has published guidance in this area including good and bad practice.

This policy refers to that guidance to aid understanding of the requirements when considering how staff and management working in an FCA regulated environment at A1 Carriages Car Sales Ltd should be remunerated. It also details the risk mitigation actions that A1 Carriages Car Sales Ltd take.

Who is Responsible for This?

A1 Carriages Car Sales Ltd have robust procedures for the effective management of remuneration schemes. It is the responsibility of Mr Stephen Affleck to ensure that these procedures are followed throughout our business.

It is our responsibility to ensure that pay plans/staff bonus structures avoid any characteristics that could lead to customer detriment e.g. ladder or 'cliff edge' elements and contain compliance quality features, including but not limited to, 100% claw back for the compliance failure - failure to diligently load any sale into agreed systems or product provider platforms.

How does this Affect Us?

A1 Carriages Car Sales Ltd will not accept any secret profit, income or inducement from any Product Provider, which provides an incentive to promote or recommend any one product in preference to other products.

It is acceptable to incentivise our staff to sell, but this must never be at the customer's expense and the risks must be managed appropriately.

It is the responsibility of Mr Stephen Affleck to set and regularly review the remuneration and incentive scheme for their staff. When doing so management should take into consideration the failings highlighted by the FCA as detailed below:

- Firms failing to identify how incentive schemes might encourage staff to mis-sell, suggesting they had not sufficiently thought about the risks. E.g. where the firm offers competing products with different terms and one provides a greater commission to sales staff.
- Firms failing to understand their own incentive schemes because they are so complex, therefore making it harder to control them.
- Firms not having enough information about their incentive schemes to understand and manage the risks.
- Firms relying too much on routine monitoring, rather than taking account of the specific features of their incentive schemes.
- Sales managers with clear conflicts of interest that are not properly managed. Firms
- having links to sales quality built into their incentive schemes that were ineffective. Firms not doing enough to control the risk of miss selling in face-to-face situations.
- If the incentive schemes increase the risk of mis-selling
Review whether the governance and controls are adequate to ensure compliant sales
- Take action to address any inadequacies – this might involve changing the scheme
- Where risks cannot be mitigated, take action to change the scheme
- Consider the impact of performance management for scheme members
-

A1 Carriages Car Sales Ltd remuneration scheme is documented and available upon request.

A1 Carriages Car Sales Ltd Incentive Scheme includes the following:

- All staff that can potentially earn commission from regulated sales A quality
- (compliant) element e.g. number of complaints against a salesperson will affect their bonus
- Effective systems and controls to manage risks that may arise from the remuneration scheme.
- A static bonus payment per product sold with no ladders or volume-based measures. Consideration of customer cancellations e.g. commission is not available to sales staff
- where a customer cancels within the first 30 days
A capped (or decreasing) incentive i.e. reducing or capping bonus' when a sales volume is
- approached. This avoids the temptation to rush sales through

No scheme must contain significant remuneration boosts for achieving sales targets alone at given points in time. These are known as 'cliff edges' or 'precipices'.

Monitoring & Reporting

A1 Carriages Car Sales Ltd maintain records of all incentive schemes for all employees. Historic records are also retained.

Management Information

A1 Carriages Car Sales Ltd will ensure all staff have documented Key Performance Indicators (KPI's) which may be periodically reviewed to ensure there are no incentives to mis-sell as per the FCA guidance.

Key Points to Remember

| Key Point | Notes |
|--|---|
| Mr Stephen Affleck is responsible for the adherence to this policy. | This policy should be adhered to throughout the whole business. |
| A1 Carriages Car Sales Ltd staff remuneration must be documented and available upon request. | This document may be requested at audits undertaken or at any time the FCA require this information. |
| Mis-selling is a failure to deliver fair outcomes for customers. This can be caused by remuneration schemes that solely reward volumes of sales. | Fair outcomes for customers include; <ul style="list-style-type: none">• Customers are treated fairly• Customers understand the key features of the product• Customers are given advice that is clear fair and not misleading |
| A1 Carriages Car Sales Ltd remuneration policies must adhere to the FCA's Principles for Business & Consumer Outcomes. | Remuneration policies must consider the following; <ul style="list-style-type: none">• If the incentive schemes encourage misspelling Review whether the controls in place are adequate• Take action to address any inadequacies Where risks cannot be mitigated, take action to change the scheme•• |

Recruitment Policy

Policy Overview

The Financial Conduct Authority (FCA) expects firms to conduct their business within the Principles for Business and Consumer Outcomes they have put in place.

The FCA also have specified rules which outline the requirement that a firm must take care to establish and maintain such systems and controls as are appropriate to its business.

If the recruitment is for an Approved Person, then there is an additional requirement within the recruitment process. This requires the firm to satisfy the FCA that a candidate is fit and proper to perform the controlled function applied for.

A1 Carriages Car Sales Ltd perform adequate due diligence when recruiting new staff into our regulated environment.

Recruiting an inappropriate individual could lead to customer detriment and/or negative action against our firm which could lead to regulatory fines or penalties.

This policy sets out guidance to aid understanding of the FCA's requirements when recruiting in an FCA regulated environment. It is not intended to cover all Human Resource or Equal Opportunities obligations.

Who is Responsible for This?

A1 Carriages Car Sales Ltd has documented and implemented robust procedures for the effective recruitment of new staff. A1 Carriages Car Sales Ltd ensure that all staff, recruited to undertake a regulated activity (i.e. carry out regulated sales), are competent to carry out their role or properly supervised whilst attaining that competence. Mr Stephen Affleck has overall responsibility for this.

How does this Affect Us?

If the recruitment is for an SM & CR Approved Person i.e. someone who carries out one of the below defined FCA controlled functions, then additional fitness and propriety requirements apply.

| Type | SMF | Description of FCA controlled function |
|---------------------------------------|---------|---|
| <u>FCA governing functions</u> | SMF 1 | <u>Chief executive function</u> |
| | SMF 3 | <u>Executive director function</u> |
| | SMF 7 | <u>Group entity senior manager function</u> |
| | SMF 9 | <u>Chair of the governing body function</u> |
| | SMF 10 | <u>Chair of the risk committee function</u> |
| | SMF 11 | <u>Chair of the audit committee function</u> |
| | SMF 12 | <u>Chair of the remuneration committee function</u> |
| | SMF 13 | <u>Chair of the nomination committee function</u> |
| | SMF 14 | <u>Senior independent director function</u> |
| | SMF 15 | <u>Chair of the with-profits committee function</u> |
| | SMF 19 | <u>Head of third country branch function</u> |
| | SMF 27 | <u>Partner function</u> |
| <u>FCA required functions</u> | SMF 16 | <u>Compliance oversight function</u> |
| | SMF 17 | <u>Money laundering reporting function</u> |
| | SMF 18 | <u>Other overall responsibility function</u> |
| | SMF22 | <u>Other local responsibility function</u> |
| | SMF 23b | <u>Conduct risk oversight (Lloyd's) function</u> |
| | SMF 29 | <u>Limited scope function</u> |
| Other high-level management functions | SMF 21 | <u>EEA branch senior manager function</u> |
| Systems and controls functions | SMF 2 | <u>Chief finance officer function</u> |
| | SMF 4 | <u>Chief risk officer function</u> |
| | SMF 5 | <u>Head of internal audit function</u> |
| | SMF 24 | <u>Chief operations function</u> |

The requirements around Approved Persons fitness and propriety are covered in more detail in the Approved Persons Policy.

Regardless of whether an individual holds a controlled function they still need to be competent to perform their work in a regulated environment.

It is the responsibility of Mr Stephen Affleck to ensure that all staff are competent to fulfil such roles. Given the risk that poor management can pose to our financial soundness, A1 Carriages Car Sales Ltd must ensure that such Approved Persons are 'fit and proper' to carry out their roles.

Monitoring & Reporting

We maintain records in relation to recruitment which include:

- References obtained on individuals covering the last two years
- Work history over the past five years
- Form A and FCA correspondence if holding a controlled function (SMF)
- Details of history where this may have an impact on A1 Carriages Car Sales Ltd could potentially lead to customer detriment
- Proof of ID, residency and entitlement to work in the UK A DBS check

A1 Carriages Car Sales Ltd maintain records in line with the criteria stated above so that we can evidence an individual's suitability to undertake a specific role.

Management Information

A1 Carriages Car Sales Ltd verify work and personal history appropriately in relation to the function an individual will perform.

These records are retained in line with the record keeping policy found within this manual.

Key Points to Remember

| Key Point | Notes |
|---|--|
| All staff engaged in regulated activity must be able to meet the required standards including the ability to pass training modules and conduct sales in a competent and compliant manner. | A1 Carriages Car Sales Ltd reserve the right to decline an individual's approval to conduct regulated activity, should they fall short of the required standard. |
| Firms should maintain records in relation to recruitment. | These records should include; References obtained on individuals covering the last two years Work history over the past five years Form A and FCA correspondence if holding a controlled function (SMF) Details of history where this may have an impact on our firm or could potentially lead to customer detriment Proof of ID, residency and entitlement to work in the UK |
| Recruitment for an Approved Person involves additional requirements. | A1 Carriages Car Sales Ltd must be able to evidence to the FCA, that anybody applying to be an Approved Person is fit and proper to perform the controlled function being applied for. |

Financial Promotions & Marketing Policy

Policy Overview

The FCA has set out specific rules and guidance around financial promotions (marketing material) for consumer credit, these can be found in the FCA Handbook, Consumer Credit source book (CONC) chapter 3 'Financial Promotions and Communications with Customers'.

Principle 7 summarises the key requirement for all such promotions Communicating with Customers: 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.

It is A1 Carriages Car Sales Ltd responsibility to ensure that financial promotions and marketing material produced by A1 Carriages Car Sales Ltd are **clear, fair and not misleading**. We must also ensure we incorporate all the legal requirements into any promotions and can evidence meeting the principles and **Consumer Duty outcomes**.

Who is Responsible for this?

Mr Stephen Affleck is responsible for ensuring our firm has a documented and implemented robust procedure for the effective management, design, production and use of all financial promotions.

A1 Carriages Car Sales Ltd are responsible for ensuring all financial promotions are approved prior to use.

How does this Affect Us?

Consumers must not be misled about the status of A1 Carriages Car Sales Ltd or about the nature of our business. Only trading names registered with the FCA and Information Commissioners Office (ICO) may be used on Financial Promotions and all advertising and other communications with customers must also include the legal name, not just the trading name.

A1 Carriages Car Sales Ltd have robust procedures for the production and approval of financial promotions, marketing and any customer facing material. This includes non-real time financial promotions, including:

- advertising
- standard letters
- press releases
- forms
- internet copy (i.e. text) and websites
- mobile phone, radio and television communications, and
- new media (including social networking websites, forums, blogs and iPhone applications) telesales scripts
- face to face system generated questions
- The above lists are not exhaustive.

Regulatory Status Disclosure

All financial promotions should contain our regulatory status disclosure. This will vary depending on the trading name used and the permissions held.

Our full legal name of A1 Carriages Car Sales Ltd (as it appears on the FCA's register) must be disclosed on the financial promotion. Other trading names can appear and be more prominent, however the full legal name must also appear. This can simply be in the regulatory status disclosure.

The full postal address of the 'advertiser', in this case ourselves, must be displayed in the promotion. This can be in the small print along with the regulatory status disclosure.

Financial Promotion Guidelines

For all financial promotions, the overarching FCA rule is that financial promotions must be "clear, fair and not misleading". The FCA's rules (CONC 3.3.1R) states that:

A1 Carriages Car Sales Ltd ensure that each communication and each financial promotion:

- Is clearly identifiable as such;
- Is accurate;
- Is balanced and, in particular, does not emphasis any potential benefits of a product or service without also giving a fair and prominent indication of any relevant risks;
- Is sufficient for, and presented in a way that is likely to be understood by the average member of the group to which it is directed, or by which it is likely to be received; and
- Does not disguise, omit, diminish or obscure important information, statements or warnings.

The following guidelines are also adhered to: -

- The language used must be clear and as jargon-free as possible (particularly in relation to terms, conditions and exclusions). Jargon terms that are included will need to be explained or a cross reference provided. Marketing 'language' must not be exaggerated or over-promise.
- All statements and comparisons must be accurate, have been checked and can be supported by evidence.
- The product being promoted in the advertisement/financial promotion should be suitable for the target audience.
- Any vehicle pictured on the promotion must be the exact make, model and specification as the one used for calculating the associated finance example. The cash equivalent price of any vehicles advertised must also be shown clearly.
- Where a promotion features eligibility criteria, this will be shown in equal prominence, this also includes the font size used in the promotion. Where the promotion refers to price, if this is subject to VAT, the firm's VAT number must be displayed.
- The rate of interest will be clearly stated as "%APR", confirming if it is a fixed rate, variable rate or representative rate. Any representative APR must be based on the expectation that at least 51% of the credit agreements entered into will be at that rate. Benefits and exclusions stated must be 'balanced'.
-

A Financial Promotion must not include:

- The expression “interest free” unless the total amount payable does not exceed the cash price. The expression “no deposit” unless no advance payments are to be made by the customer.
- The expression “loan guaranteed”, “pre-approved” or “no credit checks” unless the agreement is free from any conditions regarding the credit status of the customer.
-

- The expression “gift” or “present” unless there are no conditions that would require the customer to return the “gift” or “present”.

‘Representative APR’

The Representative APR is the rate at, or below which, A1 Carriages Car Sales Ltd reasonably expects to broke for at least 51% of customers who enter into credit agreements made as a result of the financial promotion. This will typically be based on data from previous customers, or where rates are fixed for eligible customers.

A Representative APR must be shown as “XX.X% APR Representative” or “Representative XX.X% APR” and given no less than equal prominence with any favourable term or comparison (whether express or implied) or other rate of charge or incentive.

The Representative APR must be displayed in any financial promotion which includes a Representative Example or:

- Indicates that credit is available to persons who might otherwise consider their access to credit restricted. This could be done by promoting the availability of credit to borrowers with a poor credit history or using statements such as:
 - ‘Been refused credit?’; or
 - ‘Do you have CCJs?’
- Indicates that the terms are more favourable than those available from any other source or in any other case. This could be by using terms such as:
 - ‘Best ever rates’;
 - ‘Lowest rates in town’; or
 - ‘Available for a limited period of time only’
- Includes an incentive to apply for or enter into the credit agreement, e.g. a free gift, cash back, free insurance, deposit contribution
- Includes a reference to the speed or ease of gaining credit, such as:
 - ‘Quick and easy application’; or
 - ‘Loans approved and in your account within 1 hour’

Representative Example

If the financial promotion contains any rate of interest or any figure relating to the cost of credit, e.g. a monthly payment and total amount payable, you are required to include specified finance information in a 'representative example'. A table is a good way of providing this information in a standardised format, ensuring that all information is provided and can be easily compared.

A representative example table must be headed by the product type and "representative example" and include all of the items listed below.

- **Monthly payments** – if one month is different then this must be shown.
- **Deposit** – Customer deposit.
- **Deposit Contribution** – Any deposit contribution or allowance paid by the advertiser in addition to the customer deposit. **Total Deposit** – Customer and Contribution combined.
- **Cash Price** – The total cash price of the vehicle shown, including metallic paint and any additional costs,
- **Total Amount of Credit** – The amount of credit under the agreement. **Fees or Charges** – Details of any fees or charges included in the total amount payable. The nature of the charge and the amount should be stated for each charge e.g. interest/fees.
- **Optional Final Payment** – If Applicable and listed as "Optional Final Payment" **Total Amount Payable** – The amount of money the customer would pay under the agreement.
- **Rate of Interest per annum** – Must be expressed as a fixed or variable percentage, applied on an annual basis.
- **Duration of the Agreement** – Length of the agreement in months.
- **Annual Mileage** – anticipated annual mileage for PCP agreement
- **Excess Mileage charge as pence per mile**
- **Representative APR** – the Representative APR must be shown in the finance table. This should be displayed as XX.X% APR Representative.

Note that all items must have equal prominence, meaning that no items can be made to stand out above the others by using bold type, different size or different colour.

Example Tables:

| Personal Contract Purchase Representative Example | |
|---|------------|
| xx Monthly Payments of | £xxx.xx |
| Customer Deposit | £x,xxx.xx |
| Deposit Contribution | £x,xxx.xx |
| Total Deposit | £x,xxx.xx |
| Cash Price | £xx,xxx.xx |
| Amount of Credit | £xx,xxx.xx |
| Interest Charges | £xx,xxx.xx |
| Optional Final Payment | £xx,xxx.xx |
| Total Amount Payable | £xx,xxx.xx |
| Fixed Rate of Interest | x.xx% p.a. |
| Duration of Agreement | xx months |
| Annual Mileage | X,xxx |
| Excess Mileage Charge per mile | xx.xp |
| Representative APR | x.x% APR |

| Conditional Sale Representative Example | |
|---|------------|
| xx Monthly Payments of | £xxx.xx |
| Customer Deposit | £x,xxx.xx |
| Cash Price | £x,xxx.xx |
| Amount of Credit | £x,xxx.xx |
| Interest Charges | £x,xxx.xx |
| Total Amount Payable | £xx,xxx.xx |
| Fixed Rate of Interest | x.xx% p.a. |
| Duration of Agreement | xx months |
| Representative APR | x.x% APR |

Websites

Websites are regarded as financial promotions and A1 Carriages Car Sales Ltd adhere to the requirements contained within this guide. Further guidance is as follows:

- The regulatory status disclosure must appear on, at least, the home page. Good practice would be for it to appear on all pages, possibly through the use of a fixed footer;
- The full legal name and address must be provided in an easy to find place on the website. This would typically be the 'Contact Details' page;
- All examples of finance must be kept distinct with no possibility of confusion between them;
- All representative examples must adhere to the same standard format to allow customers to easily compare between them.

Review and Sign-off

Financial promotions must be periodically reviewed in the event of changes in FCA regulations. Any non-compliant or non-approved material will be destroyed.

When any financial promotion period expires the financial promotion will be re-reviewed and either granted new approval or withdrawn.

It is extremely important, that the Financial Conduct Authority's logo is not used on any documentation produced by A1 Carriages Car Sales Ltd as this is subject to copyright.

Monitoring & Reporting

A1 Carriages Car Sales Ltd maintains records of all financial promotions, including:

- type of material, e.g. letter, website text target audience, e.g. end customer the
- promotion owner/requestor evidence of Consumer Duty consideration – document
- how this has been considered
- date submitted for business sign off and who to date returned following business sign off and who approved it approved/not approved and reasons for non-
- approval version control all correspondence e.g. emails relating to financial
- promotion/marketing material
- how long approval is valid for
-
- This should be kept within the financial promotion Register. An example can be found in [Appendix 1](#)
-

Management Information

Mr Stephen Affleck reviews financial promotion Management Information to identify and monitor any relevant trends. This could include, for example, complaints Management Information resulting from a misleading financial promotion. Appropriate action should be taken for any trends identified.

Key Points to Remember

| Key Point | Notes |
|---|---|
| All Marketing Material must be approved prior to being used. | Under no circumstances can a promotion be used without first obtaining this sign off or outside of the validity period (normally 1 year from the date the promotion is signed off). If the validity period expires the promotion must be rereviewed and signed off. |
| When submitting a financial promotion or Marketing Material for review, a financial promotions Submission Checklist should be used. | This helps firms ensure minimum standards of promotions are met prior to submission for approval. |
| A1 Carriages Car Sales Ltd are not able to use the FCA's logo on any marketing material. | This Logo is subject to copyright and therefore cannot be used under any circumstances. |
| All website content that refers to regulated products should be treated as a financial promotion | Care should be taken to ensure expired offers are removed from websites and financial promotions |

Business Assurance Policy

Policy Overview

The Financial Conduct Authority (FCA) expects firms to conduct their business within the Principles for Business and Consumer Outcomes they have put in place.

This policy sets out how A1 Carriages Car Sales Ltd can ensure Business Assurance and the procedures that it needs to follow to achieve this.

Who is Responsible for This?

A1 Carriages Car Sales Ltd have robust procedures for the effective management of Business Assurance and these are overseen by Senior Management within the firm.

How does this Affect Us?

Document Reviews

Document reviews is a broad term but includes any documentation that assists in the performance or monitoring of our regulatory obligations, excluding financial promotions (already covered).

A1 Carriages Car Sales Ltd have robust procedures for the production and approval of compliance documents. This includes, but is not limited to:

- Initial Disclosure Document
- Statement of Demands and Needs
- Compliance file checklists

Documents must be periodically reviewed in the event of changes in FCA regulations. Any non-compliant or non-approved material should be destroyed.

Failure to comply with this policy could result in A1 Carriages Car Sales Ltd being in breach of regulations and possible miss-representation of products and/or services and therefore liable to regulatory focus and possible censure.

File Reviews

A1 Carriages Car Sales Ltd conduct our own internal checks to ensure all sales comply with regulatory requirements.

An example is included below:

Deal File Checklist

| Customer | Sales Executive | Manager | |
|--|------------------------|--------------------------------------|-------------|
| Date Reference | | | |
| Point of sale – Order Date = | Completed by SE | Checked by | Date |
| Initial disclosure document introduced | | | |
| <i>Customer qualification form enclosed including part exchange appraisal, fully completed with add on product presentations</i> | | | |
| <i>Offer sheet enclosed showing add on products</i> | | | |
| Finance data protection declaration signed, completed, enclosed and decision tree completed and suitability stage (before finance proposal sent) | | Does this match the proposal date | |
| GDPR – Verify accuracy of any e-mails used on APEX is it the customers actual e-mail address. | | | |
| <i>Order form fully, accurately completed, signed and dated</i> | | | |
| <i>Service Plan introduced, key benefits explained, and cost of plan provided to customer</i> | | | |
| <i>Deposit processed</i> | | | |
| <i>Job sheet fully completed clearly stating all work agreed at point of sale</i> | | | |
| <i>Proposal form in deal file with copy of proposal submittal confirming date and time first sent to finance house</i> | | | |
| Handover finance Date = / document signing if different to handover Date = | Completed by SE | Checked by | Date |
| <i>Customer's car fully prepared including all agreed accessories and presented in handover bay</i> | | | |
| <i>Confirm that invoices value and finance contract figures match</i> | | | |
| Finance – confirm finance outcome once know e.g. accept, accept with modifications etc or declined by customer. Finance company matches docs and APEX. | | Does this match the doc signing date | |
| <i>Finance contract and DDM signed by customer for submission to finance house</i> | | | |
| <i>Finance activated – payment certificate – copy for deal file</i> | | | |
| Verifying signatures – proof of ID e.g. driving license, passport, match all relevant documents | | | |
| <i>Remind customer of requirement to insure vehicle</i> | | | |
| <i>Conduct final part exchange inspection comparing against original appraisal, any changes to be noted and raised with a managed, check documentation received e.g. include V5, history, MOT and spare keys</i> | | | |
| <i>All monies collected from customer as per main invoice and any supplementation invoices</i> | | | |
| I have completed the above steps diligently, I understand it is my responsibility to ensure I have followed the prescribed sales process, including FCA stages diligently for all finance sales | Signed | Print Name | Date |

Monitoring & Reporting

All reviews are recorded and any feedback required is provided to the staff member, in writing.

If, through the review of a file, document or sales call, it is clear that an issue identified has affected a customer, we will contact the customer affected at the earliest opportunity to rectify the identified error.

If the original Sales Agent is unable to resolve the issue, A1 Carriages Car Sales Ltd will need to decide on the best course of action to bring the issue to a speedy resolution.

Management Information

Mr Stephen Affleck reviews the Management Information to identify any issue trends. A1 Carriages Car Sales Ltd act upon this information to ensure that any recurring issues are mitigated and, if necessary, processes are changed to achieve this.

Key Points to Remember

| Key Point | Notes |
|--|--|
| A1 Carriages Car Sales Ltd undertake a periodic review of our website. | This is to ascertain that promotions are complaint and expired promotions aren't being advertised. |
| Documentation should be periodically reviewed | This is to ascertain that documents are complaint and expired documents aren't being used. |
| File checks should be completed to help ensure complaint sales | Feedback and training should be provided where any discrepancies are identified |

Training & Competence Policy

Policy Overview

The Financial Conduct Authority (FCA) expects firms to conduct their business within the Principles for Business and Consumer Outcomes they have put in place.

To ensure that these principles and consumer outcomes are met, the FCA has set out specific rules and guidance around Training & Competency, these can be found in the FCA Handbook.

A1 Carriages Car Sales Ltd ensure that all staff carrying out regulated activities, e.g. selling a regulated product, receive adequate training and are competent in the role they perform.

This policy sets out how A1 Carriages Car Sales Ltd staff are trained and competent in the role they perform.

Who is Responsible for This?

A1 Carriages Car Sales Ltd has a documented training programme to ensure that all staff carrying out regulated activities are competent within their role.

Mr Stephen Affleck has overall responsibility for ensuring that all relevant staff follow this programme.

How does this Affect Us?

The FCA defines competence as:

Having the skills, knowledge and expertise needed to discharge the responsibilities of an employee's role. This includes achieving a good standard of ethical behaviour.

Staff are trained on the below topics with ongoing assessments and refresher training as deemed appropriate.

- Consumer Duty
 - Anti-Money Laundering
 - Managing Conflicts of Interest
 - Introduction to the Financial Conduct Authority (FCA)
 - Vulnerable Customers
 - Complaints Handling
 - General Data Protection Regulation (GDPR)
 - Whistleblowing
 - Conduct Risk
 - Consumer Credit Business Sourcebook (CONC)
- Selling Regulated Products

Monitoring & Reporting

Management information is reviewed internally as part of our directly authorised obligations.

A1 Carriages Car Sales Ltd may need to report some of this information (e.g. number of selling staff) as part of our regulatory returns, depending on the direct permissions we hold.

Key Points to Remember

| Key Point | Notes |
|---|--|
| Mr Stephen Affleck is responsible for adherence to this policy | Mr Stephen Affleck is responsible for ensuring that all staff undertaking regulated activities are competent to carry out their role. |
| All staff conducting regulated activity should have annual (minimum) refresher training on regulatory and product related topics. | <ul style="list-style-type: none">• Consumer Duty• Anti-Money Laundering• Managing Conflicts of Interest• Introduction to the Financial Conduct Authority (FCA)• Vulnerable Customers• Complaints Handling• General Data Protection Regulation (GDPR)• Selling Regulated Products• Whistleblowing• Conduct Risk FCA Business Sourcebook (CONC and/or ICOBS) |

Financial Crime Policy

Policy Overview

The Financial Conduct Authority (FCA) expects firms to conduct their business within the Principles for Business and Consumer Outcomes they have put in place.

There are also additional laws within the UK that relate directly to Financial Crime.

To ensure that these principles and the consumer outcomes are met, the FCA has set out specific rules and guidance around financial crime within the FCA Handbook, Financial Crime parts 1 & 2.

[\(A Guide to Financial Crime\)](#)

This policy sets out procedures to allow A1 Carriages Car Sales Ltd to adhere to the handbook and applicable laws.

It is the responsibility of the Mr Stephen Affleck (as the Money laundering Reporting Officer, MLRO) to ensure that the firm meets the regulatory requirements and to evidence meeting the FCA principles and consumer outcomes.

This policy sets out guidance for A1 Carriages Car Sales Ltd to aid understanding and identification of potential financial crime risk areas.

Who is Responsible for This?

A1 Carriages Car Sales Ltd have documented and implemented procedures for the effective identification, reporting and mitigation of financial crime.

It is Mr Stephen Affleck (MLRO) responsibility to identify and report any occurrences of Financial Crime to the relevant authority. Once received, this will be allocated and escalated accordingly.

How does this Affect Us?

There are three specific areas of concern in relation to financial crime:

- Bribery & Corruption
- Money Laundering
- Fraud

Below is an overview of each area:

Bribery

Bribery is the offering, promising, giving, solicitation or the receipt or agreement to receive any financial or other advantage, or any other inducement from any person or company, (wherever they are situated and whether they are a public official or body, or a private person or company) by an individual employee, agent or other person or body acting on another's behalf.

For example, if A1 Carriages Car Sales Ltd product provider offered substantial payments, in return for the firm selling their products, over those of another product provider's, this would be construed as an act of bribery and must be reported immediately.

Corruption

Corruption is the abuse of entrusted power for a private gain.

Bribery and corruption may occur internally or externally and may be perpetrated by employees, customers, suppliers, contractors, service providers, agents or anyone else doing business. A1 Carriages Car Sales Ltd reject bribery and corruption in any form and customers and any other person with whom A1 Carriages Car Sales Ltd interact can be confident that their reputation is valued very highly; and that they are dealing with a firm that will not risk damage to its reputation by being involved in illegal or unethical business practices.

The Bribery Act – Offences

The UK Bribery Act 2010 (the "Bribery Act") came into force on the 1st July 2011 and defines the following offences:

Paying bribes: offering, promising or giving a financial or other advantage to induce someone to perform their function or activity 'improperly' (the 'active' bribe offence).

Receiving bribes: requesting, agreeing to receive or accepting a financial or other advantage for performing your function or activity 'improperly' (the 'passive' bribery offence).

Failure by a company to prevent bribery by associated persons (the corporate offence). Associated persons include anyone who performs services for or on behalf of the company e.g. an Appointed Representative.

Under the UK Bribery Act if a person associated with an organisation bribes a person with the intention of gaining or retaining a business advantage for a commercial organisation, then the organisation may be guilty of an offence under the Act.

This is particularly important, as A1 Carriages Car Sales Ltd is authorised and regulated by the Financial Conduct Authority and liable for an unlimited fine.

The FCA does not enforce the Bribery Act 2010. Its regulatory powers apply in obtaining evidence of corrupt conduct to take regulatory action against a firm.

To ensure compliance with the Bribery Act 2010 it is essential that A1 Carriages Car Sales Ltd comply with this financial crime policy and all staff undertake the regulatory training provided on an annual basis.

Non-compliance with the Bribery Act may lead to the following actions being taken against the firm or the individual involved:

- Individuals convicted for paying or receiving bribes face up to ten years' imprisonment. Companies convicted of failing to prevent bribery by associated persons face unlimited fines.
- Directors and senior officers of companies involved can face criminal and civil liabilities.
-

Gifts & Hospitality

Corporate hospitality, promotions and gifts have the potential to create a perception of bribery and it is essential to draw a distinction between what is legitimate in business situations and what is bribery; any gift or hospitality that seeks to influence the recipient into performing their function improperly (or not performing it at all) would be considered a bribe.

To ensure this is not the case, all Gifts & Hospitality must be:

- Made openly: if made secretly and undocumented then the purpose will be open to question
- In accordance with stakeholder perception: the transaction would not be viewed unfavourably by stakeholders if it were to be made known to them Documented: the
- expense is properly recorded in our books and records

For further details, please refer to the Gifts & Hospitality policy.

Money Laundering

When a criminal activity generates substantial profits, the individual or group involved must find a way to control the funds without attracting attention to the underlying activity or the persons involved. Criminals do this by disguising the sources, changing the form, or moving the funds to a place where they are less likely to attract attention.

Stages

In the initial, or **placement**, stage of money laundering, the launderer introduces the illegal profits into the financial system. This stage only occurs if the profits of the crime are not already within the financial system. This might be done by breaking up large amounts of cash into less conspicuous smaller sums that are then deposited directly into a bank account, or by purchasing a series of insurance policies that are then almost immediately cancelled.

After the funds have entered the financial system, the second – or **layering** – stage takes place. In this phase, the launderer engages in a series of conversions or movements of the funds to distance them from their source. This use of widely scattered accounts for laundering is especially prevalent in those jurisdictions that do not co-operate in anti-money laundering investigations. In some instances, the launderer might disguise the transfers as payments for goods or services, thus giving them a legitimate appearance.

Having successfully processed the criminal profits through the first two phases the launderer then moves them to the third stage – **integration** – in which the funds re-enter the legitimate economy. The launderer might choose to invest the funds into real estate, luxury assets, or business ventures.

It is extremely important that all staff are aware of the need to identify Money Laundering. As A1 Carriages Car Sales Ltd sell regulated products, it is possible for them to become a target of Money Laundering and any suspicions should be reported to our Money Laundering Reporting Officer (Mr Stephen Affleck MLRO) as soon as you become aware. An example of such an incident would be where a criminal uses the funds generated by crime and deposited into a bank account to purchase an insurance policy. The policy would then be cancelled within the statutory period for cancellation and a refund obtained, the funds are now 'legitimate' as they have come from a legitimate source.

Fraud

Fraud is a type of criminal activity, defined as the abuse of position, or false representation, or prejudicing someone's rights for personal gain.

The following procedures should be followed:

- appropriate measures to minimise the risk of fraud; (see Risk Management Policy)
- formal procedures to investigate fraud when it is suspected; (see Risk Management Policy)
- appropriate mechanisms for employees to voice their genuine concerns and protect those who do so (see Whistleblowing Policy)

Procedures When Fraud is suspected

A1 Carriages Car Sales Ltd is responsible for referring any suspected irregularities to the appropriate law enforcement agency. The normal sequence of events, should an irregularity be suspected, will be as follows:

- If employees suspect an irregularity has occurred, or is likely to occur, they should normally report this to the appropriate Director or person within their organisation e.g. Mr Stephen Affleck MLRO (unless the concerns relate to a Director, in which case employees should refer to another Director)
- Should preliminary investigations suggest the suspicion is reasonable, further investigations will be undertaken without delay.
- Where further investigations indicate, an offence may have occurred, the Approved Person should decide how to handle the matter according to Disciplinary Procedures and whether to involve the relevant authorities.
- Where financial impropriety is suspected, the Police must be informed.

Monitoring & Reporting

As previously mentioned, A1 Carriages Car Sales Ltd will maintain records for identifying, reporting and mitigating the potential risk of financial crime. This includes:

- keeping training records up to date to ensure that all staff understand how to identify and report suspicions of financial crime; recording instances of potential financial crime;
 - identifying trends and implementing control systems, using the gathered information, to
 - help mitigate future occurrences of financial crime.
- Reporting any instances of potential financial crime to the relevant authorities as soon as
- is reasonably possible.

Management Information

Mr Stephen Affleck MLRO, is responsible for maintaining accurate Management Information of all instances of attempted or actual financial crime.

Key Points to Remember

| Key Point | Notes |
|---|--|
| It is the responsibility of Mr Stephen Affleck to identify and report any occurrences of Financial Crime. | Any occurrences should be reported to the relevant authority |
| There are three specific areas of concern in relation to Financial Crime. | 1. Bribery & Corruption 2. Money Laundering 3. Fraud |
| The Bribery Act – Offences | This relates to; 1. Paying bribes 2. Receiving bribes |
| High Value Dealers | Firms that accept cash payments of €10,000 or more in exchange for goods and therefore need to be registered with HMRC |
| Procedures when Fraud is suspected | 1. Who to report suspicions to 2. Investigation 3. Disciplinary procedures 4. Reporting to the relevant authorities |
| Monitoring & Reporting | 1. Keeping training records up to date 2. Recording instances of potential financial crime 3. Identifying any trends and implement controls 4. Reporting any instances of potential financial crime to the relevant authorities |

Conflicts of Interest Policy

Policy Overview

The Financial Conduct Authority (FCA) expects firms to conduct their business within the Principles for Business and Consumer Outcomes they have put in place.

This document outlines how A1 Carriages Car Sales Ltd identify and manage Conflicts of Interest in order to address the regulatory obligations and avoid any detriment to customers, it includes some examples of particular Conflicts of Interest and potential solutions.

This policy applies to all staff, managers and senior management at A1 Carriages Car Sales Ltd

Who is Responsible for This?

Any Conflict of Interests identified will be documented within the Conflict of Interest Log (example [Appendix-4](#)).

How does this Affect Us?

Conflict of Interest

A situation in which a member of staff's business decisions could be influenced by their personal interests, for example a salesperson that places the majority of a Firm's business with Product Provider (either Insurer or Finance Lender) due to a family member working for them.

Inducement

A benefit offered to a firm, or any person acting on its behalf, with a view to that firm, or that person, adopting a particular course of action. This can include, but is not limited to cash, cash equivalents, insurance premium, commission, goods, hospitality or training programmes.

A Conflict of Interest can include Inducements as defined above. Please refer to the separate Gifts and Hospitality Policy for specific guidance on this.

The existence of a Conflict of Interest is not necessarily evidence of wrongdoing and the FCA recognises that it is impossible to avoid all potential Conflicts of Interest, but where such conflicts cannot be eliminated then they must be properly recorded and managed.

Process and Responsibilities

Upon receipt of a "Potential Conflict of Interest", Mr Stephen Affleck will assess and confirm the requirement to register issues in the local Conflicts of Interest log, and if action is required allocate it to the most appropriate person within the firm for completion.

Examples of Conflicts of Interest

The following examples show some specific conflicts and their solutions; however, all Conflicts of Interest will need to be considered separately and appropriate management action taken to avoid any customer detriment and ensure the conflict is managed and mitigated appropriately.

| Issue | Potential conflict of interest | Typical procedures to manage the potential conflict |
|--|---|--|
| Preferential commission rates from a particular Product Provider | <ul style="list-style-type: none"> Sales staff placing business with that Product Provider (either insurer or Finance Provider) without considering the needs of the customer. | <ul style="list-style-type: none"> Commission across the panel arranged so that no one Product Provider has appreciably different commission deals for the same product. Disclosure document includes the basis and criteria for selecting Product Providers for particular products and for effective monitoring of placements. Only use one Provider per product type. |
| Profit share arrangements with a particular Product Provider | <ul style="list-style-type: none"> Sales staff placing business with that Product Provider (either insurer or Finance Provider) without considering the needs of the customer. When operating under a Binding Authority, claims staff may want to limit loss ratios – by directing business with a bad loss history to other markets. | <ul style="list-style-type: none"> Only use one Provider per product type. Profit share arrangements not disclosed to sales staff. Disclosure document includes the basis and criteria for selecting Product Providers for particular products and for effective monitoring of placements. |
| Volume overrides arrangements with a particular Product Provider | <ul style="list-style-type: none"> Sales staff placing business with that Product Provider (either insurer or Finance Provider) without considering the needs of the customer. | <ul style="list-style-type: none"> No direction/instructions from senior management where to place business, if this is likely to result in customer detriment. Volume override arrangements not disclosed to sales staff. Disclosure document includes the basis and criteria for selecting Product Providers for particular products and for effective monitoring of placements. |
| Sales staff remuneration based on sales targets | <ul style="list-style-type: none"> Incentive payments or competitions made to sales staff to complete regulated sales without considering the needs of the customer. | <ul style="list-style-type: none"> Robust management controls in place to ensure that customers have been treated fairly including; Rewards that take into account quality as well as quantity such as the incidence of upheld complaints, adherence to procedures and findings from internal monitoring. Appraisal and development arrangements including consumer outcome and quality considerations. |
| Delegated claims handling | <ul style="list-style-type: none"> Acting for Product Provider when the customer reasonably believes that intermediary is acting for them. | <ul style="list-style-type: none"> Disclosure documents include details. Claims handling procedures to include “Consumer Duty” outcomes. |
| Hospitality and Gifts (Inducements) | <ul style="list-style-type: none"> Significant hospitality and gifts could influence the fair treatment of customers. | <ul style="list-style-type: none"> Policy and procedures for the registration and approval of hospitality and gifts. |
| Relationships or financial interests with Product Providers or other third parties with whom A1 Carriages Car Sales Ltd deal | <ul style="list-style-type: none"> Business placed with a particular Product Provider (either insurer or Finance Provider) or other contracts entered into without consideration of the customer’s best interest. | <ul style="list-style-type: none"> Only use one Product Provider per product type. A register maintained of all such arrangements. Disclosure document includes the basis and criteria for selecting Product Providers for particular products. |
| Staff members or member of their immediate family has an interest in an outside entity | <ul style="list-style-type: none"> Where the interest is substantial enough for it to be perceived to affect their judgement with respect to transactions between the A1 Carriages Car Sales Ltd and that entity i.e. a material interest exists. | <ul style="list-style-type: none"> Staff members with a material interest in any service provider, insurer or product provider must declare this interest to HR. If A1 Carriages Car Sales Ltd cannot manage a conflict adequately, it will disclose this to the customer, before undertaking any business for that customer. |
| Undertaking a tender exercise to select supplier or product provider | <ul style="list-style-type: none"> Appointment of supplier or product provider without considering the impact on customers. | <ul style="list-style-type: none"> Before undertaking any tender exercise, the proposed tender process needs to be signed off by a Project Sponsor/appropriate Senior Management in advance of issuing to the invited tender participants. Proposals/recommendations resulting from any tender process are signed off in advance of any final ratification and communication to tender participants. |
| Close personal relationships | <ul style="list-style-type: none"> Where the relationship potentially results in some form of influence, either positive or negative, on another employee or business process. | <ul style="list-style-type: none"> Staff members should disclose any personal relationships that may result in any form of influence on another staff member. Line management to ensure that roles, responsibilities and team structures are reviewed to avoid conflicts. |

Monitoring & Reporting

A1 Carriages Car Sales Ltd and all its staff are responsible for identifying possible Conflicts of Interest, recording these on the “Potential Conflict of Interest” form and escalating these to Mr Stephen Affleck.

Any failure to deliver good customer outcomes as a result of a Conflict of Interest should be recorded as an Incident, as required in the Regulatory Breaches & Incidents Policy.

A self-assessment tool can be found in [Appendix-2](#), which Senior management use to identify and mitigate any conflicts.

Management Information

Where Conflicts are escalated, this information will be reviewed to identify and monitor any relevant trends or insufficient controls. If anything is highlighted appropriate action will be taken.

Key Points to Remember

| Key Point | Notes |
|--|--|
| A Conflicts of Interest Log should be kept by A1 Carriages Car Sales Ltd | This Log must be available upon request at audits undertaken. |
| Conflict of Interest | A situation in which a member of staff's business decisions could be influenced by their personal interests, for example a Salesman that places the majority of a Firm's business with a particular Product Provider due to a family member working for them. |
| Inducement | A benefit offered to a firm, or any person acting on its behalf, with a view to that firm, or that person, adopting a particular course of action. This can include, but is not limited to cash, cash equivalents, insurance premium, commission, goods, hospitality or training programmes. |

Gifts & Hospitality Policy

Policy Overview

The Financial Conduct Authority (FCA) expects firms to conduct their business within the Principles for Business and Consumer Outcomes they have put in place.

Inappropriate gifts, hospitality and entertainment can be used to generate a position of obligation and prepare the way for a dishonest act, which compromises integrity and the ability to treat customers fairly.

This policy sets specific rules that define what Gifts and Hospitality are considered appropriate and acceptable to both offer and receive and defines how the behaviour of staff should be monitored.

It also sets out procedures to ensure that Gifts and Hospitality are managed to avoid the risk of conflict with A1 Carriages Car Sales Ltd duty towards our customers and provides advice on how to ensure compliance with regulatory and legislative requirements.

This policy applies to all A1 Carriages Car Sales Ltd staff, Management and Directors.

Who is Responsible for This?

A1 Carriages Car Sales Ltd document and implement robust procedures for the effective management of giving and receiving gifts, inducements and hospitality.

How does this Affect Us?

Definitions:

Inducement

An inducement is a benefit offered to a firm, or any person acting on its behalf, with a view to that firm, or that person, adopting a particular course of action. This can include, but is not limited to, cash, cash equivalents, goods, hospitality or training programmes.

Gift

Gifts can be money, goods, services or loans given, without the expectation of consideration or value in return. Gifts therefore should have no role in the business process. Commission or fees would not be regarded as gifts.

Hospitality

Hospitality is social events hosted by the company for customers or suppliers in order to obtain or maintain their patronage or goodwill and build relationships. Hospitality includes entertaining, meals, receptions and attendance at sporting events.

Tickets for events where no host is present are classified as a cash equivalent gift.

Bribery

The giving and receiving of money, a gift or other advantage as an inducement to do something that is dishonest, illegal or a breach of trust in the course of business. **Gifts and Hospitality offered and received**

In order for gifts or hospitality to be acceptable they must be made:

- openly
- without placing the recipient under any obligation – for example a clear act of appreciation for good service without any expectations
- appropriate to the relationship and local business practice
- not of a frequency which could be interpreted as excessive or inappropriate legal and
- appropriate in accordance with the laws and cultures of the relevant country

Gifts and hospitality must be of an appropriate value, whether individually or in the aggregate over a period of 12 months, recorded and reported to management.

Gifts and Hospitality must NOT be given or received when nearing the completion of material contract negotiations – i.e. where the gift or event could influence the end result of negotiations.

Individuals are strictly forbidden to offer or accept a gift of cash (or a cash equivalent such as un-hosted concert or sports tickets) under any circumstances as this could be construed as an act of bribery. This includes the payment of credit card charges, fees, soft loans (i.e. loans with below market or no interest payments) or shares.

Hospitality and Entertainment

All events must be hosted in the company's name and be justifiable for the business in the legitimate interest. All Hospitality must be authorised in advance using the Gifts & Hospitality Approval Form (example [Appendix-5](#)) and recorded on the Gifts and Hospitality Register (example [Appendix-6](#)).

Hospitality offered to spouses, partners and immediate relatives accompanying third parties to events is appropriate only in exceptional circumstances and in each case, approval must be sought from appropriate line management.

Gifts and Hospitality registers

Gifts and Hospitality must be logged on the Gifts and Hospitality Register. This log must be available for review both on request and at any audit conducted on A1 Carriages Car Sales Ltd.

Gifts and Hospitality received

When a gift or hospitality event is offered to employees (other than low value branded items) it must be authorised by management and recorded in the Gifts and Hospitality Register with the appropriate authorisation.

Managers are required to show reasonable validation of the values they place against items (for example a link to a relevant theatre website). It is not permitted for any member of staff to sign off an item for their own benefit.

Gifts and Hospitality made to Third Parties

Prior to making an offer of hospitality or presentation of a gift externally, authorisation must be obtained. The relevant manager must then record the item on the Gifts and Hospitality Register.

Authorisation levels for gifts and hospitality given or received are detailed below.

| Type | Value | Authorisation Level |
|--|-----------|---------------------|
| Corporate branded gifts | 100 - 200 | None |
| | 300 - 400 | Line Manager |
| | 500 - 600 | CEO/Director* |
| Acceptable Gift (as per below) | 100 - 200 | None |
| | 300 - 400 | Line Manager |
| | 500 - 600 | CEO/Director* |
| Acceptable Hospitality (as per below) | 100 - 200 | None |
| | 300 - 400 | Line Manager |
| | 500 - 600 | CEO/Director* |

Acceptable and Unacceptable Gifts

| <u>Acceptable</u> | <u>Unacceptable</u> |
|---|---|
| Wines / Spirits / Beer Chocolates / Biscuits / Confectionery Flowers Fruit Corporate Branded mugs / pens / notepads | Holidays / Travel (other than hosted corporate hospitality events, seminars and trade functions) Investment Property / Antiques / Works of Art Clothing / Jewellery including watches Cash or Cash Equivalents |

Acceptable and Unacceptable Hospitality

| <u>Acceptable</u> | <u>Unacceptable</u> |
|--|--|
| Hosted corporate hospitality events Hosted business and trade conferences Meals hosted by the firm Theatre trips as part of a hosted event Hosted sports events Charitable fund-raising events hosted by the firm | Un-hosted events Disproportionate events to the level of business conducted |

Monitoring & Reporting

The Gifts and Hospitality registers are owned by and the responsibility of Mr Stephen Affleck is also responsible for monitoring the Gifts and Hospitality registers, conducting spot validations and auditing the registers.

Management Information

Management Information is compiled at least annually to assess the information contained on the registers and identify any conflicts or potential conflicts that arise. This is the responsibility of Mr Stephen Affleck. A potential conflicts of interest form can be found in [Appendix3](#).

All conflicts should be logged on the conflicts of interest log. An example can be found in [Appendix-4](#)

Key Points to Remember

| Key Point | Notes |
|--|---|
| Inducement | A benefit offered to a firm, or any person acting on its behalf, with a view to that firm, or that person, adopting a particular course of action. This can include, but is not limited to, cash, cash equivalents, goods, hospitality or training programmes. |
| Gift | Money, goods, services or loans given, without the expectation of consideration or value in return. Gifts therefore should have no role in the business process. Commission or fees would not be regarded as gifts. |
| Hospitality | Social events hosted by the company for customers or suppliers in order to obtain or maintain their patronage or goodwill and build relationships. Hospitality includes entertaining, meals, receptions and attendance at sporting events. |
| Bribery | The giving and receiving of money, a gift or other advantage as an inducement to do something that is dishonest, illegal or a breach of trust in the course of business. |
| Tickets | Tickets for events where no host is present are classified as a cash equivalent gift. |
| Gifts & Hospitality offered & received | Gifts and hospitality must be of an appropriate value, whether individually or in the aggregate over a period of 12 months, recorded and reported to management. |
| Gifts & Hospitality offered | Gifts or Hospitality must not be given or received when nearing the completion of material contract negotiations. |
| Cash or Cash Equivalents | Individuals are strictly forbidden to offer or accept a gift of cash (or a cash equivalent such as un-hosted concert or sports tickets) under any circumstances as this could be construed as an act of bribery. This includes the payment of credit card charges, fees, soft loans (i.e. loans with below market or no interest payments) or shares. |

Risk Management Policy

Policy Overview

The Financial Conduct Authority (FCA) expects firms to conduct their business within the Principles for Business and Consumer Outcomes they have put in place.

A1 Carriages Car Sales Ltd have internal procedures for the mitigation of risk. These risks are not constrained to regulatory aspects only and will include other internal or external factors. E.g. a new computer system may be a risk to our business continuity.

This policy sets out guidance to aid understanding of the requirements to comply with the risk mitigation rules and policy.

Who is Responsible for This?

Mr Stephen Affleck are responsible for defining the firms risk appetite and ensuring that the Risk Register (example [Appendix-9](#)) is completed and reviewed periodically.

How does this Affect Us?

Regardless of whether risk is a defined function the principles of managing the inherent and residual risk will apply to A1 Carriages Car Sales Ltd the firms risk appetite will be reviewed regularly.

The risk appetite may be defined as one of the following:

Averse; Avoidance of risk and uncertainty is a key organisation objective.

Cautious; Preference for safe options that have a low degree of risk and may only have limited potential for reward.

Balanced; Consideration of all options resulting in a 'mid-line' approach and a mediocre potential for reward.

Open; Willing to consider all potential options and choose the one most likely to result in successful delivery, while also providing an acceptable level of reward and value for money.

Hungry; Eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk.

However, importantly this does not mean that where the appetite is hungry or open that any regulatory rules can be breached.

The appropriate level of risk will depend on the nature of the work undertaken and the objectives pursued. For example, for an innovative project (e.g. early development on an innovative car) it may be very high, with the acceptance of short-term failure that could pave the way to longer term success.

Risk Exposure and Risk Scoring can be found in [Appendix-7](#) and [Appendix-8](#)

A1 Carriages Car Sales Ltd Ltd senior management are responsible for compliance with the firm's risk strategy. This includes oversight of:

- a. The Risk Register
- b. A Business Continuity Plan (BCP)

Risk Register

It is the responsibility of A1 Carriages Car Sales Ltd to keep a risk register specific to our business.

Monitoring & Reporting

The Risk Register and Business Continuity Plan are owned by and the responsibility of A1 Carriages Car Sales Ltd and Mr Stephen Affleck is also responsible for monitoring the Risk Register, conducting spot validations and auditing the registers.

Management Information

Management Information is compiled at least annually to assess the information contained on the registers and ensure sufficient controls are in place to manage the risks. This is the responsibility of Mr Stephen Affleck.

Key Points to Remember

| Key Point | Notes |
|---|--|
| The Firms Risk Appetite should be reviewed regularly at minuted meetings. | A Firms Risk Appetite may be defined as one of the following; <ul style="list-style-type: none">• Averse• Cautious• Balanced• Open• Hungry |
| Mr Stephen Affleck is responsible for compliance with the risk strategy. | This includes oversight of; <ul style="list-style-type: none">• Risk Register• Business Continuity Plan |

Business Continuity Plan Policy (BCP)

Policy Overview

The Financial Conduct Authority (FCA) expects firms to conduct their business within the Principles for Business and Consumer Outcomes they have put in place.

A1 Carriages Car Sales Ltd have internal procedures for the mitigation of risk. These risks are not constrained to regulatory aspects only and will include other internal or external factors. E.g. a new computer system may be a risk to business continuity.

This policy sets out guidance to aid understanding in compiling a Business Continuity Plan.

Who is Responsible for This?

There should be a Business Continuity Plan for managing business interruption risk.

It is the responsibility of Mr Stephen Affleck to ensure that this is kept up to date and tested regularly.

How does this Affect Us?

Mr Stephen Affleck should have oversight of the Business Continuity Plan (BCP). An example plan can be found in [Appendix-10](#) and an example call cascade list in [Appendix-11](#).

Business Continuity Plan

A major risk to A1 Carriages Car Sales Ltd business is 'business interruption or disaster recovery'. Therefore, we have a Business Continuity (recovery) Plan. This plan also gives consideration to the regulatory aspects of the business.

Approved Persons Policy

Policy Overview

An Approved Person is an individual who has been approved by the FCA to perform one or more controlled functions.

A controlled function is a role or responsibility that has particular regulatory significance. This means being responsible for implementing the rules and processes outlined in this manual and the FCA principles.

Under the Financial Services and Markets Act 2000, the FCA may approve an individual only where it is satisfied that a candidate is fit and proper to perform the controlled function(s) applied for. When considering a candidate's fitness and propriety, the FCA considers:

1. honesty, integrity and reputation;
2. competence and capability;
3. financial soundness.

Approval must be obtained before a person can perform a controlled function. A controlled function is a duty within a regulated firm that holds significant influence or risk to the business.

The FCA outline a Fit and Proper (FIT) test for Approved Persons, this is a list of requirements that an individual must meet and continue to meet in order to be considered suitable to hold a Controlled Function. This can be found in the FCA handbook. See **Fit and Proper Test** below.

A1 Carriages Car Sales Ltd must satisfy the FCA that a candidate is fit and proper to perform the controlled function applied for.

This policy sets out the requirements for any Approved Person working within an FCA regulated environment.

Who is Responsible for This?

A1 Carriages Car Sales Ltd will perform adequate due diligence when presenting any Approved Person to the FCA for approval, paying particular regard to the points above.

This will include;

- asking for proof of the applicant's identification asking for proof of
- the applicant's address obtaining a director's report from a credit
- referencing agency obtaining a customer report from a credit
- referencing agency reviewing the answers given on the Form A
- reviewing the employment history provided on the Form A
-

How does this Affect Us?

Within a Limited Company, the Approved Person should be a Director and they would carry out the SMF 29 Limited Scope function for a firm with Limited Consumer Credit permissions.

Within a Sole Trader, there is no requirement to appoint an Approved Person.

A Disclosure and Barring Service (DBS) check is required for all SMF applications.

Being an Approved Person brings with it accountability and a number of important responsibilities, including a duty to be aware of and comply with FCA regulatory requirements and expectations and, understand how they apply to the day-to-day exercise of controlled functions.

The FCA set out the requirements for Approved Persons in their Statements of Principle and Code of Practice for Approved Persons handbook (APER). This handbook details the principles with which the Approved Person must conduct themselves and the underlying rules that they must adhere to.

Specifically, Approved Persons must:

- meet and comply, on an ongoing basis, with the FCA's Fit and Proper (FIT) test for Approved Persons; comply with the Statements of Principle and the Code of Practice for Approved Persons set out in the FCA's Statements of Principle and Code of Practice for Approved Persons handbook (APER). The Statements of Principle describe the conduct that the FCA requires and expects of the individuals it approves; • report to the FCA any matter that may impact on their ongoing fitness and propriety via a Form D on CONNECT

The firm must also comply with Conduct training requirements within the COCON rules regarding Conduct.

Fit and Proper Test

The Fit and Proper test is not an exam; merely a benchmark of an individual's standing. It is broken down into:

- Honesty, Integrity and Reputation
- Competence and Capability
- Financial Soundness

Honesty, Integrity and Reputation

The considerations you should give to an Approved Persons application for submission to the FCA for their scrutiny will include:

- whether the person has been convicted of any criminal offence, any spent convictions; consideration will be given to offences of dishonesty, fraud, financial crime or an offence under legislation relating to financial services, whether or not in the United Kingdom;
- whether the person has been the subject of any adverse finding or any settlement in civil proceedings, particularly in connection with financial business, misconduct or fraud;
- whether the person has been the subject of, or interviewed in the course of, any existing or previous investigation or disciplinary proceedings, by the appropriate regulator;
- whether the person is or has been the subject of any proceedings of a disciplinary or criminal nature, or has been notified of any potential proceedings; whether the person has contravened
- any of the requirements and standards of the regulatory system; whether the person has been the subject of any justified complaint relating to regulated activities; whether the person has
- been involved with a company, partnership or other organisation that has been refused registration, authorisation, membership or a licence to carry out a trade, business or
- profession, or has had that registration revoked;

- whether, as a result of the removal of the relevant licence, registration or other authority, the person has been refused the right to carry on a trade, business or profession requiring a licence or registration;
- whether the person has been a director, partner, or concerned in the management, of a business that has gone into insolvency, liquidation or administration while the person has been connected with that organisation or within one year of that connection;
- whether the person, or any business with which the person has been involved, has been investigated, disciplined, censured or suspended or criticised by a regulatory or professional body, a court or tribunal, whether publicly or privately; whether the person has been
- dismissed, or asked to resign and resigned, from employment or from a position of trust, fiduciary appointment or similar; whether the person has ever been disqualified from acting as
- a director or disqualified from acting in any managerial capacity; whether, the person has been candid and truthful in all his dealings with any regulatory body
- and whether the person demonstrates a readiness and willingness to comply with the requirements and standards.

Competence and Capability

In determining a person's competence and capability, the FCA will consider the following:

- whether the person satisfies the relevant FCA training and competence requirements in relation to the controlled function the person performs or is intended to perform;
- whether the person has demonstrated by experience and training that the person is suitable if approved; whether the person has adequate time to perform the controlled function and meet
- the responsibilities associated with that function.

Financial Soundness

In determining a person's financial soundness, the FCA will consider:

- whether the person has been the subject of any judgment debt or award, in the United Kingdom or elsewhere, that remains outstanding or was not satisfied within a reasonable period;
- whether, in the United Kingdom or elsewhere, the person has made any arrangements with their creditors, filed for bankruptcy or been adjudged bankrupt, had assets sequestered, or been involved in proceedings relating to any of these.

The FCA will not normally require the candidate to supply a statement of assets or liabilities. The fact that a person may be of limited financial means will not, in itself, affect their suitability to perform a controlled function.

FCA Application

All Approved Persons applications are submitted on the FCA's Online Notifications and Applications system (CONNECT).

The onus is on A1 Carriages Car Sales Ltd to provide sufficient information on the Application Form (Form A) to satisfy the FCA that the candidate is fit and proper.

The FCA may therefore need us to provide details of:

- the due diligence undertaken by the Board (if applicable); references obtained,
- including regulatory references and; details of the rationale the firm has used to
- conclude that the candidate is fit and proper to perform the role for which approval is sought. how the individuals appointment compliments the firms strategic plan the
- applicants CV
-

Monitoring & Reporting

Once the Approved Person has submitted the requested information, you should keep records, to include:

- References obtained on individuals
- Work history
- Form A and FCA correspondence
- Any Approved Person Declaration(s)
- Copy CV's
- Any correspondence pertaining to any clarification of further detail required
- Proof of residency
- Proof of identification

Management Information

A1 Carriages Car Sales Ltd verify Approved Person's employment and personal history appropriately in relation to the FCA's fit and proper requirements.

It is our responsibility to ensure that the details of our Approved Person(s) are accurate and any changes are reported to the FCA as soon as is reasonably possible.

Key Points to Remember

| Key Point | Notes |
|---|---|
| The FCA will only approve an individual to be an Approved Person when it is satisfied the candidate is fit and proper | To establish this the FCA will consider; <ul style="list-style-type: none">• Honesty, Integrity and Reputation• Competence and Capability• Financial soundness |
| Sole Trader | There is no requirement to appoint an Approved Person. |
| Appointing an Approved Person | When appointing an Approved Person, the following will be assessed; <ul style="list-style-type: none">• Whether the candidate passes the Fit & Proper Test• The individual's Honesty, Integrity and Reputation• The individual's Competence and Capability• The individual's Financial soundness |

Regulatory Breaches & Incidents Policy

Policy Overview

The Financial Conduct Authority (FCA) expects firms to conduct their business within the Principles for Business and Consumer Outcomes they have put in place.

A1 Carriages Car Sales Ltd are required to disclose to the FCA appropriately anything relating to the firm of which the FCA would reasonably expect notice as defined in the Financial Services and Markets Act 2000 (The Act).

Failure to comply with this rule could mean negative action against the firm, which could lead to regulatory fines or penalties. It could also result in negative publicity.

This policy sets out guidance to aid understanding of the requirements when a regulatory breach has occurred.

Who is Responsible for This?

A1 Carriages Car Sales Ltd are responsible for reporting any identified breaches immediately to the FCA

How does this Affect Us?

The FCA expect to be informed about any regulatory breach, usually as soon as possible, if it is to be able to carry out its supervision function effectively and react in good time to developments that may require a regulatory response.

This policy applies to A1 Carriages Car Sales Ltd staff, managers and senior management.

Definitions

Notifiable Event – A serious incident (detailed below) that contravenes the Regulator's Statements of Principles and/or the Handbook of rules and potentially brings a financial or reputational risk to A1 Carriages Car Sales Ltd or the individual concerned.

Threshold Conditions – These are the conditions that a firm must achieve in order to become regulated by the FCA, these conditions must also be maintained on an ongoing basis in order to remain regulated.

Notifiable Events are:

Matters having a serious regulatory impact

- failing to satisfy one or more of the threshold conditions, such as appropriate resource to carry out the regulated activity undertaken and the suitability of the Approved Person;
- any matter which has a significant impact on the A1 Carriages Car Sales Ltd reputation. For example, widespread mis-selling of regulated products that leads to unwanted media coverage and publication on the FCA's website;
- any matter which could affect the ability to continue to provide adequate services to customers and/or result in serious customer detriment. For example, a culture in the business of selling any policy to any customer in order to achieve sales quota's, regardless of the suitability of the product for individual customer needs, following which a series of significant claims/complaints are made against the firm, leading to FCA investigation and subsequent suspension.

Breaches of rules and other requirements in or under the Act

In assessing if a breach is significant A1 Carriages Car Sales Ltd should consider potential financial losses to customers, distress, inconvenience and material loss, frequency of the breach, systems and controls implications and if there are any delays in identifying or rectifying the breach.

Civil, criminal or disciplinary proceedings against A1 Carriages Car Sales Ltd

These are the penalties that could be faced should there be a significant breach by one of its Appointed Representatives:

- Civil proceedings are brought against the firm and the amount of any claim is significant in relation to financial resources or reputation.
- Disciplinary measures or sanctions are imposed by any statutory or regulatory authority, subject to an investigation into the firm's affairs.
- A1 Carriages Car Sales Ltd is prosecuted for or convicted of any offence involving fraud, dishonesty, or any penalties are imposed for tax evasion.

Fraud, errors and other irregularities (considered significant by senior management)

A1 Carriages Car Sales Ltd must disclose to the Regulator the following incidents that would be considered a significant breach:

- an employee has committed fraud against a customer; a person (whether employed or not) is acting with intent to or has committed fraud against A1 Carriages Car Sales Ltd;
- A1 Carriages Car Sales Ltd identifies accounting irregularities;
- A1 Carriages Car Sales Ltd suspects that an employee involved in regulated activities may be guilty of serious misconduct concerning their honesty or integrity.

In assessing if an incident is significant A1 Carriages Car Sales Ltd will consider the size, or potential size, of any monetary loss, reputational risk and whether the incident(s) reflect a weakness in its controls.

Insolvency, bankruptcy and winding up

A1 Carriages Car Sales Ltd must disclose to the Regulator the following incidents that would be considered a significant breach:

- calling of a meeting to consider the winding up; an application to dissolve or strike off the Companies Register; presentation of a winding up order; entering into any arrangement with one or more creditors; appointment of a bankruptcy administrator or receiver;
- application, under section 252 of the Insolvency Act 1986, for an interim order.
-
-

Other; Communication with the Regulator in accordance with Principle 11

Principle 11 requires firms to be open and honest with the FCA. It is always best practice, once an incident has been identified as significant to contact the FCA immediately. Should an incident not be reported and discovered by the FCA at a later date the consequences to the firm would be much more severe than if the incident had been disclosed straight away.

Another potential incident that should be disclosed is any significant systems and control failure; and actions taken which result in a material change in capital adequacy or solvency

Process

If a breach or incident is identified it must be immediately escalated to a Director or most senior member within the firm, including the Approved Person(s).

Once received, they should assess the notification and make a decision as to whether it should be escalated to the FCA as a reportable event.

Following agreement and content approval of the notification, Mr Stephen Affleck is responsible for communicating the event to the FCA.

Inaccurate, false or misleading information

A1 Carriages Car Sales Ltd take all reasonable steps to ensure the information on any Notifiable Event provided to the Regulator is factually accurate, or in the case of estimates and/or judgements, fairly and properly based on information obtained after appropriate enquiries have been made and includes anything the Regulator would reasonably be expected to be told about.

Monitoring & Reporting

A1 Carriages Car Sales Ltd should initially advise Mr Stephen Affleck of all incidents and breaches by submitting a fully completed incident report (example [Appendix-12](#)) including the investigation (example [Appendix-13](#)), as soon as practical after the breach has been identified. An example checklist of considerations is also included in [Appendix-14](#).

Management Information

A1 Carriages Car Sales Ltd retain records of all incidents and breaches in a register or log. Mr Stephen Affleck must review all incidents on a periodic basis to ensure correct management and timely closure.

Key Points to Remember

| Key Point | Notes |
|-------------------------------|---|
| The Act | Financial Services & Markets Act 2000 |
| Notifiable Event (definition) | A serious incident (detailed below) that contravenes the Regulator's Statements of Principles and/or the Handbook of rules and potentially brings a financial or reputational risk to A1 Carriages Car Sales Ltd and/or the individual concerned. |
| Notifiable Events are: | <ul style="list-style-type: none">• Matters having a serious regulatory impact• Breaches of rules and other requirements in or under the Act• Civil, Criminal or disciplinary proceedings against A1 Carriages Car Sales Ltd• Fraud, errors and other irregularities• Insolvency, bankruptcy and winding up |

Whistleblowing Policy

Policy Overview

The Financial Conduct Authority (FCA) expects firms to conduct their business within the Principles for Business and Consumer Outcomes they have put in place. There are 11 Principles in total; however, Principle 11 is most relevant to Whistleblowing:

11. Relations with Regulators: 'A firm must deal with its regulators in an open and cooperative way and must disclose to the FCA appropriately anything relating to the firm of which the FCA would reasonably expect notice'.

In addition, The Public Interest Disclosure Act 1998 (hereinafter referred to as 'the Whistleblowers Act') protects employees against detrimental treatment or dismissal as a result of any disclosure of normally confidential information in the interests of the public.

This document also refers to the FCA regulatory obligations within the FCA Handbook.

The General Data Protection Regulations (GDPR) have imposed greater rules around individual's rights. It is therefore pertinent to include whistleblowing for this enhanced law.

A1 Carriages Car Sales Ltd have appropriate internal procedures which will encourage workers with concerns to blow the whistle about matters which are relevant to the functions of the FCA.

This policy sets out how A1 Carriages Car Sales Ltd comply with the Whistleblowing rules and policy.

Who is Responsible for This?

Mr Stephen Affleck must ensure there is a Whistleblowing procedure in place to comply with [The Whistleblowers Act](#) and in particular the FCA requirements.

How does this Affect Us?

It is the FCA's policy to encourage Whistleblowers to use the whistleblowing procedures in their own workplace, but they may contact the FCA's Whistleblowing Desk in the following circumstances:

- if there aren't any procedures in their own workplace;
- if a whistleblower is uncomfortable or not confident about using the procedures; or the
- procedures have been followed but the whistleblower is concerned by the nature of the response, or lack of response, by their firm.

Under PIDA (Public Interest Disclosure Act), any clause or term in an agreement between an Employee and A1 Carriages Car Sales Ltd is void if it precludes the worker from making a protected disclosure (that is, "blow the whistle").

In accordance with section 1 of PIDA:

A qualifying disclosure is a disclosure, made in good faith, of information which, in the reasonable belief of the worker tends to show that one or more of the following has been, is being, or is likely to be, committed:

- a) a criminal offence
- b) a failure to comply with any legal obligation
- c) a miscarriage of justice
- d) the putting of the health and safety of an individual in danger
- e) damage to the environment
- f) deliberate concealment relating to any of the above

It is immaterial whether the relevant failure occurred, occurs or would occur in the United Kingdom or elsewhere, and whether the law applying to it is that of the United Kingdom or of any other country or territory.

Internal procedures

A1 Carriages Car Sales Ltd adopt appropriate internal procedures, which will encourage workers with concerns to blow the whistle internally about matters, which are relevant to the functions of the FCA.

Appropriate internal procedures will include:

- telling workers that A1 Carriages Car Sales Ltd takes failures seriously and explaining how wrongdoing affects the organisation; telling workers what conduct is regarded as failure;
- telling workers who raise concerns that their confidentiality will be respected, if they wish this; making it clear that concerned workers will be supported and protected from reprisals; nominating a senior manager as an alternative route to line management and telling workers how they can contact that individual in confidence; making it clear that false and malicious allegations will be penalised by the firm; telling workers how they can properly blow the whistle outside the firm if necessary; providing access to an external body such as an independent charity for advice; and encouraging managers to be open to concerns.

- A1 Carriages Car Sales Ltd advise our employees (through the firm's internal procedures) that they can blow the whistle to the FCA in respect of financial services and market matters under PIDA, or to the ICO for matters relating to Data Subjects rights or data breaches.
- Should an individual have a concern about A1 Carriages Car Sales Ltd they may approach the FCA directly on 020 7066 9200 during office hours or leave a message on voicemail.
-

Email: whistle@fca.org.uk

Or they can write to the FCA at: Intelligence Department (Ref PIDA)

The Financial Conduct Authority

12 Endeavour Square

London

E20 1JN

Monitoring & Reporting

A1 Carriages Car Sales Ltd maintain records of compliance with the FCA, ICO and PIDA Whistleblowing rules.

The internal procedure include records on Whistleblowing reports and the relevant actions taken in order to evidence fitness and propriety to the FCA.

Management Information

Mr Stephen Affleck will review any whistleblowing reports in order to identify any trends and any remedial required action. The content of a whistleblowing report may trigger the requirement to report an event to the FCA.

Key Points to Remember

| Key Point | Notes |
|---|--|
| Qualifying Disclosure | <p>A Qualifying Disclosure is a disclosure of information when an individual has reason to believe the following is being committed;</p> <ul style="list-style-type: none">a. a criminal offenceb. a failure to comply with any legal obligationc. a miscarriage of justiced. the putting of the health and safety of an individual in dangere. damage to the environmentf. deliberate concealment relating to any of the above |
| Who is Responsible? | Mr Stephen Affleck is responsible for ensuring the procedure is in place |
| Who to contact if the employee has concerns that aren't resolved internally | <p>The FCA at;</p> <p>Intelligence Department (Ref PIDA) The Financial Conduct Authority 12 Endeavour Square London E20 1JN</p> |

Record Keeping Policy

Policy Overview

The Financial Conduct Authority (FCA) expects firms to conduct their business within the Principles for Business and Consumer Outcomes they have put in place.

To ensure that these principles and consumer outcomes are met, the FCA has set out specific rules and guidance around record keeping, these can be found in the FCA Handbook. The GDPR also sets out rules in relation to how a business can keep records.

A1 Carriages Car Sales Ltd ensure that records are kept in line with the GDPR and the FCA rules and any records disposed of are done so securely. This policy provides guidelines regarding responsibilities for record keeping.

Who is Responsible for This?

A1 Carriages Car Sales Ltd are required by law and the FCA to adhere to the rules set out in the GDPR and the FCA Handbook and to have stringent process' in place to ensure this.

How does this Affect Us?

Definitions

| | |
|----------------------|--|
| Record | The International Organisation for Standardisation (ISO) defines a record as information that has been created, received and maintained as evidence and information by an organisation or person in the pursuance of legal obligations or in the transaction of business. |
| Essential Records | Essential records contain information that the business cannot operate without; the information is either irreplaceable or difficult to replace and will typically contain some confidential information. |
| Confidential Records | Confidential records contain privileged or non-public information pertaining to the company's business, which may relate to internal matters e.g. strategic and operational plans, staff remuneration, etc. as well as dealings with customers and third parties, such as insurers, agents, regulators, etc. |

Examples of items that are deemed to be records include;

- documents (including written and typed documents and annotated copies);
- paper based files (i.e. sales/customer and transaction files); computer files
- (including word processed documents, databases and presentations); emails; diaries; faxes;
- brochures and reports; intranet and
- internet web pages; forms and
- applications; audio and video tapes,
- including CCTV; photographs.
- A1 Carriages Car Sales Ltd management team is responsible for ensuring records are properly
- retained and disposed of in accordance with the firm's legal obligations. If paper and
- computer-based records are used, care needs to be taken in the design of record keeping
- arrangements and the protection of records.

Retention of Records

Information is retained within structured record keeping systems, which may include documents as well as information in electronic format.

Records are retained in an appropriate manner and should be easily retrievable, therefore;

- documents contained in both paper and electronic files should be stored in a logical manner that allows ease of access and retrieval of records. Customer, agency and transaction files should be segregated by transaction stages or events; e.g. quotations, responses to queries, application form, etc. call recordings should be clear and capable of being transcribed; amendments or corrections following a transaction or event must be clearly shown as such and the original information remains visible; it should not be possible for details of transactions or events in paper files i.e. sales/customer, agency and transaction files (including referencing records) to be manipulated or altered without a record of the change being captured so as to avoid the potential for fraud; it should be possible for records in other languages to be reproduced in English; any records of consent obtained from or instructions given by employees, customers, suppliers or any other third parties regarding the use of personal, sensitive or confidential data should be retained securely.
- The degree of security required around accessibility and storage should reflect the sensitivity and confidential nature of any information recorded.

Retention Periods

The schedule below details minimum retention periods for a range of categories, which have statutory requirements for record keeping/retention periods.

| Record category | Retention period |
|-------------------------------|--|
| Company information | Incorporation documents – Permanently Statutory returns – Permanently Register of Members – Permanently Pension schemes records - Permanently Banking records – 6 years Charities and Political Donations -12 years |
| Corporate Governance | Permanently |
| Property documents | Deeds of Title – until sold or transferred Leases – 12 years from termination Agreements with architects and builders - 6 years after completion |
| Human Resources | Job application and interview records – 6 months after notifying unsuccessful candidate Personnel and training records – 6 years after employment ceases Payroll records (including maternity, sick pay) 6 years Health and Safety records – all notifiable accidents, dangerous occurrences, reportable diseases – 6 years after employment ceases. |
| Tax documents | 6 years |
| Contracts | Contracts under seal - 12 years after expiry of contractual obligations Other contracts (i.e. insurer contracts, delegated authority agreements) - 6 years after expiry of contractual obligations Trust deeds - Permanently |
| Insurance business | Public liability, Product liability and Employer's liability policies - Permanently Other policies – 2 years following policy lapse or until claims under the policy are barred (whichever is the longer). Cancelled or lapsed policies – 2 years from cancellation or policy lapse date Complaints – 3 years from the date the complaint was received (DISP 1.9.1) |
| Intellectual Property Records | Certificates of Registration of trade/service marks – 6 years after cessation of registration Intellectual property agreements and licenses – 12 years after expiring |
| Property | Documents under seal – 12 years after expiring Other contract - Current year plus 6 years Trust Deeds - Permanently |
| Supplier agreements | Contracts for products with suppliers – 10 years after the contract was terminated or product no longer used, whichever is the latter |

Paper & Electronic Records

A1 Carriages Car Sales Ltd ensure paper and electronic records (especially those that contain confidential information; e.g. personal details of customers or the company's business plans etc.) held on office premises are kept secure and; access is restricted to staff members authorised to use such information; paper records are placed in lockable cupboards or if necessary, in fire resistant cabinets; and if essential for the running of the business, such records are retrievable in a reasonable timeframe in accordance with the Business Continuity Plan.

Disposal of Records

All information of a confidential or sensitive nature held on paper or in electronic format is securely destroyed when no longer required.

This is a requirement under GDPR and an expectation of the FCA. The disposal of records, in any format, should be conducted with utmost care and diligence and the confidentiality rights of employees, customers and third parties should be considered.

Safe and Secure Disposal of Records

When disposing of records (in whatever media – paper or electronic) either on or off-site, after the expiry of the retention period, it is important to use a secure method which does not allow future use or reconstruction of information by unauthorised individuals.

When outsourcing destruction to a third party a destruction certificate should be obtained and subsequently retained in a secure place to evidence that the proper process has been followed to carry out the destruction.

Disposal of Paper Records

Paper records containing confidential and/or personal information should be cross-cut shredded and disposed of through reputable waste collection companies. Under no circumstances should confidential and/or personal information be disposed of with other rubbish or general papers.

Electronic Records

Special care should be taken with electronic records, which can be reconstructed from deleted information if the data has not been erased thoroughly. The deletion of electronic records ultimately means the complete destruction of the electronic record and should be organised in conjunction with the firm's IT Department.

Simply erasing or reformatting computer disks or personal computers with hard drives, which once contained personal information, is not enough.

Monitoring & Reporting

A1 Carriages Car Sales Ltd are responsible for ensuring adequate processes are in place for checking that records are maintained adequately, are accurate, not excessive, archived when appropriate and not held for longer than is necessary.

Management Information

A1 Carriages Car Sales Ltd maintain robust processes on record keeping, reviewing them periodically to ensure that compliance is maintained.

Key Points to Remember

| Key Point | Notes |
|----------------------|---|
| GDPR | A1 Carriages Car Sales Ltd are required by law to adhere to the rules set out in the GDPR in regard to record keeping |
| Record | The International Organisation for Standardisation (ISO) defines a record as information that has been created, received and maintained as evidence and information by an organisation or person in the pursuance of legal obligations or in the transaction of business. |
| Essential Record | Essential records contain information that the business cannot operate without; the information is either irreplaceable or difficult to replace and will typically contain some confidential information. |
| Confidential Records | Confidential records contain privileged or non public information pertaining to the company's business, which may relate to internal matters e.g. strategic and operational plans, staff remuneration, etc. as well as dealings with customers and third parties, such as insurers, agents, regulators, etc. |
| Example of Records | <p>Examples of items that are deemed as records include;</p> <ul style="list-style-type: none"> • documents (including written and typed documents and annotated copies); paper based files (i.e. customer and transaction files); • computer files (including word processed documents, databases and presentations); • emails; diaries; faxes; • brochures and reports; intranet and internet • web pages; forms and applications; • audio and video tapes, including CCTV; photographs. • • • |

Appendix 1 – Example Financial Promotions Register

[illegible]

Appendix 2 – Conflicts of Interest Self-Assessment

| Issue | Potential conflict of Interest | Tick Box | Typical procedures to manage the potential conflict |
|--|--|----------|---|
| Preferential commission rates from a particular provider | Are sales staff placing business with that provider without considering the needs of the customer? | | <ul style="list-style-type: none"> Commission across the panel arranged so that no one provider has appreciably different commission deals for the same product. Disclosure document includes the basis and criteria for selecting providers for particular products and for effective monitoring of placements. |
| Profit share arrangements with a particular provider | Are sales staff placing business with that provider without considering the needs and outcomes of the customer? | | <ul style="list-style-type: none"> Profit share arrangements not disclosed to sales staff. Disclosure document includes the basis and criteria for selecting providers for particular products and for effective monitoring of placements. |
| Volume overrides arrangements with a particular provider | Are sales staff placing business with that provider without considering the needs and outcomes of the customer? | | <ul style="list-style-type: none"> No direction/instructions from senior management where to place business, if this is likely to result in customer detriment. Volume override arrangements not disclosed to sales staff. Disclosure document includes the basis and criteria for selecting providers for particular products and for effective monitoring of placements. |
| Sales staff remuneration based on sales targets | Are incentive payments or competitions made to sales staff to complete regulated sales without considering the needs and outcomes of the customer? | | <ul style="list-style-type: none"> Robust management controls in place to ensure that customers have been treated fairly including; rewards that take into account quality as well as quantity such as the incidence of upheld complaints, adherence to procedures and findings from internal monitoring. Appraisal and development arrangements including TCF and quality considerations. |
| Delegated claims handling | Are you acting for the insurer when the customer reasonably believes that you are acting for them? | | <ul style="list-style-type: none"> Disclosure documents include details. Claims handling procedures to include Consumer Duty outcomes |
| Hospitality and Gifts (Inducements) | Have significant hospitality and gifts influenced the fair treatment of customers? | | <ul style="list-style-type: none"> Policy and procedures for the registration and approval of hospitality and gifts. |
| Relationships or financial interests with providers or other third parties with whom we deal | Has business been placed with a particular provider or have other contracts entered into without consideration of the customer's best interest? | | <ul style="list-style-type: none"> A register maintained of all such arrangements. Disclosure document includes the basis and criteria for selecting insurers for particular products. |
| Conflicts between customers when acting for both | Are you acting for competing customers, affecting your ability to treat both fairly? | | <ul style="list-style-type: none"> Disclose conflict and obtain agreement to proceed for both parties. Set up 'Glass Walls' – segregation of duties information barriers so that each customer is treated fairly and as if the other was not present. |
| Staff members or member of their immediate family has an interest in an outside entity | Is the interest substantial enough for it to be perceived to affect their judgement with respect to transactions between the firm and that entity i.e. a material interest exists? | | <ul style="list-style-type: none"> Staff members with a material interest in any service provider, insurer or product provider must declare this interest to HR. If the firm cannot manage a conflict adequately, it will disclose this to the client, before undertaking any business for that client. |
| Undertaking a tender exercise to select supplier or product provider | Has the supplier or product provider been appointed without considering the impact on customers? | | <ul style="list-style-type: none"> Before undertaking any tender exercise the proposed tender process needs to be signed off by a Project Sponsor/appropriate senior management in advance of issuing to the invited tender participants. Proposals/recommendations resulting from any tender process are signed off in advance of any final ratification and communication to tender participants. |
| Close personal relationships | Will the relationship potentially result in some form of influence, either positive or negative, on another employee or business process? | | <ul style="list-style-type: none"> Staff members should disclose any personal relationships that may result in any form of influence on another staff member. |

Appendix 3 – Potential Conflicts of Interest Form

| | |
|--|--|
| Date Conflict of Interest Discovered: | |
| Identified by: | |
| Names of individuals involved: | |
| Details of the Conflict | |
| Action required | |
| Logged on Conflicts of Interest register by: | |
| Actions agreed by: | |
| Date: | |

Appendix 4 – Conflicts Of Interest Log

[illegible]

Appendix 5 - Gifts & Hospitality Approval Form

| | | | |
|--|------|--------------------------|--------|
| Gift/Hospitality Description: | | | |
| Received by Name & Dept: | | Given by Name & Company: | |
| Reason for Gift/Hospitality: | | Date: | |
| Value - please provide breakdown and any supporting evidence e.g. website link | | | |
| | Name | Date | Signed |
| Name & Signature of applicant: | | | |

I confirm I am satisfied that this meets the Gifts & Hospitality Policy and there are no identified Conflicts of Interest

| | | |
|-----------------|------|--------|
| Name & Position | Date | Signed |
| | | |

Appendix 6 – Gifts & Hospitality Log

| Employee Details | | | Third Party Details | | | | | Gift Details | | | | | Authorisation/Approval | | | | |
|------------------|-----------|-------|---------------------|-----------------|--------------|-------------------------|---------------------------|---------------|------------|---------------------------------------|------------------------|--|------------------------|------|------|-------------------------|--|
| Name | Job Title | Dept. | Name | Job Title | Company Name | Relationship To Company | Contracts etc in progress | Date Received | Date Given | Detailed Description | Priced Estimate /Known | Source (this should be a link or place where purchased). | Name | Role | Date | Approval Form Requested | |
| Mr Smith | Director | | Mr Insurer | Account Manager | ABC Ltd | Supplier | Yes | N/A | xx/xx/xxxx | Lunchat xxxxxx | £250.00 | www.????.com | | | | OBTAIN | |
| Mr Smith | Director | | Mr Insurer | Account Manager | ABC Ltd | Supplier | Yes | xx/xx/xxxx | N/A | Bottle of Harvey's Cabernet Sauvignon | £150.00 | Harrods | | | | OBTAIN | |

Appendix 7 – Risk Exposure

Factors in fluencing exposure / control score

| Rating | Control Definition | Procedures / Tests | Control Effectiveness | Business Change | Control Design | Contingency | External Mitigation |
|---------------|--|---|---|---|--|--|---|
| 1 Minor | Well designed and documented controls that have been thoroughly tested | All procedures have been reviewed and tested at least 12 months | Testing thoroughly for all problems | Limited change to update existing processes | Detailed roles and responsibilities. Automated controls | Plans mean that work can continue without interruption | Risk fully transferred to third party with no residual exposure |
| 2 Limited | Controls are well designed, but few limited exceptions are evident | Procedures covering all risks but not reviewed in the last months | Management support but effectiveness varies | Some changes to the business due in the next 6 months | Clear roles and responsibilities for most functions | Full recovery within 24 hours | Risk largely transferred to third party |
| 3 Medium | Number of exceptions have occurred indicating limited designer input / client management supervision | Procedures in place covering most key areas | Little or no adherence by staff but management support in place | New project about to be implemented | Most jobs defined | Full recovery within 5 days | Risk partly transferred to third party |
| 4 Significant | Primary controls are failing and secondary controls are not detecting failures | Little testing | No management oversight support | Fundamental business change which will lead to significant changes to working practices | No roles and responsibilities defined. Most controls are manual and detective not preventive | Plans not detailed | Minimal risk transfer |
| 5 Major | Controls are very weak or no controls | Few or no procedures | Staff not aware of controls | Rapid change and uncertainty | No control levels | No plan in place | No risk transfer |

Appendix 8–Risk Impact Scoring

All of the columns will be considered when making a judgement, where different columns give different ratings for the same risk, a balance judgement will be made of the overall impact. The impact will be considered without taking in to account any controls or mitigation set up. It will also be noted that the impact score is different to the impact score used in the risk appetite.

| Factors influencing Impact Score | | | | | | | |
|----------------------------------|--|---|--|--|---|---|--|
| Rating | Customer Service / Consumer Duty Risk | Reputational Risk | Regulatory Risk | Legal Risk | People Risk | Criminal Risk | Approx Direct Loss (e.g. x gratia, fine, compensation) Based on percentage of income |
| 1 Insignificant | Customers not impacted or aware of the problem | Little or no impact on company reputation | Regulator recognises high compliance standards | No threat of legal action | No effect | High standard publicly recognised | Under 1% of income |
| 2 Minor | Some customers aware about the impact is negligible, or affects less than 25% of policies sold | Routine reporting to media. Routine criticism from trade bodies, e.g. SAA | Adverse verbal and written comments from regulator about regulatory fine | Threat of legal action but unlikely to succeed | Potential for minor injury or key team member to leave. | Unsuccessful fraud. System breach unsuccessful | % of income |
| 3 Moderate | Customers aware and results in temporary loss of service or affects more than 25% of policies sold | Media negative reporting in the media industry publication | Regulatory action with the potential of a small fine | Threat of legal action with probable settlement out of court | Injury requiring hospital treatment for more than one member of staff or minor scale down | Physical system penetration attained but not successful | % of income |

Appendix 9 – Risk Register

| RiskCategory | RiskDescription | Impact | Likelihood | Risk Score | Trend | RiskOwner | Controlin place | ActionPlan(s) | Open/Closed |
|-----------------------|-----------------|--------|------------|------------|-------|-----------|-----------------|---------------|-------------|
| Customer ConsumerDuty | | | | | | | | | |
| Reputational | | | | | | | | | |
| Regulatory | | | | | | | | | |
| Legal | | | | | | | | | |
| People | | | | | | | | | |
| Criminal | | | | | | | | | |
| Financial | | | | | | | | | |

Appendix 10- Business Continuity Plan

Business Continuity Plan

A major risk to A1 Carriages Car Sales Ltd is business continuity or disaster recovery. A Business Continuity (Recovery) Plan has been created as detailed below in order to manage the associated risks.

Introduction

Business Continuity Overview

It is A1 Carriages Car Sales Ltd policy that the Company's Business Continuity Plan is complete, effective and up-to-date. This plan will provide valuable information in the event of a disaster/incident and will provide the basis for ensuring that any recovery operation can be achieved as smoothly and as efficiently as possible.

Senior Member Mr Stephen Affleck of A1 Carriages Car Sales Ltd staff will form an Emergency Management Team (EMT), which will provide management level support to facilitate a speedy and effective disaster recovery.

The Emergency Management Team will initiate contact with all staff by way of the call cascade list. The EMT members are responsible for ensuring they have access to the list outside of the normal working environment. The HR function are responsible for maintaining the accuracy of the list and providing copies to the EMT members.

The Directors will decide whether to activate the Company's plan based on information received. The Emergency Management Team are defined within the companies Organisation Chart.

Policy

There are three main areas of business recovery that need to be considered for the Company. These include:-

- access to building denied loss
- of network server telephone
- systems unavailable

This plan is to be used by the Company in the event of a disaster rendering building, telephone or computing facilities unusable for a significant period of time.

Overall Business Impact:

Some disruptions would be inevitable but the amount depends on the nature and extent of the disaster.

Depending on the nature of the disaster, staff may be required to perform duties relating to other business functions. This is permitted under their contracts of employment.

Precautionary Measures

Storage of Critical Information

Paper-Based

A copy of this plan and Firm A's policies will be retained at our secondary location.

Workgroup Server Based

All business critical data is currently backed up.

Off site servers are backed up fortnightly. These store Firm A's main critical functions of website and admin system.

Data on laptops and mobile phones

Data stored on mobile equipment will be adequately and securely protected through passwords or other security methods.

Requirements For A1 Carriages Car Sales Ltd

Requirements

In the event of a major disaster rendering the host building unusable for an extended period of time, A1 Carriages Car Sales Ltd requires access to a temporary work area and would require the resources detailed below.

Staff

The Emergency Management Team will decide on the number of staff required in relation to:

- the disaster faced the anticipated timescale to return to full functionality at the
- appropriate premises

Facilities

Based on the above, consideration will need to be given to:

- desks
- chairs
- computers (including printers and peripherals)
- telephones stationary
- email and broadband access photocopier
- postal
- facilities fax
- machine
- Telephones can only be diverted to one specific phone number
-

Team Structure

The structure of the Emergency Management Team (EMT) is contained within the Organisation Structure Chart. Nominee replacements for EMT members are detailed below:

| Name | Replacement |
|-----------------|--------------|
| Stephen Affleck | Miss F Mutti |

Responsibilities

Emergency Management Team:

- to decide to invoke the recovery procedures and to what extent they are to be followed.
- to act as single point of contact for staff during the recovery effort. To liaise with any
- external stakeholders, including emergency services, with regards to recovery
- requirements and recovery updates.
- maintain overall management of the recovery teams and the recovery effort. to ensure
- that all their teams' functions have been accounted for and either recovered or
- suspended.
- to co-ordinate the efforts of their team members and to keep them informed of progress.
- to ensure that contact is made with all team members working off site, on holiday or absent through sickness.
-

Response - During Normal Working Hours

Initiate Evacuation Procedures If Appropriate

- evacuate all personnel in an orderly manner and assemble outside, including clients attending meetings. fire marshals to ensure that all departmental staff are out of the
- building.
- if possible, request staff to remove important documentation from their work area.

Notify Staff Members

Each Emergency Team Member will notify all team members of the situation and issue a contact number for them. A complete copy of all the team members' home phone numbers or mobile numbers will be retained by each EMT member. This is the call cascade list.

Situation Assessment

It may be some time before the full extent of the disaster is known. During this time the Emergency Management Team will assemble to initially appraise the situation and begin to consider whether to invoke the recovery procedures.

Out of Normal Working Hours

Initial Contact

The initial contact out of normal working hours will be the Emergency Management Team who will be apprised of the situation.

Form Emergency Team

The Emergency Management Team member contacted, depending upon the information received, will decide whether to gather the Emergency Management Team. It will be discussed with at least one other Emergency Management Team member, before a decision is made.

If access to the normal place of work is impractical, the Emergency Management Team will convene at the secondary location, to use as an Emergency Command Centre:

Emergency Process

As each emergency scenario can be different, the below is intended as a guide to EMT to ensure all relevant points are considered.

This section details the actions that may be required following invocation of this BCP.

Actions Required on Day One of the Recovery

- 1) Compile a list of any missing persons and known casualties. Ensure that the list includes both members of staff and visitors.
- 2) Contact the Emergency Services to pass on any list of missing persons and receive information on casualties.
- 3) Contact the IT representative on the EMT to advise them of the situation and to request assistance for IT and other infrastructure issues, and to invoke recovery space at **the secondary location** and home working.
- 4) Contact the families and next-of-kin of affected staff.
- 5) Verify:
 - a) Emergency security at the **Primary Location** if the site has sustained structural damage. If necessary, work with the landlord to ensure that the site is made safe and secure. Consider additional security personnel if required.
 - b) When entry to the site will be allowed, if access has been denied.
- 6) Confirm that access to recovery space at **the secondary location** is available and that those allocated as home workers are notified.
- 7) Assemble the EMT at the Emergency Command Centre (ECC), **the secondary location**.
- 8) Establish and staff a Co-ordination Point near to the **Primary Location** site. Notify the Emergency Services of the Co-ordination Point location.
- 9) Direct business visitors to the Co-ordination Point, if appropriate.
- 10) Complete an interim business impact assessment.
- 11) Consider:
 - a) Impact on the ability to provide services normally undertaken at these offices.
 - b) Impact on the ability to undertake other activities such as IT development etc.
 - c) Loss of assets.
 - d) Direct costs.
- 12) Which losses will be sustained if the BCP is not invoked?
- 13) Decide whether to continue BCP invocation. If the BCP is not to be invoked then resolve any problems and implement stand-down procedure. Otherwise, continue with the planned response.
- 14) Contact all members of staff and provide immediate instructions. Consider the following:
 - a) Provide the minimum information to initiate the response and explain the current situation.
 - b) Verify specific Emergency Response tasks.
 - c) Identify any business-critical activities that should receive priority.
 - d) Confirm staff members' immediate contact details.

- e) Give notice of the staff briefing time and place.
- 15) Instruct those staff that are immediately required to work from home
- 16) Provide emergency cash to staff involved in the recovery.
- 17) Instruct staff that are not required to remain at home and in contact.
- 18) Clearly state the need for secrecy pending a formal press release.
- 19) Inform third party contacts of the disruption affecting Firm A's operations and the recovery action being taken. Consider the following points:
 - a) Wherever possible, send standard broadcast fax; otherwise, explain circumstances verbally using the latest approved statement.
 - b) Ask contacts not to call back and explain that they will be notified of events that affect them.
- 20) Contact relevant banks if electronic payments are pending, informing them of the disruption affecting Firm A and the recovery action being taken. Discuss any appropriate actions and advise of interim working arrangements.
- 21) Verify with IT, voice line redirection, message content and call routing / handling to EMT mobiles
- 22) Redirect postal mail
- 23) Record details of damage to the building using a still or video camera. These pictures will be required for insurance purposes and damage must be recorded before the salvage and clean-up operations begin.
- 24) Verify that the landlord has been advised
- 25) Compile list and obtain readily available consumables (retaining receipts) that may be required including:
 - a) Stationary
 - b) Desks
 - c) Chairs
 - d) Computers (including printers and peripherals)
 - e) Telephones
 - f) Email and broadband access
 - g) Photocopier
 - h) Postal facilities
 - i) Fax machine
- 26) Consider ability to notify Third Parties via website or other media if remotely accessible
- 27) Consider notifying relevant suppliers detailed in supplier contact list for both **the Primary Location** and **the secondary location**.

Actions Required by Day Two of the Recovery

- 1) Review key priorities in current recovery site workload.
- 2) Arrange trauma counselling for affected staff if this is felt to be appropriate.
- 3) Conduct a briefing for all members of staff, both at the recovery site and elsewhere, covering the following:
 - a) Internal press release, résumé of events and status.
 - b) PR issues.
 - c) Damage and impact assessment.
 - d) Salvage status.
 - e) Recovery strategy.
 - f) Operating recovery targets.

- g) Roles and responsibilities.
 - h) Department reporting and problem escalation guidelines.
 - i) Voice, internet and fax communications availability and usage.
 - j) Progress reporting.
- 4) Assess the need for extra staff or shift work to address any backlogs and any urgent tasks at the recovery site
 - 5) Resume accounts ledger activities at the recovery site
 - 6) Help-desk activities should resume
 - 7) Staff should begin to re-create lost or corrupted system data and paper-based work-in-progress.
 - 8) Establish when access to the [Primary Location](#) will be allowed. If so, try to determine:
 - a) What can be salvaged and its condition.
 - b) What has been irretrievably lost or destroyed.
 - c) What is intact, but inaccessible?
 - d) Infrastructure damage and access availability.
 - e) Expected rebuild time frames.
 - f) Location for reconstruction activities.
 - 9) Liaise with key Network Members to ensure that they are kept aware of the incident.
 - 10) Arrange a meeting to establish insurance and reconstruction responsibilities

[Actions Required by Day Five of the Recovery](#)

- 1) Monitor staff morale and confidence in employment continuity
- 2) Staff at the recovery site should continue re-creation of lost or corrupted system data and paper-based work-in-progress
- 3) Compile and submit insurance claims. Co-ordinate activities of loss adjusters / assessors.
- 4) If necessary, begin reconstruction of damaged or destroyed documents.

[Longer-Term Actions](#)

- 1) In conjunction with staff, begin to develop a long-term business recovery plan.
- 2) Decide if a refit of the site is viable. If the damaged site will not become habitable within one month, meet with property agents to identify a suitable alternative site. Otherwise, authorise reconstruction and refit of the site in conjunction with landlord/insurers.
- 3) If necessary, search for local office space for short-term rental.
- 4) Review progress on the long-term site in conjunction with infrastructure staff, in particular:
 - a) Construction and / or refurbishment.
 - b) Design of floor layout(s).
 - c) Plans for occupancy of the site.
 - d) Procedures for security, cleaning, post and other services.
 - e) Time frame for business transfer to the site.
 - f) Emergency procedures.
 - g) Procurement, installation, commissioning and testing of replacement computer systems.
- 5) Prepare a staff briefing note on the new site. Include:
 - a) The level of equipment and facilities available.
 - b) Site layout plans.
 - c) Directions to the site.
 - d) The date of transfer of operations.
 - e) The expected length of stay.

- f) Special arrangements regarding transport of staff.
- g) Altered working arrangements for staff.
- h) Recompense for disruption of work patterns.
- i) Liaise with IT over systems as well as voice and data transfer to the new site.
- 6) Review timescales for occupation of the new site.
- 7) Resume normal operations from the new site.

Final Actions

- 1) Retrieve and review copies of Incident Logs and meeting notes. Identify:
 - a) Exceptional performance.
 - b) Sources of delay or inefficiency.
 - c) Errors or inappropriate responses.
 - d) Actual timescales for activity completion.
- 2) Hold a post-incident review meeting and quantify the cost of the incident in terms of:
 - a) Lost information.
 - b) Additional resource requirements.
 - c) Missed opportunity.
 - d) Inability to provide services and products internally and to customers.
 - e) Fines, charges, compensation and penalties.
 - f) Loss of staff and assets.
 - g) Additional cost of working.
- 3) Update the BCP, if necessary
- 4) Update internal operating and emergency procedures

Throughout the Recovery

- 1) Maintain the Incident Log
- 2) Maintain notes of meeting decisions
- 3) Maintain contact with all members of staff
- 4) Respond to requests for information
- 5) Inform them of changes in strategy
- 6) Inform them of notable occurrences that may affect priorities.
- 7) At regular intervals:
 - a) Review recovery progress against target timescales.
 - b) Assess recovery progress section
- 8) Prepare updates for all members of staff. Include the following:
 - a) Incident status and recovery progress.
 - b) Objectives and deadlines.
 - c) Individual objectives, roles and responsibilities.
 - d) Specific instructions.
 - e) Handling personal problems caused by, or contributed to by the incident.
 - f) Security issues.
 - g) Current statements for handling incoming calls.
- 9) Liaise with senior management regarding all expenditure decisions.
- 10) Maintain regular contact with the [Primary Location](#) and with key third parties.
- 11) Ensure the prompt submission of any insurance claims.
- 12) Check salvage status - availability of paper-based records and extent of information lost.
- 13) Assess the well-being of staff and identify need for professional support.
- 14) Consider either buying a shredder or calling on a shredding company to dispose of confidential waste.

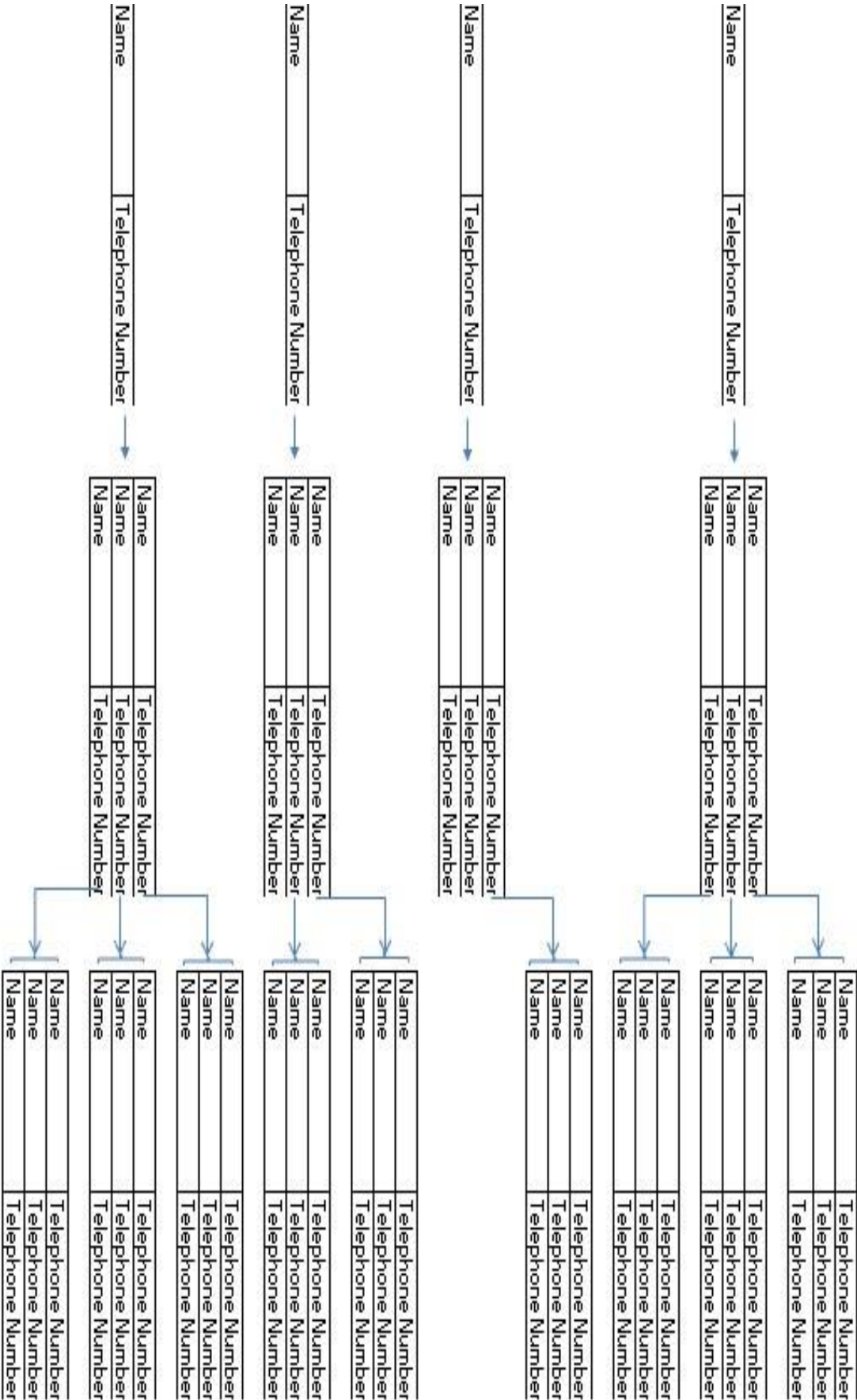
Contact Directory

Emergency Services Contact List

| Service | Contact |
|-------------------------|--|
| Police, Fire, Ambulance | 999 |
| Local Contact | 101 |
| Hospital | Darent Valley Hospital, Darenth Wood Road, Dartford, Kent DA2 8DA |

Appendix 11- Call Cascade List

Call cascade list - updated xx/xx/xxxx



Appendix 12 – Incident Report Form

| INCIDENT REPORT FORM | | | |
|---|--|--|---|
| Log Ref: | | | Incident Reporter & Department |
| Date Incident Identified | | | |
| | | | |
| Business Area / Department Occurred in | | | |
| | | | |
| Date Incident happened? | | | Client / Agent name (if applicable) |
| | | | |
| How many customers / Agents did this affect? | | | If known the approx financial cost to the business? |
| | | | |
| Details of the incident / What happened? | | | |
| | | | |
| Has this happened before? (Repeat) | | | Have you notified Insurers? |
| | | | Date insurers notified? |
| | | | |
| Severity Rating given by Reporter: | | | Severity Rating given by Management |
| | | | |
| How did you or are you going to fix it? (Remedial Action) | | | |
| Give date of completion or expected date & action owner | | | |
| Incident Owner | | | |
| Why can this incident now be closed? | | | |
| Please complete additional tab below titled " Investigation Report " | | | |
| Approval for closure: <i>Any comments?</i> | | | |
| | | | |
| Approved for Closure by: | | | |
| Date: | | | |

Appendix 13 – Incident Investigation Form

| Incident Investigation Report | | | |
|---|--|---|--|
| Date Investigation Completed | | Investigation Completed by? | |
| | | | |
| Detailed findings from investigation what was the root cause? | | | |
| | | | |
| What controls were in place to prevent the incident? | | | |
| | | | |
| Why did the controls fail? | | | |
| | | | |
| What additional controls / procedures / training have you completed to prevent this from happening again? | | | |
| | | | |
| How will you test that the additional controls / procedures you have put in place are effective? | | | |
| | | | |
| Is this incident on our risk register? | | If you answer no, when it will be added (if applicable) | |
| | | | |
| Manager/ Director comments | | | |

Appendix 14 – Incident Closure Checklist

| Closure Checklist | | |
|------------------------------|--|----------|
| Actions | Evidence | Complete |
| Action completed | Name of person completing action clear? | |
| | Date action was completed? | |
| Consumers | Has any consumer harm been remedied? | |
| | Is this clearly evidenced? | |
| | Are there sufficient controls to prevent a repeat event? | |
| Procedure altered | Copy received of procedure before alteration? | |
| | Copy received of procedure after alteration? | |
| | Who changed the procedure? | |
| | How was the new procedure communicated? | |
| | How was understanding confirmed? | |
| | Any testing of understanding completed or scheduled? | |
| Training | Who delivered training? | |
| | How was the training delivered? | |
| | Who received the training? | |
| | When was the training conducted? | |
| | How was understanding confirmed? | |
| | Is it documented on CPD? Evidence seen? | |
| Feedback given to individual | Who gave the feedback? | |
| | When was the feedback given? | |
| | Was it evidenced? | |
| | How was the feedback given? 1:1, specific meeting? | |
| System Change | Details of system change | |
| | Confirmation of completion of system change? | |
| | When did the system change go live? | |
| | Evidence that a test was completed and was successful? | |
| No recommended action | Confirmation of why existing controls are sufficient | |
| Completed by: | | |
| Date: | | |