

This guide has been designed to allow you to easily navigate to resources that provide relevant rules and guidance for your firm. For full information on each section please click on the hyperlinks within this document.

## **FCA HANDBOOK**

The Handbook contains the complete record of FCA Legal Instruments and presents changes made in a single, consolidated view.

All regulated firms must comply with the rules set out in the [Handbook](#).

## **FCA JARGON BUSTER**

[Consumer credit](#) terms explained.

## **FCA RULES FOR CREDIT BROKING FIRMS**

The FCA credit broking rules affect non-fee charging and fee charging brokers. The summary covers the following topics:

- Fees
- Correspondence with customers
- Advertising and financial promotions
- Distance contracts
- Treating customers fairly
- Payment authorisation and consent
- Sharing of personal information
- Advertising and marketing
- Transparency of status
- Transparency of fees and commissions
- Refunds

The summary is not a full list of rules that apply to credit brokers. Your firm should always check the relevant parts of the [Handbook](#).

## **FAIR TREATMENT OF CUSTOMERS**

There are six consumer outcomes that firms should strive to achieve to ensure [fair treatment of customers](#). These remain core to what the FCA expects of firms.

## **FINANCIAL CRIME**

The FCA states: As part of our responsibility to ensure the integrity of the UK financial markets we require all authorised firms to have systems and controls in place to mitigate the risk that they might be used to commit [financial crime](#).

The following [guide](#) for consumer credit firms highlights the FCA's expectations and the rules required to be followed, together with examples of good and poor practice.

## **RESPONSIBLE LENDING**

The FCA wants firms to make a reasonable assessment, not just of whether the customer will repay, but also of their ability to repay affordably and without this significantly affecting their wider financial situation. This should minimise the risk of financial distress to customers.

[The FCA Policy Statement](#) on assessing creditworthiness in consumer credit includes the Consumer Credit (Creditworthiness) Instrument 2018 which came into force 1 November 2018.

## **VULNERABLE CUSTOMERS**

The [FCA](#) states: Consumers in vulnerable circumstances may be significantly less able to represent their own interests than the average consumer, and more likely to suffer harm. Any consumer can become vulnerable at any time in their life, for example through serious illness, bereavement or loss of income. The FCA expects firms to pay attention to possible indicators of vulnerability and have policies in place to deal with consumers where those indicators suggest they may be at greater risk of harm.

The [FCA](#) defines a vulnerable person as being “someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care”.

## FCA LIMITATIONS ON DEBT PERMISSIONS

If you are a full permission firm with the permission of debt adjusting and/or debt counselling with a 'no debt management' limitation, you will need to review the [limitations](#) held to ensure they are appropriate for your business.

Full definitions of debt adjusting and debt counselling can be found in Chapter 2.7 of our [Perimeter Guidance Manual \(PERG\)](#), specifically sections 2.7.8B and 2.7.8C.

[Chapter 17 of PERG](#) provides guidance on what amounts to debt advice, in particular PERG 17.5.

[Common misconceptions about Debt Management.](#)

## COMPLAINTS HANDLING RULES (DISP)

The complaints-handling rules are published as part of the Financial Conduct Authority's Handbook – in the section called [Dispute resolution: complaints](#).

These rules – sometimes referred to as the “DISP” rules – set out the procedures and requirements that businesses must follow when handling complaints from consumers.

The rules include requirements on:

- Acknowledging and responding to complaints
- The time limits for dealing with complaints and
- Record-keeping and reporting.

The rules also set out the jurisdiction and procedures for the Financial Ombudsman Service.

## FLA LENDING CODE

The FLA's [Lending Code](#) sets out standards of good practice for the consumer finance industry. It is intended to reassure anyone who applies for finance from FLA members that they are doing business with a reputable organisation.

## FLA BUSINESS FINANCE CODE

[This Code](#) sets out the standards that Finance & Leasing Association (FLA) members will meet when providing asset finance to business customers.

FLA member firms are expected to use the Guidance set out below to fulfil their responsibilities under the FLA Business Finance Code. Where a member firm departs from this Guidance, they must be able to demonstrate how they have met their commitments under the [Business Finance Code](#).

## DATA PROTECTION

The General Data Protection Regulation (GDPR) is a new, Europe-wide law that replaces the Data Protection Act 1998 in the UK. It is part of the wider package of reform to the data protection landscape that includes the Data Protection Bill. The GDPR sets out requirements for how organisations will need to handle personal data from 25 May 2018.

[NACFB & FLA Joint Statement](#) – GDPR and the broking process.

NACFB: GDPR – [A Broker's Guide](#)

Under the Data Protection (Charges and Information) Regulations 2018, individuals and organisations that process personal data need to pay a data protection fee to the Information Commissioners Office (ICO), unless they are exempt.

[Registration self-assessment](#)

[First-time registration](#)

[Renew registration](#)