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THE FCA



Platinum
MOTOR GROUP

INTRODUCTION

The Platinum Motor Group and FCA Compliance



Dear Team Member,

In 2022 and into 2023, details of new legislation regarding FCA Compliance have been announced and communicated. It is encompassed by a "Consumer Duty" under which a business must deliver "good outcomes for customers" and pay particular attention to vulnerable customers. This commences officially on the 31st July 2023.

Though this could be considered an extension to what currently exists, it's probably best to see the new framework with fresh eyes, as it contains some important additions and changes.

As with any new rules to which we must adhere, it's a fact that there are complexities and additional dimensions when compared to the previous FCA rules, but rather than seeing them as a nuisance and a pointless distraction, they must very much be seen as a positive and an integral part of the company's culture and "modus operandi" ongoing.

We must therefore leverage and build upon what we've learned over recent years by continuing to encompass, embed and embrace these changes efficiently and effectively in the future.

In doing so, we must all ensure that we sustain existing processes and remain compliant, whilst creating a widespread cross-department awareness and shared responsibility to a topic that has the potential to affect all of us, whether collectively, professionally or personally.

This new introductory booklet seeks to give an overview of the FCA and the importance of compliance with its' rules, what it is, what we're doing about it, and also indicate sources of more detailed information such as our Company Policy and the contact details of the regulatory body, the Financial Conduct Authority.

Please read this booklet, and help us to ensure that our FCA compliance remains firmly in place as we travel forward, it's in all of our interests to do so.

Yours sincerely

The Platinum Board of Directors



WHAT IS THE FCA?

The FCA is the Financial Conduct Authority, the regulatory body that oversees, regulates, steers, and evolves the legislation surrounding the sale of finance, insurance and other financial services. This organisation took over from the previous regulatory body, the FSA (Financial Services Authority).

Put simply, the FCA regulates financial markets to ensure honesty, fairness and effectiveness so that consumers get a fair deal ("good outcomes for customers"), making markets work well for all involved parties; individuals, businesses, and for the economy as a whole.

Simple though that may sound, the FCA related legislation can be complex and detailed with ramifications for non-compliance relating to the company being potentially severe.

Though mostly centred around the Sales Departments on a day to day basis, there are overlaps with Service, Parts, Human Resources, Payroll, Marketing and Accounts/Finance – in other words, the whole company.

WHY DOES THE FCA MATTER?

The ongoing adherence to, and implementation of FCA compliant processes and behaviours is important to the Platinum Motor Group because it is a legal requirement.

To quote from the FCA itself, *"Financial markets must be honest, fair and effective so consumers get a fair deal. We work to ensure that these markets work well for individuals, for businesses and for the economy as a whole. We do this by regulating the conduct of around 50,000 businesses, prudentially supervising 48,000 firms and setting specific standards for around 18,000 firms."*

The FCA are responsible for regulating a sector which plays a critical role in the lives of everyone in the UK and without which the modern economy could not function. They explain it as follows;

"Financial services play a critical role in the lives of everyone in the UK, from junior ISAs to pensions, direct debits to credit cards, loans to investments. How well financial markets work has a fundamental impact on us all."

UK financial services employ over 1.1 million people and contribute about £75 billion in tax per year. Based on our policy and enforcement work, we estimate that we add at least £11 of benefits to consumers and small businesses for every pound we spend.

If UK markets work well, competitively and fairly, they benefit customers, staff and shareholders, and maintain confidence in the UK as a global financial hub. Our role is to help ensure this happens."

As stated already in this booklet, this legislation is regulated by the FCA (Financial Conduct Authority), who have the right to instigate thorough and detailed investigations if a complaint is received.

Should a company be found to be in breach of the regulations, the regulator has the power to impose significant fines if it sees the need to do so.

It is, of course, our duty of care (our "Consumer Duty") to ensure we remain compliant with all current FCA legislation and guidelines, and that our customers receive "a good outcome". The deliverance of good outcomes for our customers must be central to our culture and actions each and every day.

WHAT ARE WE DOING ABOUT IT AND HOW DO WE MANAGE IT?



In order to implement and maintain an FCA compliant business, we work with both the providers of the financial products (that which we offer to our customers) and also a dedicated compliance company whose role is to work with the Directors and Management teams to ensure that our processes remain in place, and are up to date.

The Directors provide policy framework, arrange for training and acquire updates and feedback from the franchises with regard to key performance and risk indicators. It is important that this flow of information continues diligently and transparently, so that the business can evidence and utilise this oversight model to ensure the best outcomes for customers.

The company attend seminars, view webinars, obtain advice from various credible sources and take numerous meetings to understand and subsequently implement FCA compliant practices.

As a result of these activities, we have produced our FCA Company Policy and have created a dedicated FCA resource area on the company intranet, Platinum Info Central.

The FCA is also a regular topic in Board Meetings, Management Meetings, Review Meetings and bespoke meetings convened for the sole purpose of managing aspects of FCA Compliance.

Though FCA compliance is vital to management governance, it is also the responsibility of all team members to play a part through accountability and contribution. This will ensure a "group wide" approach to financial responsibility and sustained good conduct in the future. Please help us in our compliance by being a proactive, positive and willing participant in our work regarding the FCA, by performing our Consumer Duty to deliver good outcomes for our customers.

WHAT'S NEW?

Though the central thrust of FCA Compliance remains unchanged, the way an organisation such as the Platinum Motor Group must view it has to change and evolve.

This change must take the form of an even greater awareness and a collective responsibility that goes beyond the department that is 'selling the financial product'.

The FCA has a protocol which is designed to hold relevant individuals to account, with the aim of improving "financial conduct" within an organisation.

Included within this is the Conduct Regime which outlines responsibilities for all Team Members.

Thus, the FCA is something that we must all be aware of regardless of our roles and our departments. It is the reason for producing this booklet for all Team Members.

WHAT ARE THE NEW CONDUCT RULES?



The new requirements represent a meaningful change in the standards of conduct expected from those working in businesses such as ours.

The Conduct Rules seek to ensure a single standard applies across the market, and is designed to help shape a firm's culture, standards and policies. This is encapsulated in the overall "Consumer Duty" where it's our responsibility to deliver good customer outcomes, with particular attention given to vulnerable customers.

Broadly, the rules that apply are as follows; the first being for all Team Members, and the second for Directors and Senior Management.

For All Team Members;

- You must act with integrity
- You must act with due care, skill and diligence
- You must be open and co-operative with the FCA and other regulators
- You must pay due regard to the interests of customers and ensure good outcomes
- You must observe proper standards of conduct

Responsibilities For Directors and Senior Managers;

- You must take reasonable steps to ensure that the business of the firm for which you are responsible is controlled effectively
- You must take reasonable steps to ensure it complies with all the relevant requirements and standards of the regulatory system
- You must ensure that any delegation of your responsibilities is to an appropriate person and that you oversee that delegation effectively
- You must disclose appropriately any information of which the FCA or other regulators would reasonably expect

Three Cross-Cutting Rules.

1

Act in good faith

2

Avoid foreseeable harm

3

Enable & support financial objectives



FCA EXPECTATIONS



Put consumers at the heart of your business



Have a clear understanding what a good (and bad) customer outcome looks like



Prove this in practice – “show me” don’t just “tell me”



Implementation Plans in place with Board ownership



Annual review of the Consumer Duty and any inherent risks



Senior management collective responsibility



Reporting, data and management information



Close relationships between manufacturers and distributors



THE STRUCTURE



Please give careful consideration to these conduct rules and ensure that all activities are conducted in adherence with them. Failure to meet these conduct rules may lead to disciplinary action. More importantly, failure to meet these rules could lead to poor customer outcomes which is not acceptable within our business.

FURTHER INFORMATION ON THE FCA

Our FCA Company Policy can be viewed on the company Intranet Platinum Info Central (platinuminfocentral.com), in the "Company Handbook" section. See also the dedicated FCA Resource Area on Platinum Info Central.

All team members were issued with Platinum Info Central logins. If you've forgotten yours, please contact the Human Resource Team at Head Office.

The Financial Conduct Authority (FCA) website can be viewed at - www.fca.org.uk



Bath – Chippenham – Frome - Trowbridge - Yeovil

Platinum Motor Group Website: www.platinummotorgroup.co.uk

Platinum Info Central (Company Intranet): www.platinuminfocentral.com

All information is correct at the time of publishing July 2023 - FCA Employee Information Booklet v2. The Platinum Group will conduct regular reviews and audits of its FCA Policy and activities. Updated versions of FCA and related policies will be published on Platinum Info Central (and other digital platforms if necessary) as and when required.

The current version of our FCA Policy can also be requested by contacting the Human Resources Department at Head Office in Trowbridge. Renrod Limited Trading as Platinum Motor Group is authorised and regulated by the Financial Conduct Authority for consumer credit activity - Registration No. 689306. Renrod Limited Trading as Platinum Motor Group is permitted to arrange and advise general insurance contracts as an Appointed Representative of Auto Protect (MBI) Limited (their Registration Number is 609091) which is authorised and regulated by the Financial Conduct Authority – Registration No.31214