

Broker Information Pack

northridgefinance.com

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Scanned Documents Link
<https://documents.apptf.com>



- Cars
- LCVs
- ATVs
- Bailers (all types)
- Cherry Pickers
- Compact Tractors
- Combine Harvesters
- Commerical Vehicles
(Car Transporters, Recovery Trucks & concrete mixers Drum & Batch)
- Cranes *(All terrain & tower)*
- Diggers
- Dumpers
- Excavators
- Forestry- Harvesters
- Forestry- Forwarders
- Forklifts
- Heavy Goods Vehicles
- Horseboxes *(Motor & trailed)*
- Implements
(Cultivation, tillage, sowing)
- Motor Taxis
- Motor Homes
- Motor horse Boxes
- Packaging Equipments
(Corrugated casemaking, carton converting, vacuum forming)
- Piling Equipment *(Including drilling)*
- Packaging Equipments
(Crushers & Screens)
- Road making & Plant Equipment
- Shovels *(Construction)*
- Silage/Forage Equipment
- Slurry/Manure Equipment
- Telescope Loaders
- Tillage Equipment
- Tractors
- Trailers
(Grain, Silage, Root, Dump, Low Bed Low Loaders, Liquid & Powder Tankers)
- Sprayers *(Self-propelled & trailed)*
- Woodworking Equipment
(CNC & Traditional woodworking machines)
- Wrappers *(Trailed & attached)*
- Buses *(Trailed & attached)*
- Caravans *(Touring)*
- Commercial Vehicles- Specialist
(Highway, Maintenance, Jetters & Roadsweepers)
- Harvesters
(Self-propelled inc Beet & Root & Trailed Root Veg)
- Forestry- Mulchers
(Self-propelled & attachment)
- Generators
- Mowers
- Orchard Equipment
- Quarrying Equipments
(Washing Plants, Conveyors, Concrete Batching static, misc.)
- Trailers
(Box, Curtainside, Platform, Refridgerated Skeletal & Tipping)
- Welfare Units
- Portacabins
- Storage Containers
- Recycling Equipment
- Sawmill Equipment

Product Guide

VAT Deferral available across commercial assets for unregulated transactions with max 3 month VAT deferral subject to min 10% equivalent deposit

Merchandise	HP	HP with Balloon	PCP	LEASE End of term - Customer acts as agent and arranges sale of asset to independent 3rd party. Customer provides Northridge with details for invoice to be raised; sales price and details of Purchaser. 100% rebate of sales proceeds less administration fee of £50 plus VAT	LEASE with Balloon Same end of contract arrangement as Lease
CAR	YES Regulated and Unregulated - max 60 month term. ICE/Hybrid - Max age at end of term 13 years. EV's - Max age at end of term 10 years.	YES Unregulated - max 48 month term. Max age at start - 5 years old and max 9 years old at end of term EV's - Max age at end of term 9 years.	YES Regulated for Consumer and Sole Traders and Partnerships with less than 4 Partners. Max 48 month term. Max age at start - 5 years old and max age at end of term 9 years old at end of term, inc EV vehicles. Min mileage of 6,000 miles per annum. Max deposit of 40%. Max Invoice price £90,000.	YES 60 month term for all leases. Max vehicle age at end of term - 12 years.	YES Unregulated entities only - max 48 month term. Max age at start - 5 years old and max 9 years old at end of term.
LCV	YES Max 60 month term. May request 48 months for heavy use. Max age at end 8 years (Lifestyle 12 yrs)	NO	NO	YES Max term 60 months. Unregulated entities only.	NO
HGV & COMMERCIAL TRAILERS	YES Max 84 month term for assets up to 5 years old at the start, otherwise max term of 60 months. Max Age at the end of term 20 years.	NO	NO	YES Max term 60 months.	NO

****PRODUCT TABLE CONTINUES OVERLEAF****

Product Guide (Continued)

VAT Deferral available across commercial assets for unregulated transactions with max 3 month VAT deferral subject to min 10% equivalent deposit

Merchandise	HP	HP with Balloon	PCP	LEASE End of term - Customer acts as agent and arranges sale of asset to independent 3rd party. Customer provides Northridge with details for invoice to be raised; sales price and details of Purchaser. 100% rebate of sales proceeds less administration fee of £50 plus VAT	LEASE with balloon Same end of contract arrangement as Lease
COMMERCIAL ASSETS	YES Max 60 month term.	NO	NO	Unless the customer is a Limited company/LLP etc, the agreement will always be regulated regardless of the amount financed.	NO
AGRICULTURAL ASSETS	YES Max 84 month term for assets up to 5 years old at the start, otherwise max term of 60 months. Combine Harvesters – Max 96 month term with same age restrictions as above. If balance is over £25,000, the agreement will become unregulated under business use exemption regardless of legal entity. Therefore Sole Traders and Partnerships will be required to sign the Business Use exemption box on the agreement. Max Age at end of term 25 years.	NO	NO	Max 60 month term	NO
LEISURE ASSETS	YES Motorhomes: Max 120 month term with age restriction at end being no more than 16 years old – business lend – max 60 months. Campervans: Max 84 month term with age restriction at end being no more than 10 years old. Touring Caravans: Max 60 month term with age restriction at end being no more than 10 years old.	NO	NO	YES Motorhomes: Max 120 month term with age restriction at end being no more than 16 years old – business lend – Max 60 month term. Campervans: Max 84 month term with age restriction at end being no more than 10 years old. Touring Caravans: Max 60 month term with age restriction at end being no more than 10 years old.	NO

Proposal & Signing Tips

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Please send VAT number of the customer with all proposals to speed up the decision process

Personal	Partnerships	Businesses
NAME	NAME	Name
DOB	DOB	DOB of a minimum of 2 Directors if more than 1 director on the board.
COUNTRY OF BIRTH		
NATIONALITY		
MARITAL STATUS		We require personal details of all shareholders with a 25% plus shareholding for KYC purposes.
OCCUPATION		Ensure figures quoted are clearly marked net of gross of VAT and highlight any non vatable extras.
EMPLOYER DETAILS		
ANNUAL SALARY		
BANK SORT CODE & ACCOUNT NUMBER	BANK SORT CODE & ACCOUNT NUMBER	BANK SORT CODE & ACCOUNT NUMBER
Supplier name & address and if known to you.	Supplier name & address and if known to you.	Supplier name & address and if known to you.

When sending invoices to processing, please detail in the body of the email exactly what the information is you are supplying, i.e. type out reg/chassis/change of vehicle figures etc.

For used vehicles we require registration number, chassis number and mileage in order to approve and generate a document although an approval subject to the provision of these may be given. This is to ensure that we are underwriting the correct vehicle as these details will pull through the vehicle that is recorded with DVLA. For new/used vehicles where these details may not be available we require full vehicle description to include, make, model, engine size, petrol/diesel and trim if possible ,e.g VW Passat Diesel saloon 2.0 TDI Bluemotion. We provide balloons on regulated (PCP) or unregulated (HP with Balloon) cars.

PLEASE NOTE - Reg/Chassis/Serial numbers to be provided as alpha/numeric only– i.e. no spaces/special characters. This will fail to load and delay payout.

At Northridge we have a strong desire to provide transparency on products presented to customers for funding. Likewise we believe our Intermediaries should follow the same high standards to ensure customers are clear and comfortable with what they have purchased and how it is funded. This aligns with FCA Principals of Business (PRIN) and in particular the requirements that all firms must:

- **Pay due regard to the interests of its customers and treat them fairly (PRIN 6)**
- **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 (PRIN 7)**

With regards to Add On Products to ensure good customer outcomes / controls we stipulate:

- **No warranties or insurances to be included on invoices to Northridge. These will not be funded by Northridge and the sale and funding of these products should be arranged separately with the customer. They should also be invoiced directly to the customer. Northridge will refuse to pay any invoices which include any of these items.**
- **Standard free warranties which are sold as part of the car purchase are still acceptable but should be shown on the invoice as free of charge.**
- **Northridge do not fund negative equity.**

Overview

- **Any extra which is not ‘physically’ part of the car will not be funded. This includes warranties, insurances (tyre, paint, gap etc), service plans etc.**
- **Extras like tow bars, metallic paint etc can still be funded.**
- **If unclear, please contact your Territory Manager. For example Gardx. ‘Gardx Protect’ products are products that are applied to the physical car at point of sale (eg vehicle exterior protection) whereas ‘GardX Assure’ products include things like asset protection or tyre and alloy wheel protection). GardX Protect products as they effectively become part of the car can be funded; whereas GardX Assure products (in effect types of insurance) cannot.**

Club/Society/Trust Requirements

Customer Type	Copy of the constitution/rules of the club/society	List of all Board/Committee controlling members with name, date of birth and country of residence	Confirmation there are no individuals holding 25% or more or controlling 10% or more of the Club/Society AND if so, a list of Beneficiaries with name, date of birth and country of residence	Letter from the Head Office on headed paper from the national body confirming that the local entity is authorised to operate as a branch under the constitution/rules of the national club/society	Evidence of registered charitable status
Club/Society not national organisation affiliation with rules/constitution i.e. Members Golf Club	REQUIRED	REQUIRED	REQUIRED	N/A	N/A
Club/Society national organisation affiliation	REQUIRED	REQUIRED	REQUIRED	REQUIRED	N/A
Club/Society not national organisation affiliation with no rules/constitution	N/A	REQUIRED A letter from the committee/organising body signed by 2 people in senior positions e.g Chairperson/Treasurer.	REQUIRED A letter from the committee/organising body signed by 2 people in senior positions e.g Chairperson/Treasurer.	N/A	N/A
Charity	NOT REQUIRED	REQUIRED	REQUIRED	NOT REQUIRED	REQUIRED
Trust	REQUIRED Copy of the Trust deed or if there is a valid reason where this cannot be provided.	REQUIRED Name, date of birth and country of residence for all beneficial owners of the Trust.	NOT REQUIRED	NOT REQUIRED	REQUIRED

1. TEL: No telephone service. Please email payoutadmin@northridgeuk.com

2. SCANNED UPLOAD DOCUMENTS

Northridge Finance operate a scanned document upload service found at the following link <https://documents.apptf.com> - to register click on register at the top left of the home screen. Please see Scanned Documents TAB. Any problems please contact Broker Support or your Territory Manager.

3. FAX: Supporting info - if further proofs/info is required after payout submission please upload these to the portal rather than emailing.

4. INVOICE ADDRESS

Northridge Finance
5th Floor
1 Donegall Square South
Belfast
BT1 5LR

5. All deals received by 2:00pm will be paid by faster payments on the same day. However if you receive a pay out confirmation prior to 4pm, this will also be paid on the same day by faster payments.

6. The limit for faster payments is £1million, any amount over this will require TT payment. Note the cut off at 12 noon. Please alert Broker Support when submitting a deal in this category in order that the Pay Out Team are made aware.

7. Commission is documented on your Payment Confirmation email and is paid into your designated Bank account in the 1st week of the following month.

8. Certified ID and proof of address if requested to be provided with each Agreement -see Anti money laundering Aide TAB. Please certify with words "Originals Seen" and then sign, name, position/company and date. Other variations of this may be rejected at pay out stage.

9. For pay out we only require 1 copy of the agreement, Direct Debit mandate ,invoice, coversheet with Supplier's bank details to be uploaded -we do not require Terms and Conditions, SECCI (Pre Contract).

10. Deposits can be collected by direct debit up to £25,000 otherwise transfer directly to the Northridge Bank Account is required. This does not include Advance rentals/Initial Rentals that are lifted by DD regardless of the amount involved.

11. Please note the following that hold up the pay out.

- The mileage on our system must be the same as the invoice.
- Invoice to Northridge Finance (we are unable to pay out if Ltd is documented)
- Customer ID must be in date.
- Only send signed documents for pay out when the customer has confirmed that the deposit payment to Northridge (over £25,000) has been made.

PLEASE NOTE - Reg/Chassis/Serial numbers to be provided as alpha/numeric only- i.e. no spaces/special characters. This will fail to load and delay payout.

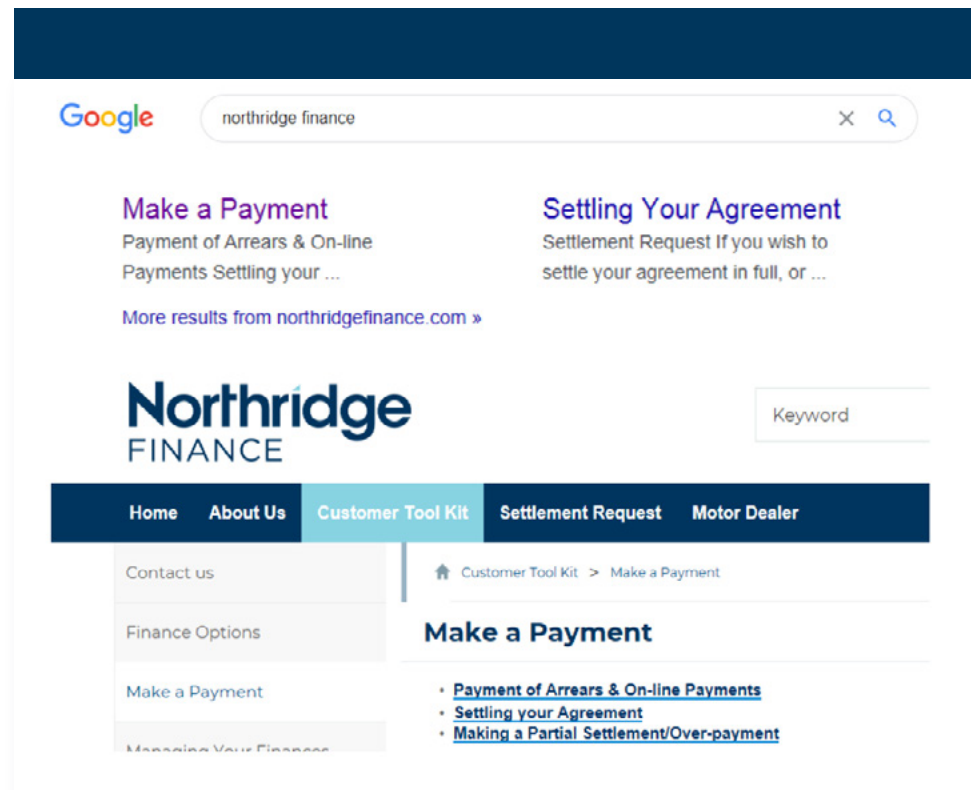
Payments & Settlements

Personal Customers

Go onto the Northridge website and generate an immediate settlement figure with relevant customer details.

Business Customers

Can request a settlement by completing the online settlement request form on this website with the relevant details and our team will respond to enquiry within 2 business days.



debit date, please note we will automatically re-apply for the payment. You will be notified by post and the direct debit will be processed again within 7 days from the letter date.

Making a payment can be done by one of 3 methods:

- **By making an electronic bank transfer** (through your online banking facility or via a branch transfer). We do not charge for this facility but your bank may do so. The details are as follows:

Payee: Northridge Finance (depending on your agreement)

Sort Code: 66-00-05

Account Number: 21339406

Reference: Please quote your 12 digit Northridge Finance agreement number. If this number is not quoted there may be a delay in the payment reaching your account.

- **By Debit Card***. We accept cards shown below from any UK bank. (Maximum payment of £10,000 and Credit Card payments are not acceptable). Please note that Northridge Finance is part of NIIB Group Ltd, and your email receipt/statement on your account will show as payment to "NIIB Group Ltd".



Payments may be made by [clicking here](#).

Settling Your Agreement

Settlement Request

If you wish to settle your agreement in full, or would like to know what your current settlement figure is, this information can be obtained by going to our [Online Settlement Figure](#) page.

Please ensure that you have the following information at hand:

- Your 12 digit Northridge agreement number
- Your date of birth
- Your bank account number

Alternatively please fill in the [Online Settlement Request form](#) on this website with your relevant details and our team will respond to your enquiry within 2 business days.

Partial Settlements – If you do not wish to settle your agreement in full, but would like details on making a partial repayment to your account [click here](#)

Northridge provide a document that facilitates up to 9 different assets on one schedule.

- The schedule forms part of the Hire Purchase agreement but identifies each item separately
- Unregulated business only
- Not applicable for Leasing agreements
- Up to 3 different Suppliers for 1 transaction
- The schedule is to be signed by the customer
- Please contact your Territory Manager for a copy of the schedule.



Northridge Finance Bank Details

PAYMENT METHODS

Website payment

(Maximum £10,000 debit cards only) – www.northridgefinance.com

Electronic Bank Transfer

Sort Code **56-00-05**

Account no **21339406**

Transaction Ref – **Northridge Agreement Number**

BIC **NWBKGB2L**

IBAN **GB42NWBK56000521339406**



The Financial Conduct Authority Handbook is a set of rules required to be followed by banks, insurers, investment businesses and other financial services in the United Kingdom under the Financial Services and Markets Act 2000. It is administered by the Financial Conduct Authority in London.

www.handbook.fca.org.uk

On 28th July 2020 the FCA released its policy statement PS20/08 “Motor finance discretionary commission models and consumer credit commission”:

<https://www.fca.org.uk/publications/policy-statements/ps20-8-motor-finance-discretionary-commission-models-and-consumer-credit-commission-disclosure>

The contents of this policy statement have direct impact on all regulated business for Brokers and Motor Dealers. The FCA has decided it doesn't need to define 'motor vehicle' it states,

“Our discretionary commission model ban applies to regulated credit agreements. Agricultural vehicles are likely to be exempt given they are likely to involve credit exceeding £25k and entered into by the borrower for business purposes”.

Northridge fully recognise the high levels of business transacted for vehicles and equipment which will not qualify for business use exception and therefore in scope.

Northridge Finance approach to non-discretionary commission models means:

- All Regulated Transactions will have APR based pricing applied unless Business Use Exempt

In line with amendments to the Consumer Credit sourcebook (CONC) Northridge encourage review of your:

- Current commission arrangements to make sure they meet both the letter and the spirit of the FCA's requirements.
- Current commission disclosure arrangements to make sure they meet both the letter and the spirit of the FCA's requirements.

Northridge would advise you record details of your review and within your policies articulate why you think your arrangements meet the FCA requirements.

CONC sets out how the FCA expects firms to deal with customers appropriately when it is known or suspected that they have, or may have, some form of mental capacity limitation which constrains their ability to make an informed borrowing decision.

Firms should take reasonable steps to make sure that suitable business practices and procedures are in place to:

- Identify customers who might lack the mental capacity to make informed borrowing decisions.
- Treat customers appropriately where it is known that they may lack mental capacity.

Most customers will be able to make an informed decision without difficulty but some will struggle. There are a number of common potential causes of mental capacity. Leaving the customer vulnerable and unable to make decisions:

- a mental health condition;
- dementia;
- a learning disability;
- a developmental disorder;
- a neurological disability or brain injury;
- alcohol or drug – including intoxication or use of prescribed drugs
- language and literacy – inability to speak english and read/review paperwork or information

According to FCA CONC rules a firm's primary focus should be on:

- taking action to assess whether a customer can understand, remember and weigh-up information;
- providing reasonable support to help customers make a decision;
- providing customers with clear information and explanations about credit and the associated risks;
- giving customers adequate time to consider the information and explanations provided and ask any questions;
- giving customers the opportunity to take information away to consider explanations, enabling them to make informed decisions at a later date;
- carrying out appropriately robust assessments of the customer's ability to afford to make repayments. Such assessments should not rely unduly on the information provided by the customer.

Intermediary Support Opening Hours

Mon–Thur | 9am – 7pm
Fri | 9am – 6pm
Sat & Sun | 10am – 5pm

Processing Services

- For help with processing amendments, distance e-sign links, decision notifications & documents and for sending any additional proposal information to underwriting.

Email:
processingadmin@northridgeuk.com

Telephone service available:
Mon–Fri | 9am – 5:30pm
0344 8921845

Online 24/7
www.target365.co.uk

Payouts

- Please ensure that all documents are accompanied by the completed cover sheet, are appropriately signed and have customer verification (driver's licence, utility bills etc.) attached.

Document Scan Upload:
<https://documents.apptf.com>

Invoices:
Northridge Finance
1 Donegall Square
South Belfast
BT1 5LR

- All documentation should be uploaded via the Scan & Upload facility. For any issues using this facility please contact the Dealer Support team.
- Any payout queries should be emailed to payoutadmin@northridgeuk.com

Dealer Support Unit

- For commission queries, clearance letters, Target365 assistance including password resets and dealer maintenance.

Email:
dealersupport@northridgeuk.com

Telephone service available:
Mon–Fri | 9am – 5:30pm
0345 6076775

Settlements

- Settlements on regulated car finance agreements may be obtained via our website: **www.northridgefinance.com/settlement-request** or through our proposal system: **www.target365.co.uk**
- For any other settlements please contact the Dealer Support team.

Customer Enquiries

- www.northridgefinance.com/customer-tool-kit**
- Services include change of address, settlements, change of payment date & change of bank account.

Customer ID

- **UK Photo card Driving Licence**

This has to be current, full and not more than 10 years old.

- **UK Driving Licence**

Old style not more than 51 years old This has to be a current, full licence.

If licence is not in current address, proof of address needs to be full Christian and surname.

- **Current Passport**

- **Shotgun Licence**

Valid for the current year, signed and certified

- **EU Driving Licence**

As a result of the UK leaving the EU, we will continue to accept full EU Driving licences, however we also need the customer to confirm that he/she has either:-

1. Indefinite leave to enter the UK;
2. Indefinite leave to remain in the UK;
3. British or Irish citizenship (including dual citizenship); or has
4. Applied to the EU Settlement Scheme and awaiting approval

(All EU Nationals living and working in the UK, have to apply to the EU Settlement Scheme by 30 June 2021 and have arrived pre 31 Dec 2020)

Customer Address

Any proof provided should have the full christian name detailed.

- **Voter's/Electoral Roll Search**

Matched at current address.

- **Utility Bill**

A recent utility bill (issued in last 6 months). Mobile or dongle contracts are not acceptable.

- **Council Tax Bill**

Valid for current year containing address.

- **Bank/Building Society/Credit Card/Credit Union Statement**

Most recent, original statement showing current address. Must be dated within the last 6 months.

Electronic bank statements are acceptable as long as customer name and address are clearly visible.

- **Mortgage Statement**

Must be dated within the last 13 months

• **An e-statement/bill may be accepted only if the evidence of name is one of the following forms: Passport, UK Driving Licence or EU ID Card.**

An e-statement must be:

A.) Printed in PDF standalone document (.pdf) not an excel download (.xls);

B.) Contain the bank/company name, branding, date, full name & address (if used in conjunction with a Driving Licence as name verification, the addresses must match);

C.) Be examined for alterations/anomalies etc. and will not be accepted if there is any doubt re authenticity.

- **Letter from Solicitor confirming recent house purchase**

Acceptable if your customer has recently moved to current location. Must be dated within the last 6 months

- **Correspondence from the DWP/Benefits Agency/Social Security**

Documents dated within the last 13 months

- **Tax Coding Notice/Tax Assessment**

Dated within the last 13 months.
P60s & P45s are not acceptable

If the current full UK driving licence bears a name or address which has not previously been advised to and validated by us, or if you have any doubts as to the acceptability of proofs please contact us immediately to discuss.

Please ensure that all documents used for proof of identity and/or address are correctly certified and signed. The phrase "certified as being a true copy of the original" should be included on all documents before being sent to Northridge. If there are any queries over documentation to be used, contact your Territory Manager in the first instance.

Anti Money Laundering Aide

All persons working in a regulated environment have a personal responsibility to report any knowledge or suspicion they have that an individual is, or may be, involved in laundering money.

To guard against money laundering, steps must be taken to verify the identity of anyone who deals with you. There are various documents that are acceptable to use to verify that a customer is who they say they are and live where they claim to live.

Please note if an application is for motor finance, a valid full driving licence is the only acceptable form of identification. Northridge do not accept a driving licence as verification of address (as already used for customer identity). Acceptable documents for verification of customer address include, but are not limited to those shown:



Northridge Finance are members of the Finance and Leasing Association (FLA) and subscribe to the FLA Lending Code and FLA Business Finance Code.

All FLA full members are required to comply with the standards of practice set out by either the Business Finance Code or Lending Code, or both, depending on the type of finance products they provide.

The Codes are intended to assure both consumer and business borrowers that they will be treated fairly in their dealings with members.

Copies of the code and further information can be found at the following links:

<https://www.fla.org.uk/consumer-information/lending-code/>

<https://www.fla.org.uk/business-information/business-finance-code/>

Please see the following pages which present the FLA Business Finance Code non binding guidance for intermediaries





Finance & Leasing Association Non-binding Guidance for intermediaries

Introduction

1. Finance & Leasing Association (FLA) members are committed to treating customers fairly and achieving good outcomes on their customers' behalf. This guidance is intended to support intermediaries who work with funders by helping them to deliver on these commitments. For the purposes of this document, intermediaries should be understood as including credit brokers, equipment suppliers, and dealers.
2. Firms carrying out credit-related regulated activities must follow certain statutory requirements and regulatory rules about how they manage their businesses and treat their customers. In April 2014 responsibility for the regulation of firms carrying out credit-related activity passed from the Office of Fair Trading (OFT) to the Financial Conduct Authority (FCA).
3. Most of the rules made by the FCA when it took over regulatory responsibility were based on existing standards contained in the Consumer Credit Act (CCA). These rules can be found in the **Consumer Credit Sourcebook**¹ (CONC) which itself is part of the Financial Conduct Authority (FCA) **Handbook**². In addition to specific regulatory rules, firms are also required to adhere to **FCA principles**³ when they conduct business.
4. This operational good practice guidance is designed to help intermediaries understand these regulatory rules and what funders may expect of them. It is not binding on FLA members or the intermediaries they work with. It seeks to provide intermediaries with high level information about funders' general expectations which may help inform their business practices. Each FLA member will also continue to determine their own requirements.
5. This paper does not constitute advice and should not be relied upon. Firms should seek appropriate legal or regulatory advice on their compliance process where necessary. The FLA will also periodically review this paper.

¹ <https://www.handbook.fca.org.uk/handbook/CONC/>

² <https://www.handbook.fca.org.uk/handbook/>

³ <https://fshandbook.info/FS/html/FCA/PRIN/2>



Initial customer contact

- 6.** Funders will expect intermediaries to have appropriate records of their contact with customers.
- 7.** Contact with a customer may arise from:
 - Unsolicited customer contact;
 - Introduction through an authorised firm;
 - Introduction through a third party where there is no business relationship (e.g. another equipment supplier);
 - Introduction through an appointed representative, introducer appointed representative or an agent.
- 8.** Where a customer had been introduced to an intermediary, funders expect intermediaries to be able to satisfy themselves that those making the introduction have the relevant regulatory premissions and have acted appropriately. Funders may also ask intermediaries to demonstrate how they are satisfying themselves that this is the case to meet internal compliance requirements.

Initiating a proposal

- 9.** When making a proposal to supply finance to a customer, intermediaries should ensure they identify a product that is suitable to the customer's circumstances.
- 10.** Intermediaries will generally speak or correspond with their customers about their requirements and circumstances before making a proposal to a funder. Gathering information on a customer's circumstances, financial and otherwise, helps to ensure funders are lending responsibly. When looking to determine whether a product is suitable, an intermediary may wish to consider whether:
 - The product is appropriate for the customer's needs (e.g. right type of equipment and likely to be useful for the length of time required);
 - The credit product is affordable and appropriate to the customer's circumstances; and
 - If the proposal involves refinancing, the implications of this have been made clear to the customer and the customer has confirmed their understanding.
- 11.** Intermediaries may wish to check the facts they have used to make the assessment by describing to the customer the information they have used to make the proposal. This can be a useful way of confirming the customer's needs and checking that the customer understands how the proposal meets their requirements.
- 12.** Some customers may be covered by the provisions of the Consumer Credit Act (CCA) whilst others may not. Intermediaries may wish to inform customers whether they're covered by the CCA or not and provide a brief description of what this means in practical terms for the customer.

- 13.** Where an intermediary knows, or reasonably believes, that the customer is vulnerable it is good practice for intermediaries to take this into account when making a proposal. This may involve taking extra care to ensure the customer has understood the proposal, is aware of their responsibilities under the agreement and that the proposal takes into account the customer's vulnerability.
- 14.** Where an intermediary is aware of a customer's vulnerability they should also make the funder aware of this to help inform any interaction they have with the customer.

Identifying a customer

- 15.** Intermediaries should check the identity of their customers and verify this information using an appropriate level of due diligence.
- 16.** Financial services firms are expected to understand the nature and purpose of their relationship with the customer. This involves the collection and verification of information about the customer's identity and their business activities.
- 17.** When collecting this type of information, intermediaries should consider what level of due diligence is appropriate for the customer. For example, verifying the identity of a customer based in a country subject to sanctions may require more due diligence than a customer based in the UK. Regardless of the approach they use undertake to identify a customer, intermediaries may wish to consider whether:
 - The information provided or collected is accurate;
 - They have appropriate information to demonstrate the risk profile of the business both at the point of sale and as part of any subsequent business relationship; and
 - They can verify the beneficial owners of a business.
- 18.** Funders may also ask intermediaries to confirm this information with them as a means to satisfy internal risk management and know your customer (KYC) requirements.
- 19.** Funders may also carry out their own due diligence in instances where they are unable to rely on the information provided by an intermediary. Although this can appear unnecessary, it is often required to satisfy a funder's internal compliance processes.
- 20.** Intermediaries should also ensure they comply with any relevant data protection or privacy laws.

Providing relevant information

- 21.** Intermediaries should communicate relevant information about their independence, relationship with other firms, and impartiality in clear terms that a customer can understand.
- 22.** There has been a strong trend towards improving the disclosure of information by financial services firms to their customers. This includes information about a funder's relationship with intermediaries where there is a commercial interest between the two parties. This is to provide greater transparency and support the customer's ability to exercise their consumer choice.
- 23.** When describing themselves and their products, intermediaries may therefore want to make clear:
 - Whether they work with a wide or limited range of finance companies;
 - How they consider the customer's requirements when identifying a suitable funder;
 - Whether they will receive a payment or commission from the lender and whether this will vary depending on the lender and the agreement; and
 - That the customer can also purchase the equipment for cash.
- 24.** Intermediaries may also want to ensure that both the customer and the lender are aware if there are any additional fees or charges that the customer may be required to pay to the intermediary.
- 25.** As part of their dialogue with customers, intermediaries should also be able to:
 - Demonstrate how they have considered other sources of finance available in the market; and
 - Justify the choice of lender based on the customers' requirements.
- 26.** Funders are likely to be interested in how intermediaries communicate this information to customers and whether this is provided in clear and comprehensible terms rather than jargon that may make it harder for the customer to understand.

Finalising an agreement

- 27.** When finalising an agreement, intermediaries should ensure that the customer has been provided with an adequate explanation of the agreement in terms that the customer can understand.
- 28.** It is likely that funders will ask whether intermediaries have advised customers to consider all relevant information and given them the opportunity to seek additional information where anything is unclear. In practical terms this could involve checking with the customer that they:
 - Received the pre-contract information where appropriate;
 - Understand the key features of the agreement;
 - Understand who will own the equipment at the end of the lease;
 - Have read and understood the terms and conditions;
 - Know whom to contact should they have any subsequent questions; and
 - Understand the principal consequences which will arise from failing to make payments due under the terms of the agreement including, where applicable, the risk of repossession.
- 29.** Intermediaries may also want to ask the customer to confirm each of these as a means to demonstrate to funders that the customer understood the terms of the agreement when it was finalised.
- 30.** Intermediaries should also ensure that they retain all necessary documentation relating to the agreement. Where agreements have been made via online channels or using electronic documentation, intermediaries may wish to confirm with the customer that they are comfortable finalising the agreement in this manner.

Complaints

- 31.** Intermediaries should ensure complaints processes are accessible to customers and take reasonable steps to assist the customer and resolve any dispute.
- 32.** Intermediaries should have an appropriate complaints process in place to handle customer enquiries. It would also be considered good practice for information about the complaints process to be clearly signposted and communicated in a manner that the customer can understand.
- 33.** If customers indicate that they wish to make a complaint, firms may also want to consider how they direct the customer to the most appropriate means and method of doing so. This may include, where necessary, signposting to the Financial Ombudsman Service or other relevant bodies.

34. When dealing with complaints, intermediaries should:

- Adopt a constructive approach towards the customer's complaint;
- Co-operate with the funder or other parties where necessary; and
- Aim to resolve the matter in a reasonable timeframe.

35. Intermediaries may also want to record the complaints they receive, as this can provide useful management information about the service they are providing to customers which can also be shared with funders.

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