

# EDEN VERANDAS CONSUMER DUTY POLICY

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## 1 POLICY STATEMENT

Eden Verandas (hereinafter referred to as the “Firm”) recognises that the introduction of The Consumer Duty (“the Duty”) as published by the FCA, aims to provide retail customers with fairer, more transparent, and suitable products and services (“products”). The Firm has obligations under the Duty and has therefore developed and implemented a series of policies and controls that comply with the new and revised rules, outcomes, and obligations.

The Firm is dedicated to ensuring that retail customers receive good outcomes and are treated fairly in relation to our products and services. The good outcomes and higher standards of care offered to consumers under the Duty also extend to our communication, sales and support processes and activities. We are committed to assessing, reviewing, and monitoring all products and services that come under the Duty, to ensure that the benefits to our customers (*new, existing, and potential*) are compliant, fair, and balanced.

As there is crossover between existing Principles' 6 and 7 and Principle 12, the Firm recognises that to the extent that Principle 12 applies, Principles 6 and 7 do not apply. If a Principle, PRIN 2A (“the Duty”), or any rule that is governed by a Principle is breached; the Firm understands that it will be liable for disciplinary sanctions under the regulatory system, which can result in penalties of varying degrees.

## 2 PURPOSE

On 27th July 2022, the FCA published their final rules and guidance for The Consumer Duty, with the 31<sup>st</sup> of July 2023 (*31<sup>st</sup> July 2024 for closed products or services*) being the official enforcement date. The Duty introduces a new FCA Principle, cross-cutting obligations, consumer outcomes and a new COCON conduct rule.

The purpose of this policy is to set out the Firm’s aims and objectives for complying with the Duty. It also provides a summary and guidance for employees and associated persons on the processes and controls implemented by the Firm to meet the PRIN 2A rules and obligations.

This policy provides an overview of the actions, processes and controls used to ensure transparency and fairness for all retail customers. It outlines our approach to product governance and demonstrates how we train and support our senior managers in meeting the aims of the Duty.

## 3 SCOPE

This policy applies to all staff within the Firm (*meaning permanent, fixed term, and temporary staff, any third-party representatives or sub-contractors, agency workers, volunteers, interns, and agents engaged with the Firm in the UK*). Adherence to this policy is mandatory and non-compliance could lead to disciplinary action.

## 4 THE CONSUMER DUTY

The Consumer Duty aims to deliver a higher level of protection and security alongside clearer standards for retail customers. The Duty provides new rules and guidance on the fair treatment of retail customers as well as focusing on product governance and fair value assessments. A new Principle for Business and Conduct Rule have been added to the FCA Handbook to provide the overarching ethos of the Duty and the standard of behaviour expected of firms.

- **Principle 12 – Consumer Duty** A firm must act to deliver good outcomes for retail customers.
- **Conduct Rule 6** You must act to deliver good outcomes for retail customers.

The Duty applies in relation to the Firm's' retail market business or where the Firm communicates or approves financial promotions which are addressed to, or disseminated in such a way that they are likely to be received by, a retail customer. The rules set by Principle 12 and PRIN 2A apply to both new and existing products or services that are open to sale or renewal.

In addition to the above, the Duty also comprises of cross-cutting obligations, four outcomes and guidance for firms when it comes to their retail market business and retail customers. The Duty applies across the distribution chain, from product and service origination through to distribution and post-sale activities. The '*distribution chain*' references all firms involved in the manufacture, provision, sale and ongoing administration and management of a product or service to the end retail customer.

Where the Firm's products, services or activities are defined as being retail market business, we recognise that Principle 12 and PRIN 2A apply in addition to the Principles stated in PRIN 2.1 of the FCA Handbook. This includes in relation to both existing and closed products. We acknowledge that where Principle 12 and PRIN 2A apply to any of our activities, these supersede and replace Principles 6 and 7.

### 4.1 THE CROSS-CUTTING OBLIGATIONS

The cross-cutting obligations are 3 overarching statements that define how firms can meet, embed, and understand Principle 12. The obligations are exhaustive but generic in nature and so set out the behaviour that should be taken by firms to ensure that retail customers receive good outcomes and are treated fairly. The cross-cutting obligations also serve to inform firms on how to interpret the four outcomes.

**The cross-cutting obligations require a firm to: -**

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

## 4.2 THE FOUR OUTCOMES

The consumer outcomes have been described by the FCA as *"a suite of rules and guidance setting more detailed expectations for firm conduct in four areas that represent key elements of the firm-consumer relationship"*.

**The four outcomes are: -**

- The governance of products and services.
- Price and value.
- Consumer understanding.
- Consumer support.

## 4.3 INTERACTIONS BETWEEN PRINCIPLE 12, OUTCOMES AND RULES

The new FCA Principle, cross-cutting obligations and consumer outcomes come together to form the foundation of the Duty. In the Handbook, the FCA provide guidance for how the three components of the Duty interact with each other.

- The cross-cutting obligations define how firms should act to deliver good outcomes for retail customers.
- The cross-cutting obligations exhaust what is required under Principle 12.
- The outcomes rules help to define what is required by Principle 12 and the cross-cutting obligations, but do not exhaust those rules.

## 5 CONDUCT RULES

The Firm employs a top-down approach when it comes to conduct within the business, and we enforce the rules and ethos across the Firm as a whole. We recognise that the conduct rules are in place to protect individuals, customers and our business and we strive to ensure a complete awareness of the rules and implement processes that monitor and support compliant conduct.

All employees are made aware that the conduct rules apply to all: -

- Senior Managers.
- Certified Functions.
- Non-Executive Directors who are not Senior Managers.
- Other employees.

First Tier – Individual Conduct Rules

- (1) You must act with integrity.
- (2) You must act with due care, skill, and diligence.
- (3) You must be open and cooperative with the FCA, the PRA and other regulators.
- (4) You must pay due regard to the interests of customers and treat them fairly.

- (5) You must observe proper standards of market conduct.
- (6) You must act to deliver good outcomes for retail customers (*where Principle 12 & PRIN 2A apply to the Firm's activities*).

The Firm has a suite of policies and controls to ensure it complies with the Senior Managers & Certification Regime (SMCR). To ensure effective and ongoing compliance with the Conduct Rules, staff are made aware of the types of actions that could lead to a breach of the COCON rules, as set out in **COCON 4.1**. In our recruitment, induction and training sessions, staff are made aware of which rules apply to them and their role within the business and are given specific guidelines relevant to each rule.

## 5.1 RULE 6 - DELIVER GOOD OUTCOMES FOR RETAIL CUSTOMERS

The Firm recognises that the additional Conduct Rule introduced under the Duty only applies to our retail market business. We have implemented best practice and controls in this area to comply with the COCON and PRIN rules and guidance. Our Conduct Rules training includes examples of good outcomes for retail customers and ensures that relevant employees understand what a retail customer is and how Rule 6 applies to them and their duties.

## 6 OBJECTIVES

As the Firm has obligations under the Duty, we have set out our main objectives and aims for compliance with the rules and guidance. This policy sets out our intent and the standard we aim to achieve. It is to be read in conjunction with supporting policies and controls, as set out in section 1.

### ***Our Consumer Duty objectives are: -***

- To deliver good outcomes for retail customers by implementing policies and controls that aid compliance with the Duty.
- To complete target market assessments to ensure products and services are suitable and fit for purpose.
- To assess and monitor the fair treatment of customers throughout the customer journey.
- To support customers with vulnerabilities and ensure they have access to the same fair services and support.
- To ensure communication methods are varied and flexible, with additional consideration given to vulnerable customers.
- Monitor products, services, and customer interactions to identify any areas where good outcomes are not being achieved. Implement processes to review and refine such areas to improve the outcomes.
- To ensure all aspects of the design, terms, marketing, sale of and support for our products meet the objectives, outcomes, and interests of retail customers.
- To provide retail customers with the support and information they need, before, during, and after the sale of products and services.

## 7 OUTCOME CONTROLS AND PROCESSES

To ensure compliance with the Duty consumer outcomes, the Firm has developed and implemented policies and controls that relate to each of the four outcome areas. Our policies define our intent and summarise our objectives to ensure that all associated processes and controls meet the regulatory obligations and ensure good consumer outcomes for all retail products and services.

### 7.1 PRICE AND VALUE ASSESSMENT

The Firm assesses and reviews the price and value of retail products from their design phase throughout the lifecycle.

The Firm recognises that offering fair value is more than just assessing cost, price, and benefits. Throughout the product governance process and during the lifecycle of each product, we also consider the methods and functions used to distribute, communicate, and provide support on our products. These factors are pivotal to the fair value assessment and help us to ensure all customers are getting suitable, balanced products and services.

The stages in the price and value assessment are: -

- Documenting and describing the nature of the product.
- Identifying and recording the product benefits afforded to the customer.
- Assessing and recording the costs associated with the product.
- Identifying any fees or charges associated with the product throughout its lifetime.
- Defining a fair price for the product based on the other stages in the assessment.
- Ensuring a balanced price versus benefits ratio.
- Assessing market rates and/or comparable products already in the market.
- Review of other products in our portfolio to ensure consistent and balanced value.
- Assess customers at risk of being vulnerable and those in different target groups to ensure all prices and costs are relevant and fair to all.
- Assess the distribution, communication, and support aspects of the product.
- Ongoing review of the price and value of the product throughout its lifecycle.
- Review of existing products to ensure they comply with the price and value outcome.

### 7.2 CONSUMER UNDERSTANDING & COMMUNICATION

To comply with the consumer understanding outcome under the Duty, the Firm recognise that the information, financial promotions, and communications made to its retail customers must adhere to the rules and requirements of the Duty. We understand our responsibility to provide the right information to our customers before, during and after product purchase, so that their understanding and actions reduce their risk of harm.

### 7.3 CONSUMER SUPPORT MEASURES

The Firm recognise its obligation to support retail customers (*including potential customers*) throughout the lifetime of their product. Our support objectives are valid before, during and after the sale of the product and help to support our customers in the choice, use and options of the product.

Our customer support functions deliver support to retail customers with an assurance that it: -

- Meets the needs of retail customers, including those with characteristics of vulnerability.
- Ensures that retail customers can use their product as reasonably anticipated.
- Ensures that it aids in mitigating the risk of harm.
- Gives retail customers sufficient opportunity to understand and assess their options.
- Gives retail customers sufficient opportunity to understand and assess any risks associated with the product.
- Ensures that retail customers do not face unreasonable barriers and/or costs during the lifecycle of a product, including but not limited to when they want to: -
  - make general enquiries or requests to us.
  - make a complaint to us.
  - cancel a contract, agreement or arrangement or otherwise terminate their relationship with us.

## 8 CULTURE

The customer centric outcomes that define the Duty have been embedded throughout the business and are at the forefront of all products, activities, and process development. Ensuring that customers best interests are central to our objectives and ethos requires a top-down approach where all employees can access the support, guidance and materials required to understand and implement the outcomes and rules.

The Firm's focus for ensuring a compliant culture has been the FCA's four drivers of culture: -

- **Purpose** the Firm's purpose should be consistent with the Duty. Staff should understand how the Firm's purpose is relevant to delivering good outcomes for customers.
- **Leadership** the Firm's leaders should be competent and accountable, and they should demonstrate commitment to delivering good outcomes for customers.
- **People** delivering good outcomes for customers should be reflected in the way in which people are managed and rewarded. They should be trained to be able to deliver good outcomes for customers.
- **Governance** the Firm's controls and key processes should be set up in a way which enables it to identify where the firm is not delivering good outcomes for its customers, and it should have a strategy in place to understand and tackle the root causes and manage and mitigate poor outcomes.



## 9 VULNERABLE CUSTOMERS

Vulnerable Customer awareness is an essential part of the Duty, and the Firm recognises that it has an obligation to retail customers to ensure that products and services are fair and offer good outcomes to those with vulnerabilities. In accordance with the Consumer Duty, the Firm has carried out an assessment of the nature and scale of characteristics of vulnerability that exist in our sector and within the target market we operate in.

Complying with the Consumer Duty requirements mean us going above and beyond considering generic customer vulnerabilities that are person or situation specific and also reviewing and monitoring vulnerabilities and characteristics that apply because of our target market. We have developed policies, controls, and tools to comply with the Consumer Duty and specifically the requirements contained in PRIN 2A. Customer interests are considered from product/service design through to after-sales care and everywhere in between.

The Consumer Duty aligns with the guidance for firms on the fair treatment of vulnerable consumers and aims to improve outcomes for customers in vulnerable circumstances. The Firm is committed to ensuring that good outcomes are attainable for all customers, regardless of circumstance, situation, or vulnerabilities.

Please refer to our ***Vulnerable Customers Policy and Procedures*** for guidance on how we assess, monitor, and manage customers with vulnerabilities.

## 10 TRAINING

As the Duty sets a much higher standard of care for retail customers, the Firm have implemented a training and support regime that ensures all employees understand and can comply with their obligations. The shift to an outcome-based approach has necessitated a change in behaviour and culture within the Firm, for which we have developed training sessions and factsheets to support and guide employees.

## 11 MONITORING

The Firm recognises that the only way to ensure good outcomes for customers is to assess and monitor those outcomes in a real world setting on a regular basis. Where we identify any poor or unsatisfactory outcomes, we are able to take the appropriate action to identify the root cause(s) and rectify the problems.

## 12 RESPONSIBILITIES

Scott and Steve are responsible for ensuring that the Duty is effectively and compliantly embedded across and within the business. We recognise that under the SMCR rules, our senior managers are accountable for any non-compliance with The Duty.

They have also taken the responsibility of reviewing and updating all Firm policies and controls to ensure that they focus on delivering good outcomes for customers. To ensure that the Duty is embedded properly and is understood by all employees, we have implemented the below actions: -

Actions, processes, and controls that the Firm takes to ensure compliance with the Duty include

- Regular senior managers meetings to discuss the Duty and how it has been embedded into the business.
- Training for employees in areas such as sales, customer support, product design and product governance.
- Assessing customer outcomes to ensure they align with the Duty.
- Process and product audits to ensure they comply with The Duty and customer outcomes.

### 13 APPENDIX A

#### Unsecured Consumer Credit – Financial Understanding

In your own words please summarise the information that has been given to you dated:

I am unable to process the financial application until this summary has been completed.

I have identified and informed you, the customer of [INSERT COMPANY NAME], payment options offered by (INSERT LENDER INFORMATION). If you have any queries concerning the content of the information provide, please contact us immediately on [INSERT TELEPHONE NUMBER].

Signed (sales agent) \_\_\_\_\_ Date \_\_\_\_\_

#### Customer Declaration

I/We accept that the information provided is understood by me / us and that I wish to proceed with the unsecured consumer credit application. I understand that all correspondence from the lender will be sent to me via email which is:

Customer Name

Customer Signature \_\_\_\_\_ Date \_\_\_\_\_

Customer Name

Customer Signature \_\_\_\_\_ Date \_\_\_\_\_