

CONSUMER DUTY STATEMENT



1. INTRODUCTION

What is the Consumer Duty?

The Consumer Duty sets the standard of care that firms should give to customers in retail financial markets.

It sets expectations that can apply flexibly and dynamically to new products, services and business models as they continue to emerge and develop in a changing and increasingly digital environment. So, it better protects consumers from current and new/emerging drivers of harm and gives firms more certainty of our expectations to support innovation, competition and new ways of serving customers.

The Duty is comprised of the following components:

- **Consumer Principle**

- A firm must act to deliver good outcomes for retail customers

- **Cross-cutting Rules**

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

- **Four Outcomes**

1. Governance of Products and services
2. Price and Value
3. Consumer understanding
4. Consumer support

It is made up of the following components:

The Consumer Principle, Principle 12, requires firms to 'act to deliver good outcomes for retail customers.

There are three cross-cutting rules that set out how firms should act to deliver good outcomes for customers. These are:

Acting in good faith

This is a standard of conduct characterised by honesty, fair and open dealing, and consistency with the reasonable expectations of customers.

Avoid causing foreseeable harm

Firms must take proactive and reactive steps to avoid causing harm to customers through their conduct, products, or services where it is in a firm's control to do so.

Enable and support customers to pursue their financial objectives

Firms must proactively and reactively focus on putting customers in a better position to make decisions in line with their needs and financial objectives.

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make it happen

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BFS Home Loans are authorised and regulated by the Financial Conduct Authority in respect of Regulated Mortgage Contracts No. 563325

The four outcomes cover the key elements of the BFHL–customer relationship:

1. Products and services outcome -

All products and services must be fit for purpose. That is, designed to meet the needs, characteristics and objectives of customers and targeted/distributed accordingly.

2. Price and value outcome -

Value means more than just price. It involves firms assessing products and services to ensure that there is a reasonable relationship between the price paid and the benefit a customer receives.

3. Consumer understanding outcome -

Communications must give customers the necessary information to support and enable them to make informed decisions about financial products and services.

4. Consumer support outcome -

This involves the design and delivery of support that meets the needs of customers, including those with characteristics of vulnerability; ensures that customers can use their products as reasonably anticipated; ensures that the customer journey allows for the mitigation of risk of harm and gives customers a sufficient opportunity to understand and assess their options; ensures that customers do not face unreasonable barriers during the lifecycle of a product or service; and requires firms to monitor the quality of the support they are offering and to act promptly if/when issues arise.

2. CONSUMER DUTY STATEMENT

At Bridging Finance Solutions, we are committed to ensuring that we:

- Put customers at the heart of our business and focus on delivering good outcomes
- Provide products and services that are designed to meet customers' needs and which provide fair value
- Communicate and engage with customers so that they can make effective, timely and properly informed decisions
- Do not seek to exploit customers' behavioural biases, lack of knowledge or characteristics of vulnerability
- Support our customers in realising the benefits of the products and services they buy from us
- Consistently consider the needs of our customers and how they behave at every stage of the product/service lifecycle
- Monitor and regularly review the outcomes that our customers are experiencing and take action to address any risks to good customer outcomes
- Continuously learn from our growing focus and awareness of real customer outcomes

We do not always have a direct relationship with the 'end' customer. There may be very few touchpoints with them throughout their journey; however, we aim to promote transparency, honesty, and openness in all our business practices and procedures. We have created this 'document' for our intermediaries and third-party suppliers to share our expectations of how our customers should be supported throughout the lifecycle of a product/service.

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3. DELIVERING THE FOUR OUTCOMES

Customers can only pursue their financial objectives and avoid foreseeable harm when products and services are fit for purpose.

Products and Services:

We will:

- Design and distribute products and services to meet this aim.
- Ensure that the design of the product or service meets the needs, characteristics, and objectives of customers in the identified target market.
- Ensure that the intended distribution strategy for the product or service is appropriate for the target market.
- Carry out regular reviews to ensure that the product or service continues to meet the needs, characteristics, and objectives of the target market.



Price and value

Fair value is about more than just price. The Consumer Duty aims to tackle factors that can result in products and services which are unfair or offer poor value.

We will ensure that the price is fair by:

- Reviewing the nature of the product or service, including the benefits that will be provided or may reasonably be expected and their qualities
- Reviewing any limitations that are part of the product or service, e.g. Insurance, and the expected total price customers will pay, including all applicable fees and charges over the lifetime of the relationship.
- Where a product or service does not provide fair value to customers, we will take appropriate action to mitigate and prevent harm, for example, by amending it to improve its value or withdrawing it from sale.

We will:

- Assess value at the design stage and before offering products or services to customers
- Monitor and assess the value of their products and services throughout their life, conducting regular value assessment reviews.

Consumer Understanding

We will:

- Ensure communications promote understanding and help customers avoid foreseeable harm and to pursue their financial objectives – throughout the life of products and services.
- ‘Put ourselves in the customers’ shoes’ when considering whether our communications equip consumers with the correct information at the right time to understand the product or service in question and make effective decisions.
- Set out principles relating to communications which will include reviewing communications to ensure they are effective, layered, engaging, relevant, simple, and well-timed.
- Ensure that communications can be understood by the average customer intended to receive the communication, and equip them to make decisions that are effective, timely and properly informed.
- Communicate information in a way which is clear, fair, and not misleading
- Tailor communications considering the characteristics of the customers intended to receive the communication – including any characteristics of vulnerability, the complexity of products, the communication channel used, and our role.
- Ensure the information provided to customers is accurate, relevant, and provided on a timely basis.
- Tailor communications to meet the information needs of individual customers and check that the customer understands the information, where appropriate, when interacting directly with a customer on a one-to-one basis.
- Test, monitor and adapt communications to support understanding and good customer outcomes.

Consumer Support

We will:

- Provide support that meets our customers’ needs. The support provided should enable customers to realise the benefits of the products and services they buy, pursue their financial objectives, and ensure that they can act in their own interests.
- Ensure customers are adequately supported throughout the lifecycle of a product or service after the point of sale – in particular, if they want to make an enquiry, complain or switch providers.
- Provide an appropriate level of support that ensures customers do not face unreasonable barriers when exercising any rights or options in relation to the product.
- Not expose customers to unreasonable additional costs because of how their products are serviced.



4. AUDITS AND MONITORING

To promote transparency, honesty, and openness, our 'broker' audit programme and/or supplier management meeting agendas incorporate a section dedicated to the Consumer Duty. Through collaborative working, we can ensure that regardless of our role in the distribution chain, we can demonstrate that we are acting 'to deliver good outcomes for retail customers' and that our customers are not put at any risk of foreseeable harm.

5. WHISTLEBLOWING

Principle 11 (Relations with regulators) of the FCA's Principles for Businesses states, '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 that regulator would reasonably expect notice.'

Under the Consumer Duty, the FCA has introduced an additional requirement as follows:

If we become aware of another firm in the distribution chain that is not or may not be complying with the requirements of the Consumer Duty, i.e., the firm is not acting in good faith, not avoiding foreseeable harm, or not supporting customers to pursue their financial objectives, then we need to take appropriate action to address this.

We would raise any concerns with the firm about its conduct and the impact we believe this is having in terms of achieving good outcomes for customers, and only if no reasonable adjustments were made, we would then notify the FCA outlining our concerns and the action we have taken.