

1 PURPOSE AND STATUS

This document sets out how Impact Financial Services Limited complies with the Consumer Duty requirements under PRIN 12 and how the firm monitors, evidences and reviews customer outcomes on an ongoing basis.

The purpose of this policy is to ensure that the firm consistently delivers good outcomes for retail customers through appropriate governance, supervision and adviser standards.

This document forms part of the firm's governance, oversight and supervisory framework and applies to all regulated activities conducted by the firm.

Consumer Duty is treated as a core cultural and operational standard within the firm, not merely a regulatory obligation.

2 BUSINESS SCOPE AND TARGET MARKET

2.1 Customers

Impact Financial Services Limited serves UK retail customers, including:

- individuals and families
- employed clients
- self-employed and contractor clients
- customers with mainstream mortgage and protection needs

The firm operates on an advised basis, ensuring recommendations are tailored to the client's circumstances.

2.2 Products and Services

The firm provides advice and intermediary services in relation to:

- Residential Mortgages
- Buy-to-Let Mortgages
- Life Assurance
- Critical Illness Cover
- Income Protection

All advice must be based on a full fact-find and needs analysis.

3 OUTCOME 1 – PRODUCTS AND SERVICES

Products recommended by the firm must be suitable for the target market and the individual customer's circumstances.

Advisers must understand product features, limitations and exclusions before making recommendations.

Evidence and Monitoring

Compliance with this outcome is monitored through:

- file checking outcomes
- suitability reviews
- adviser supervision
- post-sale customer feedback

Practical Example

If file reviews identify misunderstandings regarding exclusions, the firm will review adviser explanation standards and update training materials.

✔ Good Practice

- Full fact-find before discussing products.
- Recommendations linked to customer needs.
- Benefits and limitations explained.
- Suitability reports justify the recommendation.

✘ Poor Practice

- Recommending before needs analysis.
- Promoting due to familiarity or commission.
- Failing to explain exclusions.
- No documented client needs.

4 OUTCOME 2 — PRICE AND VALUE

The firm assesses value holistically, considering:

- premium affordability
- level of cover
- quality of advice
- ongoing customer support

Impact Financial Services Limited does not operate volume-driven incentives that could compromise customer outcomes.

Value Review Triggers

The firm reviews value concerns where indicators arise such as:

- high lapse rates within the first 12 months
- affordability-related cancellations
- complaints regarding value

Practical Example

If early cancellations indicate affordability issues, advisers may strengthen affordability discussions and stress-testing of premiums.

✔ Good Practice

- Affordability discussed before recommending.
- Cover level balanced with affordability.
- Alternative options explained.
- Lapse rates monitored.

✘ Poor Practice

- Expensive policies without affordability checks.
- Cancellations shortly after purchase.
- Value of cover not explained.
- Cancellation trends ignored.

5 OUTCOME 3 — CONSUMER UNDERSTANDING

The firm promotes customer understanding through:

- clear verbal explanations
- plain-language documentation
- confirmation of understanding during the advice process

Advisers must ensure customers understand:

- the purpose of the policy
- the level of cover
- exclusions and limitations
- cost and payment obligations

Evidence

- suitability reports
- documented advice discussions
- recorded interactions where applicable
- post-sale queries

Practical Example

Where customers repeatedly ask similar questions, adviser explanations and training materials are reviewed.

✔ Good Practice

- Products explained in simple language.
- Clients encouraged to ask questions.
- Key exclusions clearly explained.
- Suitability reports reinforce meeting explanations.

✘ Poor Practice

- Technical language customers can't understand.
- Exclusions or waiting periods not explained.
- Understanding assumed without confirmation.
- Customers unsure what their policy covers.

6 OUTCOME 4 – CONSUMER SUPPORT

The firm provides appropriate support throughout the customer journey, including:

- application process
- policy implementation
- policy servicing
- claims stage
- policy amendments
- complaint handling

Support Considerations

- complexity of needs
- vulnerability indicators
- changes in circumstances

Vulnerability

Where vulnerability is identified, advisers must:

- adapt communication
- provide additional explanation
- offer appropriate support

✔ Good Practice

- Advisers accessible after implementation.
- Support during claims or policy changes.
- Vulnerable customers receive extra assistance.
- Clients encouraged to report circumstance changes.

✘ Poor Practice

- Adviser disengages after the sale.
- Little help during claims.
- Vulnerability indicators ignored.
- Customers struggle to reach support.

7 MANAGEMENT INFORMATION AND OUTCOME MONITORING

Impact Financial Services Limited monitors Consumer Duty through management information (MI).

Area	MI Reviewed	Frequency	Owner	Action
Suitability	File check outcomes	Monthly	T&C / Compliance	Enhanced supervision
Value	12-month lapse rates	Quarterly	Compliance	Product review
Understanding	Post-sale queries	Quarterly	Compliance	Training updates
Support	Complaints & service delays	Monthly	Director	Root cause analysis
Vulnerability	Vulnerability indicators	Quarterly	Compliance	Process improvements

This monitoring allows the firm to identify potential risks to customer outcomes.

8 GOVERNANCE AND OVERSIGHT

Overall responsibility for Consumer Duty rests with the Managing Director.

Oversight includes:

- periodic MI review
- identification of emerging risks
- approval of remediation actions
- escalation of material issues

Where systemic customer harm is identified, the firm may consider whether notification to the FCA is required.

9 REMEDIATION AND ESCALATION

Where poor outcomes are identified, the firm may:

- enhance supervision
- require adviser retraining
- amend internal processes
- provide customer remediation

Actions are tracked and reviewed for effectiveness.

10 RECORD KEEPING AND EVIDENCE

Evidence supporting Consumer Duty compliance includes:

- fact-find documentation
- suitability reports
- file review records
- supervision notes
- management information reports
- complaints analysis

Records are retained in accordance with regulatory and data protection requirements.

11 REVIEW AND CONTINUOUS IMPROVEMENT

This policy is reviewed:

- at least annually
- following regulatory changes
- following identification of Consumer Duty issues

Consumer Duty is treated as a continuous governance obligation requiring ongoing monitoring and improvement.

12 CONSUMER DUTY COMMITMENT

Impact Financial Services Limited recognises that Consumer Duty represents a fundamental shift in regulatory expectations.

The firm considers Consumer Duty to be a core cultural standard, embedded within its advice process, governance structure and adviser training.

All advisers must:

- act in good faith toward customers
- avoid foreseeable harm
- support customers in pursuing financial objectives

Senior management monitors outcomes through supervision, file reviews and management information.

Impact Financial Services Limited views Consumer Duty as a continuous commitment to improving customer outcomes and advice standards.

Policy Review and Approval

This policy will be reviewed annually or more frequently if required by changes in regulations or the needs of the firm. All amendments will be documented and communicated to all staff members.