

Merc of Enfield Ltd

Compliance Procedures

Business Details and Overview

Merc of Enfield Ltd is a private limited company (14440843) which operates as a used vehicle dealership. Merc of Enfield Ltd was incorporated on the 25th of October 2022 and our trading address and principal place of business is:

7 Gladbeck Way,
Enfield,
EN2 7FG

Email: info@mercofenfield.co.uk

Phone: 0204 5173011

Merc of Enfield Ltd is looking to offer credit brokering services to customers who are purchasing a vehicle from Merc of Enfield Ltd.

Merc of Enfield Ltd will not be charging any fees to customers for the provision of credit brokering services and will not hold client money.

Merc of Enfield Ltd's long term strategy is to manage organic growth and to develop a reputation for providing great customer service.

Achieving great customer outcomes is at the forefront and is a primary focus for our business. We have taken on board the new FCA's standards in terms of consumer duty when developing our business model, processes and procedures.

Our key pledges to our customers are:

- We will always act in good faith
- We will avoid causing foreseeable harm
- We will aim to enable customers to achieve their vehicle finance objectives possible

Our business model has been created with the four consumer outcomes in mind:

Consumer Understanding – Customers are equipped to make good decisions. Information is made available at the right time and is understandable.

Price and Value – Products and services should be sold at a price that reflects their value. There should be no excessively high fees.

Product and Services – The firm's products and services should be fit for purpose. The terms match the target customer needs and products work as expected.

Customer Support – Customer service should be responsive and helpful. It should be as easy to complain about or switch and cancel products or services as it was to buy them.

Governance

Merc of Enfield Ltd is directed, owned and controlled by Sajad Alhashimy.

Sajad will be carrying out the day to day running of the business and will be responsible for compliance oversight.

Sajad has over 10 years experience buying and selling used cars. Sajad has developed a solid understanding of the used car sales industry and is able to communicate effectively with customers from all backgrounds.

Sajad has taken guidance from a compliance consultant who has guided him through the FCA application process and advised him as to the ongoing regulatory responsibilities to the FCA once authorised.

Sajad will be utilising a compliance consultant on an ongoing basis once authorised to keep up to date with regulatory changes and to assist with compliance monitoring.

Sajad has committed to having the achievement of 'Great Customer Outcomes' as his responsibility, both now, and when new staff members are onboarded. This is to highlight the importance that Merc of Enfield Ltd places on customer centricity and to ensure that this is driven from the top down and firmly embedded within the company's culture.

Price & Value Outcome Assessment

Introduction

In accordance with the Financial Conduct Authority's (FCA) Consumer Duty standards, we, Merc of Enfield Ltd, have conducted a Price and Value Outcome Assessment for our credit brokering services. The purpose of this assessment is to evaluate the pricing and value provided to our customers when offering credit brokering services for vehicle purchases. Our goal is to ensure that our services are fair, transparent, and provide customers with appropriate value.

Target Customer

- Customer who is purchasing a vehicle from Merc of Enfield Ltd.
- Customers with good credit status/histories or slightly impaired credit status histories but are currently financially stable.
- Customer age profile is between 18 to 70 years old (No older than 75 at the end of the agreement).
- Employed by a company or self-employed.
- Tenant/Renting/Mortgage Owner/Living with parents.
- UK Resident with full driving licence.

Our credit brokering services are not designed for customers who:

- Wish to lease a vehicle.
- Have current financial difficulties.
- Need a vehicle for hire and reward, motorsports use or significant modification.
- Require financing of negative equity.
- Require financing of additional products or services eg. MBI, GAP.

Vehicle Condition

Use – normal mobility needs for personal transportation.

Mileage – 119,999 miles or less.

Age – Less than 15 years old at the end of the agreement.

Product Characteristics & Benefits

Our credit brokering services are designed to meet the needs of the target group to purchase motor vehicles by allowing the cost of the vehicle to be spread over time, with the view of owning the vehicle at the end of the agreement. Finance is provided at a fixed rate of interest for the duration of the loan agreement payable by monthly direct debit giving customers certainty when budgeting.

Pricing Structure

Our credit brokering services are provided at no direct cost to our customers. We do not charge any fees for the use of our credit brokering services or for the cancellation of a credit agreement with a credit provider on our panel.

Commission Disclosure

As part of our commitment to Consumer Duty standards, we ensure complete transparency regarding commission disclosure. We inform customers about the existence of commission and the total amount of commission received from lenders before entering into any credit agreement, ensuring that they have sufficient information to make an informed decision. The disclosure will be provided in writing, either electronically or in a physical format, depending on the customer's preference and the customer's consent to proceed with the finance agreement will be obtained.

Customers With Characteristics of Vulnerability

At Merc of Enfield Ltd we are committed to treating all customers fairly and providing excellent service. We recognise that due to the broad nature of our defined target customer criteria, it is likely that some customers will have characteristics of vulnerability and require additional support and protection.

Common types of vulnerability that may be relevant to our target market are:

Health – Physical disability, severe/long term disability, hearing/visual impairments, poor mental health.

Life Events – Caring responsibilities, income shock, relationship breakdown, bereavement.

Resilience – Low income that could become erratic, over indebtedness, low savings, low emotional resilience, lack of support.

Capability – Low knowledge/confidence in financial matters, poor literacy/numeracy skills, poor digital skill.

Our staff will receive training to help them identify potential signs of vulnerability during customer interactions. This includes observing verbal and non-verbal cues, recognising specific life events or circumstances, and being attentive to customer needs and requests for assistance.

When completing the suitability assessment all customers will be asked if they have any specific requirements or if there is anything that we should be aware of in order to best assist them.

Further details on how we assist customers with characteristics of vulnerability are available within our Vulnerable Customer Policy.

Value Delivered to Customers

The value delivered to our customers through our credit brokering services is evident in several ways:

- Access to Multiple Lenders: Our customers benefit from access to a panel of reputable lenders, increasing their chances of finding a suitable credit agreement tailored to their needs and financial circumstances.
- Expert Guidance: Our experienced staff assist customers in understanding their financial options, credit agreements, and the implications of their decisions. We provide guidance throughout the process to ensure informed choices.
- Affordability Assessment: We perform a detailed affordability assessment to determine if the credit service is suitable for each customer, minimizing the risk of potential financial difficulties.
- Transparent Information: We disclose all relevant information about the credit agreement, fees, and charges, allowing customers to make well-informed decisions.

Positive Outcomes

We strive to achieve positive outcomes for our customers through our credit brokering services:

- Suitable Credit Agreements: Our goal is to connect customers with the most suitable credit agreements that align with their financial circumstances and requirements.
- Fair Treatment: We adhere to the principles of Treating Customers Fairly (TCF) and prioritize the interests of our customers throughout the credit brokering process.
- Customer Satisfaction: Our commitment to transparency, fair practices, and excellent customer service aims to ensure high levels of customer satisfaction.

Conclusion

This Price and Value Outcome Assessment demonstrates our dedication to offering credit brokering services that prioritise fair treatment, transparency, and positive outcomes for our customers. By adhering to the FCA's Consumer Duty standards, we aim to provide a valuable and responsible service that empowers customers to make informed financial decisions with confidence.

Our assessment concluded that our credit brokering services meet the needs, characteristics and objectives of customers within our identified target market and that fair value is being delivered to customers.

Financial Promotions Policy

Introduction

This Financial Promotions Policy outlines the guidelines and procedures followed by Merc of Enfield Ltd regarding financial promotions related to our credit brokering services. As an authorised credit broker, we aim to provide clear, fair, and transparent information to our customers in compliance with the Financial Conduct Authority (FCA) regulations.

Regulatory Compliance

Merc of Enfield Ltd is authorised and regulated by the Financial Conduct Authority (FCA), Firm Reference Number _____. Our financial promotions are designed to be accurate, clear, and not misleading to ensure compliance with the FCA's requirements.

Definition of Financial Promotions

Financial promotions encompass all forms of communication that promote our credit brokering services to customers. This includes advertisements, marketing materials, website content, social media posts, and any other communication channels utilised to promote credit products.

Approval Process

All financial promotions related to our credit brokering services undergo a thorough review and approval process to ensure compliance with FCA regulations. The responsibility for approving financial promotions lies with Sajad Alhashimy, Director.

Clear and Fair Information

Our financial promotions provide clear and fair information to customers about our credit brokering services. This includes the following key points:

- A clear indication that Merc of Enfield Ltd is acting as a credit broker and not a lender.
- The FCA's regulatory status of Merc of Enfield Ltd along with the Firm Reference Number _____.
- A statement indicating that credit is subject to the customer's eligibility and the lender's approval.
- Information on the types of credit products available, such as Hire Purchase (HP), Personal Contract Purchase (PCP).
- Clear explanations of the commission structure, indicating that we may receive commission from lenders for arranging credit agreements.

We will ensure that each communication and each financial promotion:

- Is clearly identifiable as such.
- Is accurate.
- Uses plain and intelligible language.
- Is easily legible.
- Is balanced and, in particular does not emphasise any potential benefits of a product or service without also giving a fair and prominent indication of any relevant risks.
- Is sufficient for, and presented in a way that is likely to be understood by, the average member of the target market to which it is directed, or by which it is likely to be received.
- Does not disguise, omit, diminish or obscure important information, statements or warnings.

We will ensure that, where a communication or financial promotion contains a comparison or contrast, the comparison or contrast is presented in a fair and balanced way and is meaningful.

Content of Financial Promotions

Where a financial promotion indicates a rate of interest or an amount relating to the cost of credit whether expressed as a sum of money or a proportion of a specified amount, the financial promotion must also include a representative example.

The representative example must comprise the following items of information:

- The rate of interest, and whether it is fixed or variable or both, expressed as a fixed or variable percentage applied on an annual basis to the amount of credit drawn down.
- The nature and amount of any other charge included in the total charge for credit.
- The total amount of credit.
- The representative APR shown as % and accompanied by the word “representative”.
- Where an APR is subject to change it must be accompanied by the word “variable”.
- The cash price and the amount of any advance payment.
- The duration of the agreement.
- The total amount payable.
- The amount of each repayment of credit.

The content listed above must be:

- Specified in a clear, concise and prominent way.
- Accompanied by the words “representative example”.
- Presented together with each item of information being given prominence.

A financial promotion must not include:

- The expression “interest free” or any similar expression indicating that a customer is liable to pay no greater amount in respect of a transaction financed by credit than they would be liable to pay as a cash purchaser for the like transaction, except where the total amount payable does not exceed the cash price.

- The expression “no deposit” or any similar expression, except where no advance payments are to be made.
- The expression “gift” or any similar expression, except where there are no conditions which would require the customer to repay the credit or to return the item that is the subject of the claim.
- The expression “weekly equivalent” or any expression to like effect or any expression of any other periodical equivalent, unless weekly payments or the other periodical payments are provided for under the agreement.

Annual Percentage Rate (APR)

A financial promotion must include the representative APR if it:

- States or implies that credit is available to individuals who might otherwise consider their access to credit restricted; or
- Includes a favourable comparison relating to the credit, whether express or implied, with another person, product or service; or
- includes an incentive to apply for credit or to enter an agreement under which credit is provided.
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Social Media

Any form of communication (including through social media) is capable of being a financial promotion, depending on whether it includes an invitation or inducement to engage in financial activity.

Where a personal social media account (such as a Twitter account) is used by someone associated with the dealership for example a Director or sales person, that individual should take care to distinguish clearly personal communications from those that are, or are likely to be understood to be, made during that business.

Communications through social media can reach a wide audience very rapidly, so we will take account of that in our decision to promote through social media, and the nature of our promotions. We will ensure that original communications will remain clear, fair and not misleading, even if it ends up in front of a non-intended recipient (through others re-tweeting on Twitter or sharing on Facebook). One way of managing this risk is the use of software that enables advertisers to target groups very precisely.

Each communication (e.g. a tweet, a Facebook insertion or page, or web page) needs to be considered individually and comply with the relevant rules.

Accurate Representation

Financial promotions provide accurate and up-to-date information regarding credit products and services offered by Merc of Enfield Ltd. Any promotional statements, benefits, or claims are supported by evidence and accurate representations.

Avoiding Misleading Information

All financial promotions avoid any form of misleading information, ambiguity, or exaggeration. We ensure that the promotions do not give false expectations or misleading impressions to customers.

Monitoring and Record-Keeping

We maintain a robust monitoring and record-keeping system to track and retain copies of all financial promotions. This allows us to demonstrate compliance with FCA regulations and provide evidence of our adherence to this policy.

Review and Updates

This Financial Promotions Policy will be reviewed regularly to ensure its continued effectiveness and compliance with FCA regulations. Any necessary updates or improvements will be made promptly.

Conclusion

At Merc of Enfield Ltd, we prioritise our customers' trust and commitment to providing transparent and fair information about our credit brokering services. This Financial Promotions Policy establishes the guidelines for creating accurate, clear, and compliant financial promotions. If you have any questions or need further information, please feel free to contact us.

GDPR - Data Privacy Notice

Introduction

At Merc of Enfield Ltd, we are committed to protecting customer privacy and personal data. This Privacy Notice explains how we collect, use, store, and protect customer's personal information in compliance with General Data Protection Regulation (GDPR) and the Data Protection Act 2018.

Data Controller

Merc of Enfield Ltd is the data controller responsible for the processing of customer personal data.

Merc of Enfield Ltd is registered in England and Wales, Company no. 14440843. Registered office: 7 Gladbeck Way, Enfield, EN2 7FG. Merc of Enfield Ltd is authorised and regulated by the Financial Conduct authority, FRN_____.

Information We Collect

We may collect the following types of customer's personal information:

- Contact Details (name, address, email, phone number)
- Date of Birth
- Marital Status
- Number of Dependents
- Financial Information (employment, income, credit history)
- Vehicle preferences
- Communication preferences

How we use customer's personal information?

We use customer's personal information for the following purposes:

- To provide information about our products and services, including vehicle sales, financing options and promotions.
- To process the customer's vehicle purchase and any related financial transactions.
- To assess the customer's eligibility for financing and credit agreements.
- To comply with legal and regulatory requirements.
- To communicate with the customer about their vehicle purchase and customer support enquiries.
- To improve our services and the customer experience.
- To prevent fraud and enhance security measures.
- To send marketing communications and offers, with the customer's consent (which can be withdrawn at any time).

Legal Basis for Processing Customer Information

We process customer's personal information based on the following legal grounds:

- To verify their identity and for compliance with legal obligations (eg. Anti-money laundering checks).
- The necessity to perform a contract (such as processing vehicle purchases).
- To conduct an assessment of their affordability.
- To provide a credit brokering service.
- Legitimate interests such as customer service.
- Marketing and communication.

Information Sharing

We may share customer information with the following parties:

- Our selected finance providers to facilitate credit checks and financing options.
- Our trusted service providers and business partners who assist us in providing our services.
- Regulatory authorities and law enforcement agencies when required by law.

Information Retention

We will retain customer's personal information for as long as necessary to fulfil the purposes stated in the Privacy Notice or as required by law. Once the information is no longer needed, we securely delete it.

Customer Rights Regarding Their Personal Information

Unless subject to an exemption under GDPR, customer's have the following rights with respect to their personal information:

- The right to request a copy of the personal data Merc of Enfield Ltd holds about them
- The right to request that we correct any personal information if it is found to be inaccurate or out of date
- The right to request their personal data is erased where it is no longer necessary for us to retain such information
- The right to withdraw their consent to the further processing of their data
- The right to request that the data controller provide the data subject with all personal information and where possible to transmit the information directly to another data controller
- The right to lodge a complaint with the Information Commissioners Office

Transfer of data abroad

We do not transfer data outside of the EEA (European Economic Area)

Further processing

If we wish to use customer personal information for a purpose not covered by this data protection notice we will provide them with a new notice explaining this new use prior to commencing the processing and setting out the relevant purposes and processing conditions. Where and whenever necessary we will seek the customer's prior consent to the new processing.

Contact Us

To exercise all relevant rights, queries or complaints please in the first instance contact:

Sajad Alhashimy, Director.

Merc of Enfield Ltd,

7 Gladbeck Way,

Enfield,

EN2 7FG

Email: info@mercofenfield.co.uk

Phone: 0204 5173011

If you would like further information regarding Data Protection you can contact the Information Commissioners Office on 0303 123 1113 or via email <https://ico.org.uk/global/contact-us/email> or at the Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire. SK9 5AF.

Commission Disclosure Policy

Introduction

This Commission Disclosure Policy outlines the guidelines and procedures followed by Merc of Enfield Ltd regarding commission disclosure. The policy aims to ensure transparency, fairness, and the provision of clear and accurate information to customers regarding any commissions or financial incentives received by Merc of Enfield Ltd in relation to its credit brokering services.

General Status Disclosure

Merc of Enfield Ltd will make clear and upfront disclosure to customers regarding any commission or financial benefit received in connection with its credit brokering services. This disclosure will be provided in a clear, fair, and prominent manner, ensuring that customers can easily understand the nature and amount of the commission.

Please see the below status disclosure which will be prominent on our website and on all financial promotions.

Merc of Enfield Ltd is registered in England and Wales. **Company Number: 14440843 Registered Address: 7 Gladbeck Way, Enfield, EN2 7FG.** Merc of Enfield Ltd is authorised and regulated by the Financial Conduct Authority Firm reference number FRN_____. We are a credit broker and not a lender. We are able to introduce you to a limited number of lenders and their finance products which may have different interest rates and charges. We may advise you on products subject to your personal circumstances although you are not obliged to take our advice or recommendation. We do not charge a fee for our credit brokering services provided to you, however the lender we introduce you to, we will typically receive commission from them, this will be either a fixed fee or a fixed percentage of the amount you borrow. The lender we work with may pay commission at different rates, however, the amount of commission that we receive from a lender does not have an effect on the amount that you pay to the lender under your credit agreement. The warranty products that we provide are not regulated by the FCA and are separate to the finance products that we are authorised by the FCA to broker.

Timing of Disclosure

Commission disclosure, including the total amount of commission received from the lender, will be made to customers at or before the point of sale, ensuring that they have sufficient information to make an informed decision. The disclosure will be provided in writing, either electronically or in a physical format, depending on the customer's preference and the customer's consent to proceed with the finance agreement will be obtained.

Method of Disclosure

Commission disclosure will be provided in a separate document, distinct from other documents related to the vehicle finance transaction. The disclosure document will include the following information:

- Our full trading name
- The fact that we receive commission for providing a credit brokering service
- The existence of any other financial benefits, if applicable
- The nature and amount of the commission or financial benefit
- Any potential impact of the commission on the customer's overall costs

Documentation and Record-Keeping

Merc of Enfield Ltd will maintain accurate and up-to-date records of all commission disclosures made to customers. These records will include the date, time, method, and content of the disclosure. The records will be retained for a period of 5 years in compliance with regulatory requirements.

Training and Competence

Merc of Enfield Ltd will provide regular training to its staff involved in its credit brokering service to ensure they understand the importance of commission disclosure and can effectively communicate the information to customers. Training will cover the requirements of this policy, relevant regulations, and best practices for commission disclosure.

Review and Monitoring

Merc of Enfield Ltd will conduct periodic reviews and monitoring activities to ensure compliance with this Policy. This includes:

- Regular review of commission disclosure processes and documentation
- Sample checks of commission disclosure provided to customers
- Staff training assessments to ensure understanding and adherence to the policy
- Addressing any identified issues promptly and implementing corrective measures

Policy Updates

This policy will be reviewed and updated as necessary to reflect changes in regulatory requirements, industry best practices, and internal procedures. Any updates or changes to the policy will be communicated to all relevant staff members and implemented promptly.

Complaints Handling

Complaints regarding commission disclosure will be handled in accordance with Merc of Enfield Ltd's complaints handling policy. We will ensure that all complaints related to commission disclosure are promptly investigated, resolved fairly, and appropriate remedial actions are taken when necessary.

Customer Journey

Introduction

At Merc of Enfield Ltd, we are committed to providing our customers with suitable and affordable vehicle finance products. This policy outlines our approach to assessing the suitability and affordability of the products we provide to our customers to in accordance with the Financial Conduct Authority's (FCA) consumer duty standards.

Target Market

- Customer who is purchasing a vehicle from Merc of Enfield Ltd.
- Customers with good credit status/histories or slightly impaired credit status histories but are currently financially stable.
- Customer age profile is between 18 to 70 years old (No older than 75 at the end of the agreement).
- Employed by a company or self-employed.
- Tenant/Renting/Mortgage Owner/Living with parents.
- UK Resident with full driving licence.

Our credit brokering services are not designed for customers who:

- Wish to lease a vehicle.
- Have current financial difficulties.
- Need a vehicle for hire and reward, motorsports use or significant modification.
- Require financing of negative equity.
- Require financing of additional products or services eg. MBI, GAP.

Customers With Characteristics of Vulnerability

At Merc of Enfield Ltd we are committed to treating all customers fairly and providing excellent service. We recognise that due to the broad nature of our defined target customer criteria, it is likely that some customers will have characteristics of vulnerability and require additional support and protection.

Common types of vulnerability that may be relevant to our target market are:

Health – Physical disability, severe/long term disability, hearing/visual impairments, poor mental health.

Life Events – Caring responsibilities, income shock, relationship breakdown, bereavement.

Resilience – Low income that could become erratic, over indebtedness, low savings, low emotional resilience, lack of support.

Capability – Low knowledge/confidence in financial matters, poor literacy/numeracy skills, poor digital skill.

Our staff will receive training to help them identify potential signs of vulnerability during customer interactions. This includes observing verbal and non-verbal cues, recognising specific life events or circumstances, and being attentive to customer needs and requests for assistance.

When completing the suitability assessment all customers will be asked if they have any specific requirements or if there is anything that we should be aware of in order to best assist them.

Further details on how we assist customers with characteristics of vulnerability are available within our Vulnerable Customer Policy.

Third Party Representation

Where a vulnerable customer has third party representation, we will ensure that it is the same person within the dealership that will act as the primary point of contact for the third-party representative as has been dealing with the customer directly.

We will ensure that the correct consent has been obtained from the customer to allow the third-party representative access to their financial and personal information and that all parties understand the scope of the representation.

Once this has been established, we will communicate openly and regularly with the third-party representative, in the same way as if they were the customer, providing them with all relevant information and updates related to the credit application and vehicle purchase.

Suitability Assessment

Understanding the Customer's Needs and Circumstances:

We will first collect relevant information from the customer to understand their financial situation, needs and objectives. This includes their income, residential status, employment status, credit history, expenses and desired loan terms. We will also explain the various communication channels available and establish the customer's preferred method.

We will ask the customer about their objectives and motivations for seeking finance to fund their vehicle purchase ie. upgrading their current vehicle, change to family circumstances, fuel efficiency or to meet other financial needs related to vehicles.

We will ask about the desired loan duration or repayment term. Some customers may prefer shorter terms for faster repayment, while others may prefer longer terms for lower monthly repayments.

We will ask all customers if they have any specific requirements or if there is anything that we should be aware of in order to best assist them.

Product Recommendations:

Based on the information obtained, we will recommend vehicle finance products that are suitable for the customer's needs and objectives.

We will take into account the customer's preferences, affordability, and the features, benefits, and risks associated with the recommended products.

Assessment of Customer's Knowledge and Experience:

If the customer seeks advice on a more complex vehicle finance product ie.PCP, we will assess their knowledge and experience to determine whether the product is suitable.

We will provide clear explanations and ensure the customer understands the risks, terms, and conditions associated with the recommended product.

We will document the assessment process including the information gathered, the facts considered and the outcome of the suitability assessment. This documentation will form part of our compliance with regulatory obligations and will provide a record of the decision-making process.

When recommending vehicle finance products to a customer we will ensure that our communication:

- Is explained or presented in a logical manner.
- uses plain and intelligible language and, where use of jargon or technical terms is unavoidable, explain the meaning of any jargon or technical terms as simply as possible.
- makes key information prominent and easy to identify, including by means of headings and layout, display and font attributes of text, and by use of design devices such as tables, bullet points, graphs and graphics.
- avoids unnecessary disclaimers and
- provides relevant information with an appropriate level of detail, to avoid providing too much information such as it may prevent customers from making effective decisions.

Affordability Assessment

Income and Expenditure Assessment:

We will consider factors such as the customer's income, expenses, credit history, employment status and any existing financial commitments. We will take into account any budgetary constraints to determine their ability to afford the recommended vehicle finance product and to ensure they can comfortably meet the repayment obligations.

We will inquire about the customer's ability to make a deposit or provide a trade-in vehicle as part of the finance transaction. This affects the loan amount and overall affordability.

We will request information about the customer's credit history, including their credit score and any past credit issues. This will help to evaluate their creditworthiness and determine suitable finance options.

We will discuss the customers broader financial goals and objectives. This is to understand if their aim is to improve creditworthiness, build equity in a vehicle or achieve specific financial milestones.

Affordability Verification:

We may request supporting documentation to verify the customer's income and expenses, such as payslips, bank statements, or tax returns.

We will use this information to assess and verify the customer's affordability accurately and responsibly.

Responsible Lending Practices:

We will adhere to responsible lending practices by ensuring that the total cost of credit, including interest, fees, and charges, is affordable for the customer.

We will avoid recommending products that may place the customer at risk of financial difficulty or hardship.

Consideration of Future Events and Scenarios:

We will ask about the customer's future financial plans, such as potential changes in employment, expected income growth or any significant life events that could impact their financial situation. This will help to assess long-term suitability.

Communicating Our Findings To The Customer:

When We will communicate the findings of the suitability assessment to the customer explaining the reasons behind the decision, whether its an approval, conditional approval or decline. We will provide transparency and address any concerns or questions the customer may have. We will use clear and concise language to ensure the customer understands the key details.

We will clearly articulate the value proposition of our credit brokering services, explaining how they can help the customer achieve their financial goals and give them all the tools and information they need to make the best, well considered choice for themselves.

If the suitability assessment reveals that the proposed vehicle finance may not be suitable for the customer, we will offer alternative options or modifications that better align with their needs and financial circumstances if possible. This may involve suggesting a different vehicle, adjusting loan terms etc.

Completion of Finance Documentation:

We will clearly explain the terms and conditions of the proposed vehicle finance to the customer. We will ensure that they fully understand their financial obligations, interest rates, repayment schedules, fees and any potential risks associated with the finance agreement.

We will review all of the necessary documentation with the customer, such as loan agreements and all regulatory disclosures ensuring that the customer understands and agrees to the terms outlined in the documentation.

Where the customer states or implies that there is no need for an explanation of the regulated credit agreement, we must continue to give the required explanation and must never encourage the customer to waive their right to a full explanation

We will communicate clearly with the customer the importance of carefully reading and understanding the terms of the agreement and actively avoid pressuring or rushing the customer into a quick decision.

We will provide the customer with a written copy of the agreement to take away and review at their own pace. This allows them to go through the terms in detail and seek clarification on any aspects that they find unclear.

We will be available to the customer to answer any questions or concerns that the customer may have regarding the agreement. We will provide accurate and comprehensive explanations to ensure they have a clear understanding of the terms.

We will document an acknowledgement from the customer of their review of the finance documentation.

We will provide ongoing support to customers throughout the vehicle finance process and beyond. We will offer assistance with paperwork, answer their questions and address any concerns that may arise during the term of the loan.

Commission Remuneration and Disclosure:

We have established clear policies and procedures that explicitly state our commitment to avoiding commission bias. We will clearly communicate to all staff, and in training, the expectation of unbiased recommendations based on customer needs and product suitability.

We will clearly disclose our commission structure to customers, ensuring they are aware of how we are remunerated for our services.

We will confirm to customers the total amount of commission received from lenders before entering into any credit agreement.

The commission disclosure will be provided in writing, either electronically or in a physical format, depending on the customer's preference and the customer's consent to proceed with the finance agreement will be obtained.

We will avoid complex commission structures that may create conflicts of interests or incentivise the recommendation of specific products.

We will conduct thorough comparative analysis of various finance products considering factors such as interest rates, fees and terms and conditions. We will base recommendations on the suitability of the product for the customer's specific requirements rather than the commission associated with it.

We will conduct regular reviews of the available finance products we can offer and the lenders that we work with. We will evaluate the competitiveness, customer satisfaction and overall suitability of the products in relation to customer needs without bias towards commission.

Lending Partners

Product Information:

We will ask the lenders we work with to provide comprehensive product information such as product brochures, terms and conditions, pricing schedules and any other relevant materials. We will review the documents thoroughly to gain a deep understanding of the product features, eligibility criteria, interest rates, fees, repayment terms and any associated benefits or limitations.

We will attend lender meetings or training sessions with the lenders representatives to discuss the product in depth. We will use these opportunities to ask questions, gain insights and ensure a comprehensive understanding of the product's features, target market and any unique selling points.

We will regularly analyse data relating to the products that we are brokering, such as interest rates, repayment records, customer feedback and market trends, looking for any indications that suggest the products may not be providing fair value for customers.

We will seek feedback from customers through surveys or interviews to gauge their satisfaction and perception of the value provided by our service. Gathering insights on their experiences, expectations and whether they believe they are receiving fair value.

We will compare the products being brokered with similar offerings in the market to assess their competitiveness and value proposition. This will involve reviewing rates, terms, fees and any other relevant factors to determine if the products are in line with industry standards and offer fair value to customers.

We will stay informed about market conditions, including changes in interest rates, economic factors, regulatory developments and consumer trends. This will help us identify any potential shifts that may impact the fair value of the products and allow for proactive adjustments.

Fair Value:

We will stay informed about relevant regulatory guidance, which provides information on what constitutes fair value assessment, understanding the factors that should be considered in determining fair value for customers.

We will maintain open and transparent communication channels with lenders. We will engage in discussions with lenders to understand their fair value assessment methodology, criteria, and factors they consider when pricing their products. We will seek clarity on how lenders determine fair interest rates, fees, and charges.

Before partnering with lenders we will conduct due diligence to ensure that they have a track record of operating in a fair and ethical manner. We will assess their reputation, compliance with regulatory requirements, and customer feedback. We will choose lenders who are committed to fair lending practices and customer-centric approaches.

We will request and review comprehensive product information from the lenders, including terms and conditions, interest rates, fees, and charges. We will analyse the information to assess whether it aligns with fair value principles and regulatory requirements.

We will gather and analyse market data on similar vehicle finance products from multiple lenders. This will allow us to compare and evaluate the fairness of the pricing, terms, and conditions offered by different lenders. This analysis will help identify any outliers or instances where the product pricing might deviate significantly from market norms.

We will continuously monitor changes in the lending market and regulatory environment. We will stay updated with any updates or amendments to fair value assessment requirements. We will regularly review and refine our own practices to ensure ongoing compliance with fair value principles.

We will encourage customers to provide feedback on their experience with our credit brokering services. We will monitor customer satisfaction levels and identify any patterns or concerns that may indicate potential fairness issues. We will use this feedback to evaluate the fairness of the products and make necessary improvements.

Customer Communications

We will stay informed about relevant regulatory guidance, which provides guidance on customer communications and the expectations under consumer duty.

We will monitor customer communications such as call recordings, email tracking and periodic reviews of written communications. We will regularly review and assess the content of the communications to ensure that they adhere to the principles set out in the consumer duty.

We will regularly review all marketing materials and website content to ensure they are fair, clear and not misleading. We will remove any ambiguous or misleading language to ensure that they adhere to the principles set out in the consumer duty.

We will seek feedback from customers on their communication experience and gaining their suggestions for improvement. We will use this feedback to identify areas where communication practices can be enhanced.

Following the results of our monitoring, reviews and feedback from staff and customers we will update our customer communications policy and procedures where required in order to maintain expectations under consumer duty and to ensure continuous improvement.

We will provide regular training to all staff members involved in customer communications. Training them on the communication policy, the requirements of the Consumer Duty guidance and the importance of embedding good practices. Educating them on techniques for clear and transparent communication.

How We Will Ensure That Communications Are Equally Effective Across Different Channels:

By understanding customer preferences, determining which channels and mediums they prefer to use such as phone calls, emails, website etc. Communication preferences for each customer will be obtained at the introduction stage as part of initial customer information collection.

We will maintain consistency in our messaging across all communication channels and mediums, ensuring that the information provided such as product details, terms and conditions etc remains consistent regardless of the channel. This consistency will help to build trust and avoid confusion among customers.

By monitoring the performance of communications across different channels. Monitoring response rates, click through rates and customer feedback to gauge the effectiveness of our communications and use the feedback to make adjustments or improvements where necessary.

Monitoring and Review

Regular Review of our Product Suitability and Affordability Considerations:

We will periodically review our considerations regarding product suitability and affordability to ensure the ongoing suitability and affordability of our recommended vehicle finance products.

Our policy will be updated where:

- Improvements are identified.

- Customer detriment has been identified and an adjustment to our policy will mitigate future detriment.

- Regulatory changes require the policy to be updated.

Compliance Monitoring:

We will conduct regular internal audits to monitor our compliance with this policy and the FCA's new consumer duty standards.

Identified non-compliance will be promptly addressed, and necessary corrective actions will be taken to ensure continuous adherence to regulatory requirements.

Training and Awareness:

Our staff will receive comprehensive training on suitability and affordability assessments, ensuring they understand their responsibilities and the importance of compliance with regulatory standards.

Training will cover topics such as gathering customer information, evaluating suitability, assessing affordability, communication and providing clear and accurate recommendations.

Complaints Handling:

Any complaints received regarding the suitability or affordability of our recommended products will be handled in accordance with our established Complaints Policy.

We will ensure that complaints from customers are addressed promptly, fairly, and with sensitivity, taking into account the specific circumstances and concerns raised. We will complete root cause analysis into any recurring issues and implement necessary amendments to ensure continuous improvements.

By adhering to the above Suitability and Affordability considerations, Merc of Enfield Ltd aims to ensure that our customers receive suitable and affordable vehicle finance products, in compliance with the FCA's consumer duty standards. This policy will be regularly reviewed, updated, and communicated to all staff to ensure its effectiveness and continued compliance with regulatory requirements.

Vulnerable Customer Policy

Introduction

At Merc of Enfield Ltd, we recognise the importance of providing exceptional service to all our customers, including those who may be considered vulnerable. This Vulnerable Customer Policy outlines our commitment to identifying and supporting vulnerable customers, ensuring they receive fair treatment and understanding during their interactions with us.

How do we define a Vulnerable Customer

For the purposes of this policy, vulnerable customers are individuals who, due to their personal circumstances or characteristics, may be in need of additional support and understanding when accessing our products and services. This is as they may be in a situation that puts them at a higher risk of being harmed or disadvantaged during the vehicle finance process.

Common types of vulnerability that may be relevant to our target market are:

Health – Physical disability, severe/long term disability, hearing/visual impairments, poor mental health.

Life Events – Caring responsibilities, income shock, relationship breakdown, bereavement.

Resilience – Low income that could become erratic, over indebtedness, low savings, low emotional resilience, lack of support.

Capability – Low knowledge/confidence in financial matters, poor literacy/numeracy skills, poor digital skill.

How we identify Vulnerable Customers

We understand that vulnerability can be diverse and dynamic. All customer facing staff will receive training to help them identify potential signs of vulnerability during customer interactions. We have adopted the prompt 'Bruce' to assist us with the identification of potential vulnerable customers. 'Bruce' stands for:

Behaviour & Talk - This includes observing verbal and non-verbal cues, recognising specific life events or circumstances, and being attentive to customer needs and requests for assistance. We will pay attention to the customers behaviour and demeanour during interactions for signs of vulnerability which may include signs of distress, anxiety, confusion or frustration. We will pay attention to physical indicators such as trembling hands, fidgeting or visible signs of stress like sweating or rapid breathing. Customers may display emotional responses to financial discussions, such as crying or frustration.

Remembering – Are there any signs that the customer is having difficulty recalling information? If the customer provides inconsistent information or contradictory information it could be a sign of vulnerability or cognitive impairment.

Understanding – Are there any signs that the customer is having difficulty understanding the information we are giving them? We will pay attention to the customer's language, tone and communication style. Looking out for if they exhibit signs of confusion or struggle in understanding financial terms or the credit application process as this may indicate a need for clarification or more detailed assistance.

Communication – Is the customer able to communicate what they think, their decision and any questions? Customers who ask a large number of questions, especially repetitive ones or basic ones, may be signalling a need for additional support.

Evaluation – Is the customer finding it difficult to weigh up all of the information
When completing the suitability assessment all customers will be asked if they have any specific requirements or if there is anything that we should be aware of in order to best assist them. We will be attentive to customers who seem to have limited financial resources or express concerns about affordability.

How we will support Vulnerable Customers

Where a customer divulges something sensitive or a potential vulnerability we will adopt the TEXAS drill which outlines our approach to providing support. TEXAS stands for:

Thank the customer and confirm that knowing this will ensure we manage their situation sensitively and appropriately.

Explain how the information will be used inline with our legal requirement on using this data (for example, we will only provide this information to people likely to interact with them in the processing of their finance application).

Explicit consent needs to be obtained to hold and use the customer's data.

Ask up to three questions to better understand the situation. These could be 1. How does your situation make it more difficult to manage your finances? 2. How does the situation affect how you are able to communicate with us? 3. Do you have anyone to help you manage your finances such as a relative or carer?

Signpost to external help or support services where appropriate. For instance, to a debt advice service if the customer has lost control of their finances, to bereavement counselling if they are not coping well with the loss of a partner or other loved one or to the Samaritans if they are in despair or referencing suicide.

Empathy and Sensitivity:

Our staff will be trained to demonstrate empathy, patience, and sensitivity when dealing with vulnerable customers. We will ensure that our communication and interaction style is clear, considerate, and tailored to the individual's needs and abilities.

Communication and Support:

We will provide accessible and appropriate channels of communication to accommodate the needs of vulnerable customers. This includes offering alternative communication methods, such as larger font sizes or verbal explanations.

We will provide appropriate support and guidance to vulnerable customers, including explaining complex terms and conditions in plain language and assisting with any paperwork or documentation.

Support Networks:

Where appropriate and with the customer's consent, we will liaise with external support networks, such as family members, caregivers, or advocacy groups, to ensure the customer receives appropriate assistance and protection.

Decision Making Support:

If a vulnerable customer requires additional time or assistance to make an informed decision, we will provide the necessary support without pressuring or rushing them into a decision.

Referral To Support Services:

If a vulnerable customer requires additional support beyond our scope, we will provide information about relevant support services or refer them to appropriate organisations for assistance. For example, Citizens Advice if the customer has lost control of their finances, NHS for support with bereavement, the Samaritans if they are in despair and reference suicide.

Ensuring Communications Are Equally Effective Across Different Channels

We will ascertain customer preferences in terms of communication, determining which channels and mediums the customer prefers to use such as phone calls, emails, website etc. Communication preferences for each customer will be obtained at the introduction stage as part of initial customer information collection.

We will maintain consistency in our messaging across all communication channels and mediums, ensuring that the information provided such as product details, terms and conditions etc remains consistent regardless of the channel. This consistency will help to build trust and avoid confusion among customers.

By monitoring the performance of communications across different channels. Monitoring response rates, click through rates and customer feedback to gauge the effectiveness of our communications and use the feedback to make adjustments or improvements where necessary.

We will ensure that all communications regarding products and services, across all channels, is:

- explained or presented in a logical manner.
- in plain and intelligible language and, where use of jargon or technical terms is unavoidable, explains the meaning of any jargon or technical terms as simply as possible.

- easy to identify and makes key information prominent, including by means of headings and layout, display and font attributes of text, and by use of design devices such as tables, bullet points, graphs and graphics.
- without unnecessary disclaimers.
- provided with relevant information with an appropriate level of detail, to avoid providing too much information such as it may prevent customers from making effective decisions.

We will ensure that any customers identified as vulnerable have received sufficient information to support their understanding of the products and services by:

- obtaining explicit consent and confirmation from the customer they have received and understood the information provided.
- conducting follow-up calls to customers identified as vulnerable to confirm their understanding and address any additional questions or concerns they may have.
- maintaining details records of all interactions with customers, including the information provided and discussed during the credit brokering process.

Potential Positive Impacts For Vulnerable Customers:

The potential positive impacts of credit brokering service on vulnerable customers are:

- **Access to transportation.** Vehicle finance can provide vulnerable customers with access to reliable transportation, which is essential for employment, healthcare and daily activities.
- **Improved quality of life.** Owning a vehicle can enhance the quality of life for vulnerable individuals, allowing them to participate in a wider range of activities and opportunities.
- **Financial inclusion.** Credit brokering services can help vulnerable customers access financing options that they might not otherwise be able to secure independently, promoting financial inclusion.
- **Choice and flexibility.** Vehicle financing provides consumers with the choice to select a vehicle that meets their needs and preferences, offering flexibility in their mobility solutions.

Potential Negative Impacts For Vulnerable Customers

The potential negative impacts of credit brokering service on vulnerable customers are:

- **Increased debt.** Taking on additional debt through vehicle financing can exacerbate financial difficulties for those who are already struggling, potentially leading to over-indebtedness.
- **Complex terms and conditions.** The complex terms and conditions of vehicle finance agreements may be difficult for vulnerable customers to understand, increasing the risk of misunderstandings and financial harm.
- **Financial stress.** Vehicle finance obligations can contribute to financial stress and anxiety, which can negatively impact the mental health and well-being of vulnerable customers.
- **Misrepresentation of products.** Vulnerable customers may not fully comprehend the features and costs associated with vehicle finance making them susceptible to misrepresentation.

Examples of Actions We Implement When Handling Customers With Common Vulnerabilities Within Our Target Market

Customers who have a limited or basic understanding of English as it isn't their first language may be impacted in terms of their decision making and customer experience in the following ways:

- Difficulty in understanding the terms and conditions of the vehicle finance agreement. They may struggle to comprehend the documentation provided during the application and credit brokering process, which can include complex legal language and financial terms.
- Difficulty in communicating their needs, asking questions and seeking clarification. Effective communication is essential for making informed decisions.
- Limited ability to conduct thorough research, compare financial products and make informed choices.
- Language barriers can impact a customer's trust and confidence which can affect the overall customer experience.

We would look to incorporate some or all of the following measures:

- Use plain and intelligible language and, where use of jargon or technical terms is unavoidable, explain the meaning of any jargon or technical terms as simply as possible.
- Regularly summarising the information that has been provided to the customer and checking the customer's understanding.
- Repeating the information provided.
- Allowing the customer extra time / as much time is needed to digest the information.
- Extra emphasis on speaking more slowly and clearly.
- Arranging for the customer to have a family member or close friend present with them.
- Arranging alternative communication methods. Email or post rather than a phone call.
- Promote a culture within the business of being culturally sensitive and respectful of diverse backgrounds and languages.

Customers who may be struggling with over indebtedness may be impacted in terms of their decision making and customer experience in the following ways:

- They are likely to be under significant financial stress, which can affect their ability to make clear, rational financial decisions. Over indebtedness can take a toll on a customer's mental health and well-being, which could affect their decision-making abilities.
- They may have limited options for obtaining finance and may be more vulnerable to accepting terms and conditions that are less favourable. Over-indebtedness often results in a lower credit score, which can make it more difficult to secure favourable financing terms and lower rates.

We would look to incorporate some or all of the following measures:

- Create a supportive and non-judgmental environment for the customer allowing them to express their financial situation openly while we attentively listen to their concerns and needs.
- Assure the customer that all discussions and information shared will be treated with strict privacy and confidentiality.
- Conduct a comprehensive financial assessment to understand the customer's current financial position and repayment capabilities. This will help identify suitable vehicle options and financing solutions.

- We will clearly explain the various financing options available, including their implications and risks. We will emphasise the importance of making informed decisions.
- If the customer's financial situation requires more extensive assistance we will provide information and referrals to debt advice services or financial counselling organisations to help them assess their financial situation and make informed decisions.
- We will encourage the customer to be transparent about their financial situation, informing them that providing accurate information is essential for finding the most appropriate financing options.
- We will follow responsible lending practices, ensuring that the customer is not offered financing options that is beyond their means to repay.
- We will avoid high-pressure sales tactics and give the customer the time they need to consider their options carefully.

Customers who may be struggling with their mental health may be impacted in terms of their decision making and customer experience in the following ways:

- Poor mental health can lead to cognitive impairments, affecting a person's ability to process information, make rational decisions and understand complex financial terms.
- Some mental health conditions can lead to impulsive behaviour, including impulsive spending, which may not be in the customer's best interest.
- Stigma associated with mental health issues and fear of judgement may prevent individuals from seeking assistance or disclosure, which can impact their customer experience.

We would look to incorporate some or all of the following measures:

- Fostering a welcoming and non-judgmental atmosphere where the customer feels comfortable discussing their needs and concerns.
- Assign a designated staff member as the point of contact for the customer. Having a familiar point of contact can build trust and ease communication.
- Practice active listening, giving the customer ample time to express themselves. We will be patient and understanding, allowing them to share their thoughts and feelings.
- We will respect the customer's boundaries and preferences and avoid pressurising them into making decisions before they are ready.
- We will adapt our communication styles to suit the customer's needs by using clear and simple language and avoid overwhelming them with information.
- If the customer feels more comfortable having a support person during the process we will actively encourage and accommodate this.
- We will be flexible in the sales process to accommodate the customer's needs, allowing extra time for decision making and we will be understanding of there are delays in communication.
- We will prioritise the customer's well-being over making a sale. If it becomes evident that purchasing a vehicle or arranging finance is not suitable for their current mental health situation we will respect their decision and offer support for future interactions.
- We will offer written materials or brochures that the customer can take away and review at their own pace.

Third Party Representation

Where a vulnerable customer has third party representation, we will ensure that it is the same person within the dealership that will act as the primary point of contact for the third-party representative as has been dealing with the customer directly.

We will ensure that the correct consent has been obtained from the customer to allow the third-party representative access to their financial and personal information and that all parties understand the scope of the representation.

Once this has been established, we will communicate openly and regularly with the third-party representative, in the same way as if they were the customer, providing them with all relevant information and updates related to the credit application and vehicle purchase.

Staff Training, Awareness and Support

We will provide comprehensive training to all staff involved in the vehicle finance process to raise awareness and understanding of vulnerability and the specific challenges faced by vulnerable customers. This training will cover:

- Recognising signs of vulnerability (BRUCE)
- Communication techniques for dealing with vulnerable customers (TEXAS)
- Understanding relevant legal and regulatory obligations
- Implementing the principles of treating customers fairly
- Referral procedures and available support services

We will provide staff with a clear definition of what constitutes vulnerability within the context of vehicle finance. The definition will be in line with regulatory guidelines encompassing a wide range of potential vulnerabilities such as financial difficulties, health issues, mental health challenges, low literacy levels, language barriers or cognitive impairments.

We will continuously monitor staff performance and provide feedback on their interactions with vulnerable customers. Staff knowledge will be regularly assessed around understanding of vulnerability-related issues through assessments and role-playing exercises.

We will encourage staff to engage in ongoing professional development activities, such as attending workshops or webinars related to vulnerability and customer support. This will ensure that staff stay up-to-date with evolving practices and regulatory requirements.

At Merc of Enfield Ltd we are committed to fostering a supportive work environment where staff feel comfortable discussing their experiences and seeking assistance. By encouraging an open-door policy where staff can approach management for guidance and support without fear of judgement or reprisal.

We encourage the formation of peer support networks among frontline staff allowing them to share experiences, seek advice from colleagues who have encountered similar situations and offer emotional support to one another.

Management of Merc of Enfield Ltd commit to scheduling regular check-ins with frontline staff to understand their experiences, challenges, and any additional support they may require.

Monitoring and Review

All customers will have a suitability assessment, part of which includes checking for vulnerability. The check may involve a combination of customer self-declaration, staff observations and direct questioning.

We will collect and record customer data, including relevant information that can indicate vulnerability.

We have established multiple channels for customers to communicate their needs and concerns throughout their entire journey with Merc of Enfield Ltd including by phone, email or text. We will encourage customers to provide feedback and report any changes in their circumstances.

We will seek feedback from customers to get their perspective on our performance in meeting the needs of vulnerable customers.

We will conduct regular reviews and audits of customer interactions. This will include reviewing call recordings, customer correspondence, customer feedback and management information on the outcomes that have been delivered for vulnerable customers. We will identify any areas where improvements can be made to better meet the needs of vulnerable customers and to ensure continuous improvement.

We will use the information gathered from monitoring, assessments and feedback to make necessary improvements to policies, procedures and staff training in order to continuously improve and remain aligned with regulatory requirements and industry best practices.

Where we identify that we have not dealt with a vulnerable customer effectively we will take the following action:

- Acknowledge that a mistake has been made and that the customer's needs were not met. Recognise the importance of addressing the issue promptly.
- Assess the level of detriment that has been caused to the customer as a result of the mistake and if appropriate, the level of redress required.
- Reach out to the customer and offer an apology for any inconvenience, misunderstanding or dissatisfaction they may have experienced and if appropriate make an offer of redress.
- Listen to the customer's concerns and experiences, give them the opportunity to express their feelings and needs and assure them that their feedback is valued.
- Take steps to meet the customer's needs and address their concerns, for example, providing clearer information, explaining terms more comprehensively or offering additional assistance as required.
- Conduct a thorough investigation to understand why the situation occurred, examine internal processes, communication and staff interactions related to the customer.
- Review the staff training plan and identify any gaps or issues that may have contributed to the ineffective handling of the vulnerable customer. Provide additional training and support as needed.
- Update and implement the necessary changes to processes or policies to prevent similar issues from occurring in the future.

Complaints Handling

Any complaints received from vulnerable customers will be treated with the utmost priority and sensitivity. We will follow our established Complaints Policy to ensure that complaints are addressed promptly and fairly, taking into account the specific needs and circumstances of the vulnerable customer.

Confidentiality and Data Protection

All personal information collected from vulnerable customers will be handled in accordance with relevant data protection laws and regulations. We are committed to maintaining the confidentiality and privacy of vulnerable customers and their sensitive information.

Continuous Improvement

We are dedicated to continuously improving our practices and processes to better serve the needs of vulnerable customers. Feedback from customers, staff, and relevant stakeholders will be actively sought and used to enhance our services and support mechanisms.

By adhering to this Vulnerable Customer Policy, Merc of Enfield Ltd aims to ensure that vulnerable customers are treated fairly, their needs are met, and they receive appropriate support throughout their engagement with our services, in accordance with the FCA's new consumer duty standards. This policy will be regularly reviewed, updated, and communicated to all employees to ensure its effectiveness and compliance with regulatory requirements.

Complaints Policy

Introduction

At Merc of Enfield Ltd, our primary focus is to provide exceptional service to our customers. However, we understand that there may be instances where customers are not fully satisfied with our vehicle finance products or services.

We take customer complaints seriously and are dedicated to resolving them promptly, fairly, and effectively. This complaints policy outlines our approach to handling and addressing customer complaints, ensuring compliance with the Financial Conduct Authority's (FCA) consumer duty standards.

This policy applies to all complaints received from customers regarding our vehicle finance products or services. It covers both individual customers and business customers, ensuring a comprehensive approach to complaint resolution.

What is a Complaint?

We have adopted the FCA's definition of a complaint which is as follows:

'Any oral or written expression of dissatisfaction, whether justified or not, from, or on behalf of, a person about the provision of, or failure to provide, a financial service, claims management service or a redress determination, which alleges that the complainant has suffered (or may suffer) financial loss, material distress or material inconvenience.'

Our Complaint Handling Principles

Our complaint handling process is guided by the following principles:

- a) Fairness, Impartiality, and Respect: We treat all customers with fairness, impartiality, and respect throughout the entire complaint resolution process.
- b) Accessibility and Clarity: We ensure that our complaints procedure is accessible, easy to understand, and available in multiple formats if required, accommodating the diverse needs of our customers.
- c) Responsiveness and Updates: We acknowledge complaints promptly and provide timely updates to customers, ensuring they are well-informed about the progress of their complaint and any actions being taken.
- d) Transparency and Communication: We maintain open and transparent communication with customers, providing clear explanations and updates regarding the complaint investigation and resolution process.

e) Ownership and Resolution: We take ownership of complaints and strive to resolve them promptly and to the complete satisfaction of the customer.

Submitting a Complaint

Customers can submit a complaint in the following ways:

- a) Face to Face: Customers can register their complaint in person at the dealership
- b) Written Complaints: Customers can submit complaints in writing via email or by post to our designated complaints contact.
- c) Verbal Complaints: Customers can lodge a complaint by calling our customer service helpline. Our staff will assist customers in documenting and resolving their complaint.

To submit a complaint about any aspect of our service, please use the following contact details:

Telephone: 0204 5173011

Email: info@mercofenfield.co.uk

By Post or in person: Merc of Enfield Ltd, 7 Gladbeck Way, Enfield, EN2 7FG.

We commit to accepting complaints from customers by any reasonable means that the customer wishes to lodge the complaint. For example, should a customer lodge their complaint by text message, we will ensure that it will be referred to the appropriate person for review and response.

Complaint Handling Process

Upon receiving a complaint, we will follow the below process:

- a) Acknowledgement: We will acknowledge the receipt of the complaint in writing within 48 hours of receiving the complaint.
- b) Investigation: We will conduct a thorough and impartial investigation into the complaint. This may involve gathering relevant information, reviewing documents, and speaking with other parties involved.
- c) Summary Resolution: We will aim to resolve the complaint as quickly as possible. If a resolution can be reached within 3 business days, we will provide the customer with a summary resolution. If the customer is not satisfied with our summary resolution after 3 days they can contact the Financial Ombudsman Service using the details below. The customer must contact the Financial Ombudsman Service within 6 months of our summary resolution. We may waive this time limit in exceptional circumstances, outside of the customer's control and that have had a significant impact on their ability to refer the complaint to the Financial Ombudsman Service within the usual timeframe. If the investigation requires more time, we will provide the customer with regular updates on the progress and an estimated resolution timeframe, which can be up to 8 weeks.

Whilst we try to close any complaint before this 8-week time frame, we do need to make you aware we do have this time.

d) Communication: We will maintain regular (at least every 2 weeks) and clear communication with the customer throughout the complaint handling process, keeping them informed of the progress and any actions taken.

e) Final Response: Our maximum time limit to provide a final response to the customer complaint is 8 weeks. Once the investigation is complete, we will provide the customer with our final response, by their preferred communication method, that outlines the outcome of the investigation, any remedial actions taken, and any redress or compensation offered, if applicable. If the customer is not satisfied with our final response after 8 weeks, or if we do not provide a final response within 8 weeks of the complaint being lodged, they can contact the Financial Ombudsman using the details below. The customer must contact the Financial Ombudsman Service within 6 months of our final response. We may waive this time limit in exceptional circumstances, outside of the customer's control and that have had a significant impact on their ability to refer the complaint to the Financial Ombudsman Service within the usual timeframe.

We will fully cooperate with the Financial Ombudsman Service throughout their process.

Financial Ombudsman Service

W: www.financial-ombudsman.org.uk

T: 0800 023 4567

P: Exchange Tower, Harbour Exchange, London, E14 9SR¹

f) Time Barring: If we receive a complaint from a customer which is outside the time limits for referral to the Financial Ombudsman Service, we may reject the complaint without considering the merits. We will explain this to the customer in our final response.

Complaint Forwarding

We will notify the customer that the complaint involves another firm and explain the reason for forwarding it. We will clarify that we will pass on the complaint to the relevant firm to ensure it is properly addressed.

We will collect all relevant details and documentation relating to the complaint including records of conversations, agreements, contracts and any other evidence that can help in understanding the nature and circumstances of the complaint.

We will then forward the complaint to the firm or firms believed to be solely or jointly responsible for the issue, providing them with all the relevant information and supporting documents. We will maintain a record of the date and method of forwarding the complaint.

We will keep the customer informed about the progress of their complaint, including any actions taken or responses received from the responsible firm. We will ensure that the customer understands the roles and responsibilities of both our firm and the other firm.

We will regularly follow up with the responsible firm to track the progress of the complaint and will request updates on their investigation, actions taken and proposed resolutions. We will maintain records of all communication and interactions with the responsible firm.

If necessary, we will coordinate and liaise with the responsible firm to gather additional information or provide further clarification on the complaint. We will be prepared to work collaboratively to ensure a fair and efficient resolution for the customer.

Once a resolution is reached or a response is received from the responsible firm we will provide a prompt and comprehensive response to the customer, explaining the outcome of the investigation, any proposed remedies or redress and any next steps that may be required.

Staff Training and Support

All staff will be trained on the importance of paying attention to customer feedback, verbal and non-verbal cues and expressions of dissatisfaction. Staff will be encouraged to proactively ask customers if they have any concerns or issues that need to be addressed.

Staff will be trained on the different types of complaints that customers may raise, such as loan application rejections, pricing disputes, delays in processing, misleading information, or poor customer service and will guide staff to understand the potential reasons behind each type of complaint.

We will ensure that staff are well versed in our internal policies and procedures for complaint handling. This includes understanding the escalation process, documentation requirements, and any specific steps to follow when a complaint is identified.

We will emphasise the importance of accurate and detailed documentation of complaints. Staff will be trained on how to record relevant information, including a clear description of the issue and any relevant supporting evidence.

We will prepare staff to handle difficult or escalated complaint situations with confidence and professionalism. This will be done by providing scenarios or role-playing exercises to simulate challenging interactions and teach staff how to remain calm.

We will encourage staff to provide feedback on complaint handling processes and share their experiences and lessons learned. This is to foster a culture of continuous improvement by reviewing and updating complaint handling procedures based on staff insights and customer feedback.

Record-Keeping

We will maintain detailed records of all complaints received, including the nature of the complaint, steps taken for investigation, and the outcome. These records will be retained for 3 years and will be used for internal monitoring, regulatory compliance, and continuous improvement of our products and services.

Regulatory Reporting

We will report our customer complaints to the FCA as part of our reporting requirements to the FCA.

Review and Continuous Improvement

On a monthly basis we collate management information on our complaints and will review our complaints handling process to ensure its effectiveness and make improvements where necessary.

We will review all complaints for the previous month, identifying complaint trends, patterns, and areas for improvement. We will also review all feedback received from customers and staff in relation to complaints and take this into account when identifying areas for improvement.

Root cause analysis will be completed on recurring problems and we will implement changes where necessary to facilitate improvement in the area concerned whilst also considering whether such root causes may affect other processes within the business that were not directly complained about and making the necessary amendments to processes and policies where appropriate in order to prevent future complaints.

We will develop action plans to address any gaps or deficiencies discovered during the monthly audit and ensure that corrective measures are implemented promptly and effectively in order to facilitate continuous improvement.

Where the firm identifies, through complaints received, that other customers may have suffered harm we will take the following action:

- Make the immediate necessary changes to the process which has led to the customer harm to prevent further harm to other customers.
- Conduct a thorough investigation to understand the nature and extent of the harm suffered by the other customers. This may involve reviewing customer records, interactions and internal processes.
- Reach out to the effected customers and offer an apology for any inconvenience, misunderstanding or dissatisfaction they may have experienced and if appropriate make an offer of redress. Where required or appropriate, agree actions to rectify the harm caused.

Communication and Awareness

We will effectively communicate this bespoke Complaints Policy to all our staff members, ensuring they understand their roles and responsibilities in the complaint handling process. Additionally, we will make this policy readily available to our customers through our website, customer communications, and any other appropriate channels.

Compliance Monitoring

We will monitor our compliance with this policy, including the timeliness and effectiveness of complaint handling, through regular reviews and internal audits. Any identified non-compliance will be promptly addressed, and necessary corrective actions will be taken.

This Complaints Policy reflects our commitment to addressing customer complaints in a fair, transparent, and efficient manner. We strive to learn from complaints to continuously improve our processes, products, and overall customer experience, in accordance with the FCA's consumer duty standards.

Financial Crime and Anti Money Laundering Policy

Introduction

At Merc of Enfield Ltd, we are committed to preventing money laundering and complying with the UK's anti-money laundering (AML) regulations. This Anti-Money Laundering Policy outlines our commitment to implementing robust AML measures to detect, prevent, and report any suspicious activities related to money laundering or terrorist financing.

Responsibilities

Sajad Alhashimy of Merc of Enfield Ltd is responsible for establishing and implementing effective AML controls and procedures. Sajad will ensure that sufficient resources are allocated to support AML compliance efforts. Sajad will regularly review and update the AML Policy to reflect changes in regulations and best practices.

All staff of Merc of Enfield Ltd are expected to familiarise themselves with this AML Policy and undergo AML training.

Staff must be vigilant in recognising and reporting suspicious transactions or activities to the MLRO.

Customer Due Diligence (CDD) - Identification and Verification

We conduct thorough customer due diligence (CDD) procedures for all new and existing customers before entering into any business relationship. This includes verifying the identity of the customer in accordance with the AML regulations. Customers are required to provide photo ID ie. Passport or Driving Licence as well as proof of their address ie. bank statement, utility bill dated within the last 3 months.

Suspicious Activity Reporting (SAR)

If our staff members suspect or have reasonable grounds to suspect that a transaction or activity is related to money laundering or terrorist financing, they are required to promptly report it to the appropriate authorities through a Suspicious Activity Report (SAR).

Staff Training and Awareness

All staff members, including management, receive regular AML training to understand the risks associated with money laundering, the importance of compliance, and how to identify and report suspicious activities.

Record Keeping

We maintain accurate and up-to-date records of customer information and transactions as required by AML regulations. These records are securely stored and accessible only to authorised personnel.

Compliance with Regulatory Authorities

We fully cooperate with relevant regulatory authorities, including the Financial Conduct Authority (FCA), and other law enforcement agencies in relation to AML matters.

Policy Review

This AML Policy will be regularly reviewed and updated to reflect changes in AML regulations, industry best practices, and the evolving risks associated with money laundering.

Conclusion

At Merc of Enfield Ltd, we are committed to maintaining the highest standards of AML compliance. Our AML Policy guides our efforts to detect and prevent money laundering and terrorist financing activities. All staff members are expected to comply with this policy and take their AML responsibilities seriously.

Anti Bribery Policy

Introduction

At Merc of Enfield Ltd, we are committed to conducting our business with the highest standards of integrity and ethical behaviour. This Anti-Bribery Policy outlines our firm's commitment to preventing bribery and corruption in all our business activities. Bribery is a criminal offense under the Bribery Act 2010, and we have a zero-tolerance approach towards bribery in any form.

Scope

This policy applies to all employees, directors, agents, contractors, consultants, and any other individuals or entities acting on behalf of Merc of Enfield Ltd.

Policy Statement

Definition of Bribery:

Bribery refers to the giving or receiving of financial or other advantages to influence the actions or decisions of someone in a position of trust or authority.

Prohibition of Bribery:

Merc of Enfield Ltd strictly prohibits the offering, giving, soliciting, or accepting of any bribes, whether directly or indirectly, to or from any person or organisation.

Bribes may involve cash, gifts, hospitality, entertainment or any other form of inducement to influence a business decision or gain an improper advantage.

Gifts, Hospitality, and Expenses:

Merc of Enfield Ltd recognises that the provision and acceptance of gifts, hospitality, or expenses may be a legitimate part of business relationships. However, all such transactions must be reasonable and proportionate and should not create any sense of obligation or influence.

Facilitation Payments

Facilitation payments, also known as "grease payments," are small bribes made to expedite routine governmental or administrative processes. Merc of Enfield Ltd prohibits all facilitation payments, regardless of the circumstances.

Compliance with the Bribery Act 2010

Merc of Enfield Ltd is committed to complying with the Bribery Act 2010 and all relevant anti-bribery laws and regulations.

Responsibilities

Senior Management:

The senior management of Merc of Enfield Ltd is responsible for establishing and implementing effective anti-bribery controls and procedures.

They provide leadership and support to ensure full compliance with this policy.

Staff and Associated Parties:

All staff and associated parties must comply with this Anti-Bribery Policy and refrain from engaging in any bribery-related activities.

Consequences of Breach

Breach of this Anti-Bribery Policy will be considered a serious offence and may result in disciplinary action, up to and including termination of employment or contractual relationship.

Merc of Enfield Ltd reserves the right to report any suspicions of bribery or corruption to the relevant authorities.

Reporting

Any staff member who becomes aware of or suspects a breach of this policy must report it immediately to their line manager or the Compliance Officer.

Protection and Non-Retaliation

Merc of Enfield Ltd guarantees that staff members who report suspicions of bribery in good faith will be protected from any retaliation.

Training and Awareness

Merc of Enfield Ltd will provide anti-bribery training to all staff to ensure they understand their responsibilities and the implications of bribery.

Policy Review

This Anti-Bribery Policy will be reviewed periodically, or whenever there are changes in laws or regulations.

Conclusion

Merc of Enfield Ltd is committed to maintaining a culture of honesty, transparency, and integrity. By adhering to this Anti-Bribery Policy, we ensure that our business operations are conducted ethically and lawfully, fostering trust and confidence with our customers, partners, and the public.

Conflicts of Interest Policy

Introduction

At Merc of Enfield Ltd, we are dedicated to providing fair and transparent credit brokering services to our customers. This Conflicts of Interest Policy outlines our commitment to identifying, managing, and disclosing any conflicts of interest that may arise during our credit brokering activities. Our primary goal is to prioritise the best interests of our customers and maintain the integrity of our operations.

Scope

This policy applies to all directors, staff, agents, and representatives of Merc of Enfield Ltd involved in credit brokering activities.

Definition of Conflicts of Interest

A conflict of interest may arise when the personal or financial interests of Merc of Enfield Ltd, its staff, or any related parties, could potentially compromise the impartiality, fairness, or objectivity in the provision of credit brokering services.

Identification of Conflicts of Interest

- Merc of Enfield Ltd will regularly assess its credit brokering activities to identify any actual or potential conflicts of interest.
- This assessment will consider the interests of Merc of Enfield Ltd, its staff, and any associated persons, as well as the interests of its customers and other relevant stakeholders.

Examples of Conflicts of Interest

Examples of conflicts of interest in credit brokering activities may include, but are not limited to:

- Receiving commission or other financial incentives from lenders that could influence our recommendations to customers.
- Offering credit products from affiliated lenders that may not provide the best options for customers.
- Providing credit brokering services to close family members, friends, or business associates, which could affect impartiality.
- Prioritising one lender over others without reasonable justification.

Management of Conflicts of Interest

Merc of Enfield Ltd is committed to managing conflicts of interest effectively and impartially. Where a conflict of interest is identified, measures will be taken to mitigate its impact on our credit brokering services. These measures include:

- Implementing information barriers to prevent the flow of confidential information between conflicted parties.
- Maintaining separate reporting lines and supervision for employees involved in conflicted activities.
- Establishing clear policies on remuneration and incentives to avoid undue influence on credit brokering decisions.
- Undertaking regular reviews of our relationships with lenders and financial institutions to assess any potential conflicts.

Disclosure to Customers

In situations where it is not feasible to avoid or fully manage a conflict of interest, we will provide clear and transparent disclosure to our customers. The disclosure will include sufficient information about the nature of the conflict, its potential impact on the services provided, and any measures taken to mitigate the conflict. Customers will have the opportunity to make informed decisions based on this disclosure.

Record Keeping

We will maintain detailed records of all identified conflicts of interest, the steps taken to manage or mitigate these conflicts, and any disclosures made to customers. These records will be securely stored and made available to relevant regulatory authorities upon request.

Training and Awareness

All staff involved in credit brokering activities will receive training on this Conflicts of Interest Policy. This training will emphasize the importance of identifying, managing, and disclosing conflicts of interest to ensure fair treatment of customers.

Review and Reporting

This Conflicts of Interest Policy will be regularly reviewed and updated as necessary to reflect changes in business practices or regulations. The policy's effectiveness will be subject to regular compliance review to ensure its proper implementation.

Conclusion

At Merc of Enfield Ltd, we are committed to conducting our credit brokering activities with the utmost integrity, transparency, and dedication to our customers' best interests. This Conflicts of Interest Policy reinforces our pledge to identify, manage, and disclose any conflicts that may arise, ensuring the fair treatment of our customers.