

# Supporting clients through Compliance and Regulation

## FCA Update

With the recent FCA move on the motor finance commission disclosure and the changes to the **DISP rules** in line with the *Policy Statement (PS24/1) – Temporary changes to handling rules for motor finance complaints*, Firms are now more than ever needing to ensure that they are adapting to the new requirements. The rules are directly relevant to motor finance providers, motor finance credit brokers and dealers.

Also, following the recent **FCA Webinar** we note that the FCA is carrying out a full diagnostic check of those Firms who have now received a s.166 notice, and following the skilled persons review and report the FCA will then consider its next steps. Further announcements will be made prior to the 'pause' period and before 24 September 2024 when the FCA will consider whether it needs to extend the pause period, consider a form of consumer redress or make potential changes to rules to provide Firms with some form of guidance. But for now, Firms will need to start work on their management of complaints handling and adapting to the new changes.

## Auxillias Team

We are Auxillias, a team of lawyers, compliance and regulatory directors and consultants supporting clients with regulatory changes and compliance issues. We are specialists in financial regulation also supporting clients when dealing with the Regulator.

We have experienced resource on the ready to support you along the way.

## Services we offer – Ongoing Support & Resource

We offer a variety of services ranging from, but not limited to:

### Complaints Handling

Whilst the FCA has paused the 8 week deadline period to 37 weeks in which to provide a final response to a customer's complaint, what this means in practice is that if you were to receive a complaint in now or next

week, you would still need to manage the complaint by carrying out your usual practice of investigations into the complaint in readiness to provide the customer with a final response.

Firms must ensure they comply with all the requirements in **DISP Appendix 1** that apply to their business. These requirements, include, but are not limited to:

- updating the information you currently publish for consumers on their internal procedures for handling complaints, such as information on your website(s), to ensure consumers are informed of the changes to the time limits.
- informing customers about the changes to time limits for complaint handling and FOS referrals and the information FCA has published on this at [fca.org.uk/car-finance-complaints](https://www.fca.org.uk/car-finance-complaints) – this includes where you have already acknowledged the complaint or sent a final response.
- continuing to progress complaints during the pause to time limits by continuing to investigate and collect evidence to help with your eventual resolution.
- keeping customers informed of the progress in resolving their complaint.

Auxillias can provide additional resource to support clients in not just managing these complaints but also review and update policies and procedures to ensure that the required changes are being adapted into the business correctly. We can also look at updating your consumer communication material and websites in line with the FCA requirements and identify any other gaps in areas and training needs that teams may require.

### S.166 Notifications

We can provide you with upfront advice, and ongoing support through the investigation. Our consultants have worked as s.166 Skilled Persons, and they know that Firms under investigation who have good professional advisors supporting them have a far easier time of it.

As we are a mix team of lawyers, directors and consultants we can:

- Advise on how to respond to the initial s166 draft notice, and how your response at this stage can influence the final requirements notice.
- Provide guidance on how to engage with the s166 Skilled Person during the course of the investigation, and how this can influence the content of the final report.
- Give on the ground advice utilising best practice from other remediation programmes.
- Gathering and dissemination of complex current and historical sales and customer data
- Risk rank and categorisation of customer segments.
- Training, management information reporting, quality frameworks and other relevant functions and resources where needed to help see through any FCA enforcement or remedial actions and orders.

### Back-Book Reviews and Redress

It is the case that historic management of customer accounts in the past might have involved different management approaches on dealing with complaints or issues which may have proved to be adequate at the time but now when looking through the lens from a consumer duty focus, this may result in potential redress/remediation action.

We have an existing team that can carry out a full review and provide you with support and guidance and constructive feedback with suggestions on how to best manage the historic back-book accounts in the most cost-effective way whilst protecting BAU delivery.

### Remediation Support

We have a project management team in place to support you with projects on remediation following a s.166 notice or as a result of a business decision:

- We have an experienced team on the ground ready to provide support.
- Help businesses to make the right decisions.
- Develop a framework plan for the business to follow through.
- Help segment customers that would be in scope.
- Set up process and appropriate customer communications.

- Help create competency and management reporting.
- Liaise with stakeholders and the regulator.
- Provide training to internal staff where required.
- Provide legal \*privileged advice and compliance support throughout the journey.

\* Using an SRA authorised law firm to provide legal advice to your business on issues which emerge in the course of the s.166 means that the cover of **legal advice privilege** may be claimed over such advice, which can help protect certain confidential communications (between lawyer and client) from disclosure without your consent or permission, even in court thus maintaining reputation and reducing risk of harm to your business. Other businesses which are not set up as law firms cannot offer this same protection. If you are in need of support or you are looking to put a plan in place in readiness of a remediation or would like to discuss this service in more detail, please contact us on the details below to book a call.

#### Contact:

Jo Davis  
 Jo.Davis@auxillias.com  
 +44 (0)7741 240114

Daksha Mistry  
 Daksha.Mistry@auxillias.com  
 +44 (0)7458 304068

