

LeasingWorld

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LIVE LINKS

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FOR THE UK EQUIPMENT LEASING AND ASSET FINANCE PROFESSIONAL



A helping hand for asset finance

How Auxillias can help you keep up
with the fast pace of regulation change



Auxillias: building a team you can trust



Leasing World spoke with the team at **Auxillias** this month to find out how things have been going since its launch in 2020.

Founded with a vision to become the UK's leading provider of bespoke legal and compliance services to the consumer, motor and asset finance sectors, the firm is focused on providing high quality and solutions-focused advice, consultancy, and training services. Auxillias has already been ranked by Chambers as a leading firm in consumer finance – just four years after its was founded. No mean feat!

The business is led by CEO Jo Davis and COO Daskha Mistry and includes senior compliance and risk professionals and consultants with decades of knowledge and significant in-house experience, all who provide invaluable support to clients navigating the complex and evolving regulatory landscape. Read on to find out what they said to us.

Leasing World: Tell us a little about why you joined Auxillias.

Daksha Mistry (DM) – COO / Partner

Auxillias was formed by us in 2020, at a time when the global pandemic was driving significant changes in society. People and businesses adapted, with many taking new and exciting directions. We recognised that this was the perfect time to introduce fresh new thinking to the world of asset and consumer financing. Many of our clients expressed a need for something new to meet their regulatory and legal needs. In response, we created Auxillias, offering a unique end-to-end approach that combines legal, advisory, consultancy, regulatory and training services, all under one roof. Today, we are a core team supported

by a network of dedicated, passionate professionals, working with our clients to lead change in our markets and create lasting consumer value.

Frank Brown (FB) – Redress & Remediation Consultant

I've known and worked with the team at Auxillias – individually – for many years. It was therefore evident that Auxillias has a different approach to other law or regulatory firms because the team 'gets' principles-based regulation. So, it made perfect sense for me to partner up with them and work together on engagements supporting firms who may find themselves in difficulty with the regulator.

Simon Brown (SB) – Compliance & Training Director

I had worked with Jo for over 15 years, both as a colleague and a client, so when Auxillias was launched, it felt like a natural fit for me to join and bring compliance expertise alongside the legal services. I take great pleasure in helping clients with their compliance needs and developing commercially focused solutions for their challenges.

→ A strong and experienced core team is the foundation of our success

Paul Godsmark (PG) – Head of Advisory

I've worked both in house and as a practitioner and started working with Auxillias as I was looking for opportunities to provide advice which spanned commercial, legal, compliance and risk... in short, to support clients with more than a single piece of the puzzle. It was also important to me that I work with a firm that had the right ethos and approach to its clients and its people. Auxillias has proved a great fit.

Leasing World: This question's for Jo – you've had to put together a brand-new team from the ground up, which can't be easy. What particular factors shaped that process, and what's the Auxillias credo in how to shape the perfect working environment for those team members?

Jo Davis (JD) – CEO and founder

Auxillias was built on the vision of delivering specialised legal and compliance support to businesses navigating complex regulatory landscapes. A strong and experienced core team is the foundation of our success. By assembling a team of industry experts and continuously expanding our capabilities, we are well-equipped to support our clients. Everyone that works at Auxillias brings a wealth of knowledge and expertise, ensuring that our service offerings are fully functional and meet the diverse and ever-evolving needs of our clients. We keep it simple – we ask our clients what they want from a legal and compliance firm and we deliver what they need. Auxillias and all the additional services that we launched, all of which are going from strength to strength were all born out of client requests.

Auxillias was founded to deliver specialised legal and compliance support to businesses navigating complex regulatory landscapes. Our success is built on a strong, experienced core team. By assembling industry experts and continuously expanding our capabilities, we ensure our services meet our clients' diverse and evolving needs. We keep it simple – listening to what our clients want and delivering exactly that. Many of our services, now thriving, were born from client requests.

We recently strengthened our team with Frank Brown

– an expert in FCA intervention – and Robert Bell – a financial compliance specialist with a strong track record in vulnerability and consumer duty training, who was involved in developing the vulnerability guidance for the FCA. These are rapidly growing areas for us. These are rapidly growing areas for us. Additionally, we're pleased to announce Paul Godsmark's promotion to head of advisory services, reflecting our commitment to top-tier expertise.

Leasing World: What is Auxillias planning next, and what can you foresee coming up in 2025 and beyond?

DM: We are committed to growing Auxillias and expanding our reach in the market. We are actively expanding our client base, leveraging the expertise of our seasoned professionals to develop and enhance our service offerings. And whilst we already have our senior team in place, we recognise that we will need to bring in junior roles to support our expanding operations in the future. As we look ahead, we see a year filled with optimism and growth across all areas of our business. We are excited about the future and the opportunities it will bring for both our team, our clients and our community!

JD: Our compliance and training services are a key part of the expansion Daksha mentioned. We're currently embedding critical FCA requirements into clients' businesses and managing significant regulatory change projects. With the launch of remediation support services led by Frank Brown and the Auxillias Training Academy – strengthened by Robert Bell – we offer essential compliance training to lenders, brokers, and motor retailers on topics like vulnerability and consumer duty. Sector-specific training, such as on electric car sales complaints, has thrived thanks to our expert trainers.

To further support clients, our Auxillias Flex team provides compliance and legal consultants directly within clients' businesses. Our Auxillias On Demand service offers a monthly retainer, ensuring comprehensive support within budget.

Our diverse services address key regulatory issues, including the FCA's DCA inquiry, co-manufacturing challenges, and compliance implementation. We also help clients navigate claims management and FOS complaints.

Looking ahead, the FCA's 2024-2025 business plan highlights focus areas like preventing financial crime, enhancing consumer duty, ensuring operational resilience, and overseeing appointed representatives. Auxillias is dedicated to guiding clients through these changes and helping them achieve their business goals.





Leasing World: What is it that makes Auxillias different from other legal firms? Is it your size, the fact that Auxillias has no legacy systems/procedures, that it's designed from the ground up for modern leasing solutions, the way hybrid working is built in, or the selection of staff?

DM: As a boutique law and regulatory firm, we specialise exclusively in asset, motor, and consumer finance work. What sets us apart is our unique combination of legal and compliance/regulatory expertise, along with additional services such as consultancy, retainer, and training support. Few law and regulatory firms offer this comprehensive range of services under one roof. Our size and diverse offerings allow us to quickly adapt to our clients' needs, giving us a distinct edge over our competitors.

FB: Auxillias understands, firstly, that FCA regulation is not just a 'letter of the law' exercise, and secondly, how a combined legal/consultancy approach can be most effective in delivering a good outcome for the client (and the underlying customers). By combining my experience as a s166 Skilled Person, with the pragmatic legal expertise at Auxillias, we can deliver a blended solution for clients, to help them resolve the problem they're in, and also build a more resilient framework to prevent similar problems happening in the future.

SB: What we offer our clients is years of experience in the practical application of the FCA handbook in businesses like theirs. Between us we have seen and found solutions for so many of the everyday legal and compliance issues our clients face and we feel this sets us apart from traditional firms.

PG: Our team is predominantly very senior and combined we have well over one hundred years of experience of regulated lending markets. We offer a range of different engagement options, including a monthly retainer. One of our longstanding clients refers to us as their "inside outside counsel" referring to our close integration with their team and understanding of their business.

Leasing World: Auxillias aims for a fifty-fifty balance between motor finance and asset finance. Tell us how you set that balance: is it about having the right specialists in the right places and/or can Auxillias simply react to the demand that's out there?

DM: Having worked extensively in both motor and asset finance, I can confidently say our ability to handle queries in either area is robust. Currently, we're seeing more motor finance queries due to heightened regulatory activity.

Much of our work involves supporting clients' collections and complaints teams with DCA issues and s.166 investigations, addressing regulatory gaps. This includes reviewing finance

agreements, customer digital journeys, financial promotions, and sales processes, conducting gap analyses, developing governance frameworks, and delivering targeted training.

Asset finance queries often focus on training related to the Consumer Duty regime, particularly creditworthiness, affordability, and vulnerability, along with frequent requests for finance agreement reviews.

While we aim for balance, demand is currently skewed towards motor finance. Our team is ready to respond with specialists who can efficiently meet the specific needs of both sectors

Leasing World: How rapidly is the regulatory landscape changing?

DM: The regulatory landscape has changed a lot since the FCA took over in April 2014, and it continues to do so. This change has made it clear how important it is to keep up with legal, compliance and regulatory requirements. We have been instrumental in helping our clients ensure that business processes, policies, and procedures are robust and customer focused.

→ By bringing lenders and retailers/brokers together, we encourage them to work together to improve the customer journey

JD: While the law surrounding asset finance stay the same, regulatory requirements are moving quickly, which underscores the need for robust governance and risk frameworks, as well as better data and MI capabilities. Our role is to support the asset, motor and consumer finance sectors in terms of catching up and implementing these necessary changes efficiently. Our Helping Hands Forum is a testament to this commitment, keeping clients updated about regulatory changes and best practices. By bringing lenders and retailers/brokers together, we encourage them to work together to improve the customer journey. We also provide extensive support to help clients develop operational policies and procedures across asset, motor, consumer, and SME finance sectors.

SB: The FCA's proactive stance in the mainstream lending market has driven rapid regulatory change. Many firms now recognise the importance of effective compliance frameworks to keep pace with these developments. We support firms in making the necessary investments and adjustments to meet the FCA's standards, ensuring they are well-prepared for ongoing changes.

PG: Significant changes to the CCA are likely to be on the horizon, with HM Treasury's work on how the law might be overhauled now gathering pace. While the final shape of the changes is yet to be determined, and change will not happen overnight, in my view, it is only a matter of time until most of the remaining provisions under the CCA are dismantled and their subject matter subsumed into the FSMA regime and the FCA Handbook. Following Brexit, it's plausible that some of the requirements deriving from the Consumer Credit Directive could be dismantled or altered when the law is changed. It will create opportunities for lenders and intermediaries to innovate, as well as challenges around implementing changes. It's going to be really important for firms to make sure they're getting properly advised when the changes become clearer, so they can assess the impacts on, and opportunities for, their businesses.

Leasing World: Can you give us an illustration of how getting everything right (with legal advice) costs less and saves time compared with regulatory corner-cutting (accidental or otherwise)?

DM: Obtaining the right legal and compliance advice from the outset is crucial. For example, a client asked us if their transactions would be classified as a credit facility arrangement. As they were, we helped them obtain the necessary permissions and authorisations to operate compliantly. Had they not taken this advice early on, they could have faced significant penalties and losses.

In contentious matters, we advise clients on satisfactory quality disputes and fitness-for-purpose claims to obtain independent expert reports on the state of the asset. This initial cost is essential as it allows the client to make an informed decision on whether to settle or pursue a claim. Investing in legal guidance at the start can save substantial costs later on by preventing futile legal battles.

SB: Firms often underestimate the costs of engagement with the FCA. In a recent case a firm faced a section 166 skilled person review by the FCA. Although not a large firm, the overall costs exceeded £1 million, plus several hundred thousand in customer redress. On top of this was the significant cost in management time needed to resolve the issues and the lost business opportunities were considerable.

PG: Many view the financial risks of compliance arrangements narrowly, focusing on remediation and regulatory enforcement costs. While important, other potential costs and losses also require consideration. Compliance arrangements face increasing scrutiny from funders and potential purchasers, especially with the rising importance of ESG.

Inadequate governance and compliance can lead to higher costs, reduced third-party funding, and negatively affect business valuation and exit terms, including indemnities.

Compliance with the FCA regime goes beyond meeting rules; it requires robust governance to manage customer and market risks, along with the right culture and management processes. Consumer Duty has further amplified these priorities. ■

Auxillias clearly stands out in the competitive legal field by offering a unique combination of legal, compliance, and consultancy services, all under one roof. Its team of experts ensures that clients receive the highest level of support, helping them navigate the complexities of regulatory requirements efficiently. The firm's proactive approach and deep understanding of the regulatory landscape make it a trusted partner for businesses. As Auxillias continues to grow and adapt, it remains committed to delivering exceptional service and supporting clients in achieving their business goals amidst an ever-changing regulatory environment. We look forward to what the next four years will bring!



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JO DAVIS – CEO



Jo has over 20 years of senior experience at major UK law firms and in-house at RBS and VWFS. She specialises in asset, motor finance, leasing, and consumer finance, providing both non-contentious and contentious financial services advice. Jo has been ranked by Chambers as a leading UK consumer finance lawyer for the last 13 years. She also sits on the CCTA board and advises two fintech boards.

DAKSHA MISTRY – COO



Daksha has over 20 years of experience in banking and financial services, working for major UK law firms and in-house at GE Capital. She also served as an in-house consultant, leading major projects for large banks. Her expertise spans both contentious and non-contentious matters, focusing on Consumer Credit and FCA regulations. Daksha has also assisted startups and worked on customer digital platforms.

SIMON BROWN – DIRECTOR, COMPLIANCE



Simon has delivered compliance solutions to consumer finance firms for over 20 years. He has extensive experience designing, developing, and enhancing compliance frameworks. Simon is an expert in the FCA's conduct rules for Consumer Credit and running successful compliance programmes. He has direct experience with authorisations, supervision, and thematic reviews, and maintains effective relationships with regulators.

PAUL GODSMARK – CONSULTANT



Paul has over a decade of experience with regulated firms, in private practice at Walker Morris LLP, and in-house at CLS and Hitachi Capital. He specialises in consumer finance, consumer law, marketing, advertising, data privacy, and managing significant regulatory change, advising on legal, regulatory, compliance, and operational risk matters.

FRANK BROWN – REDRESS AND REMEDIATION CONSULTANT



Frank is a governance, risk, and regulatory expert with extensive experience advising boards and senior management. He has worked for 'Big Four' accountants and top UK law firms, advising firms from startups to major financial institutions. Frank has acted as an s166 Skilled Person and is well-versed in dealing with regulators. He encourages clients to address root cause issues in governance, culture, structure, and business model to prevent risk crystallisation and regulatory breaches.

ROBERT BELL – TRAINING CONSULTANT



Robert is a law graduate with over 15 years of financial services experience, holding head of and director of compliance roles. Currently, a tutor for the level 6 apprenticeship in compliance and risk, he also supports companies on financial services compliance and UK GDPR matters. Robert helped develop FCA's vulnerability guidance and has written guidance on vulnerability and GDPR for the Money Advice Trust / UK Finance.