REGULATED SALES PROCEDURE

POLICY STATEMENT & PURPOSE

BSP Motor Vehicles Ltd ensure that our detailed sales procedures ensure a compliant approach to the sale of finance and insurance products within BSP Motor Vehicles Ltd and provides operational conformance requirements that can be monitored to ensure a consistent and positive outcome for all customer in line with our TCF policy.

This policy forms a high level summary of sales activity as it is inherent to other stated policies.

SCOPE

This policy applies to all employees involved in regulated activities within BSP Motor Vehicles Ltd and all its subsidiaries

LEGAL CONTEXT

The Financial Conduct Authority (FCA) expects authorised firms to conduct their business within the rules and Principles for Business. The FCA has set out specific rules and guidance in the FCA handbook under ConC and ICOBs which all authorised firms must follow in regard to regulated activities.

BSP Motor Vehicles Ltd are responsible for ensuring that all regulated activities are conducted in line with regulatory rules and principles through consistent business governance and that a positive customer outcome is at the for front of our business approach and activities.

APPLICATION

1.1 **Objective :**
The sale procedures within BSP Motor Vehicles Ltd are designed to ensure that all customers are made aware of the funding and finance products within our portfolio for which they are eligible and which are suitable for the demands and needs that they have expressed or that have been identified by the sales executive in the course of discussion with the customer. All products are optional and the customer is provided with adequate and sufficient information and the opportunity to clarify and question in order that the customer can make an informed decision on the purchase of a product.

1.2 **Regulatory Requirements:** Specific actions are followed in the sales process to ensure that the following regulatory requirements are recognised and achieved:

- **Disclosure and scope of activities**

  All customers are provided with an initial disclosure document (IDD) relevant to the business area which details the following:

  1. Our name and address, that we are authorised and regulated by the FCA and that the customer can check this on the FCA register .

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2. The scope of the service we provide (that we are a credit broker not a lender).
3. Whose finance and insurance products we offer and that we are limited to these providers in regard to any information or advice we are able to give.
4. That all products are optional and there is no fee to be paid to us by the customer for any of the services offered.
5. How to make a complaint and the availability of the Financial Ombudsman Service (FOS).
6. The existence and method of commission earnings.
7. The availability of the FSCS.

Our Initial Disclosure Document is provided to a customer following early introduction and identification of requirements this is also emailed to the customer. In regard to distance sales the IDD is provided by email or post immediately following discussions with a customer.

- **Identification of eligibility and suitability for regulated products**

Time is taken with every customer to ensure that full information in regard to eligibility and suitability is obtained and the demands and needs of the individual customer taken into account.

- **Sufficient and adequate explanation of products**

Customers are provided with information on the products which are suitable for their needs with a full explanation of the benefits and limitations of the product and comparison between funding alternatives where relevant. The experience of the customer and apparent level or understanding will be taken in to account as could be best achieved in the circumstance. No barriers to these products will be in place. Where a sales executive is concerned as to the customers understanding of the actions they are taking and potential consequence, they will first provide further information in an alternative format and then involve the Sales Manager to ensure all possible care has been taken with the customer.

All required documentation will be provided to the customer at the relevant time during the sale process and with sufficient time for the customer to digest and take away if required.

- **Affordability and funding proposals**

Sales executives will establish the budget the customer believes is affordable to them and ask for their confirmation that this will be affordable for the term of the funding agreement with consideration to anything that may happen during that term which may impact the budget.
The customer will not be put under any pressure to increase the amount stated as affordable.
Prior to a proposal being made to a funding partner, the customer will be advised that a credit search will be conducted by the finance company and will seek permission to proceed.
A further assessment of affordability will be conducted by the finance provider based on their experience and credit modelling procedures.
At point of order, the customer will be requested to reflect on the information they have provided to BSP Motor Vehicles Ltd and our partners and the explanations that they have received, to ensure that they are happy to proceed based on their own informed decision. This is confirmed in process information and customer disclaimer.

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- **Price Disclosure**
  Full disclosure and transparency of pricing will be detailed on the offer made to a customer, and on relevant order forms and invoices. This is provided prior to the conclusion of a sale.

- **Customer Documentation**
  On conclusion of a sale the customer will be provided with all relevant documentation as required by law and advised of the terms and conditions of purchased products including their cancellation rights (which will also have been discussed prior to the sale).

- **Commission Disclosure Requests**
  BSP Motor Vehicles Ltd maintain a policy of transparency in regard to commission disclosure requests. Where a retail customer requests disclosure of potential commission earnings from funding partners by BSP Motor Vehicles Ltd in regard to the specific brokering of the deal under construction (before conclusion), under Consumer Credit Directive rules they are entitled to this information. BSP Motor Vehicles Ltd will willingly provide this information to all customers, the following procedure should be followed:-

  - A response will be provided consisting of all potential earnings or the nearest approximate if an exact figure cannot be provided (the calculation will be explained). This will be forwarded to the customer.
  - A record of all commission requests and responses will be retained.

IMPLEMENTATION

This policy takes effect immediately. All managers should ensure that staff are aware of this policy and its requirements. If staff have any queries in relation to the policy, they should discuss this with their line manager or the Director.

RETENTION

This policy will be reviewed periodically and historical records retained for 6 years.

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