



Consumer Duty Policy

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1. Introduction

- 1.1 The Consumer Duty has been introduced by the Financial Conduct Authority (FCA) to raise the standard of care that FCA authorised firms should give to all their retail customers. It is designed to give better protection to customers of FCA authorised firms. The Consumer Duty applies across all of a firm's regulated activities from high-level strategic planning to individual customer interactions.
- 1.2 A new FCA Principle (Principle for Businesses 12) has been introduced which requires firms to “act to deliver good outcomes for retail customers”, reflecting the overall standard of behaviour that the FCA expects from regulated firms. This new principle also filters down in a new individual conduct rule for all staff within the firm to adhere to.
- 1.3 The new Principle is supported by three cross-cutting rules which explain how firms should act to deliver good outcomes. The cross-cutting rules are as follows:
- act in good faith toward retail customers
 - avoid causing foreseeable harm to retail customers.
 - enable and support retail customers to pursue their financial objectives.
- 1.4 There are four outcomes which set out more detailed expectations for firms in areas that represent the key elements of the firm-consumer relationship, focussing on Products and Services, Price and Value, Customer Understanding and Customer Support.

2. Purpose

- 2.1 This policy details how Southway Housing Ltd (Southway) will manage its obligations to deliver good customer outcomes, treat customers fairly and ensure a consistency of approach within Southway.
- 2.2 Southway is authorised by the FCA and, as such, must act in accordance with the principles as defined in the FCA Handbook including Principle 12. The Consumer Duty has replaced Treating Customers Fairly (see Section 7 below) in regard to dealing with retail customers; however, it is important to acknowledge the principles of TCF still exist and remain relevant.

- 2.3 Southway's current FCA regulated activity is not-for-profit debt advice using permissions for Debt Adjusting, Debt Counselling and Credit Information Services.

3. Review of Policy

- 3.1 This policy will be reviewed regularly, at least once a year, and amended as considered necessary by Southway's Board of Directors in the event of changing circumstances or regulations.

4. Responsibilities

Board of Directors Responsibilities

- 4.1 Southway's Board is accountable for ensuring that good customer outcomes are achieved under the Consumer Duty for all retail customers and the content of this policy document is adhered to. This includes ensuring the culture of the delivering good customer outcomes and complying with the Consumer Duty is embedded within Southway and is central to Southway's practices. Given the nature of the company's wider non-regulated activity, The People & Places Committee has been delegated responsibility by the Board of Directors with ongoing monitoring of adherence with the Consumer Duty with periodic updates given to the Board of Directors as appropriate.

Southway have appointed Matthew Maouati the Consumer Duty Champion. The role of the Consumer Duty Champion is to support the Chair and CEO in raising the Duty regularly in all relevant discussions and challenging the firm's governing body/management on how it is embedding the Duty and focusing on consumer outcomes.

Culture

- 4.1.1 Southway takes its responsibilities towards customers seriously and as such has ensured that a culture of delivering good customer outcomes starts with Southway's Board and is cascaded down through Southway.

Good customer outcomes are central to the behaviour and values of Southway. Southway delivers this through the way we comply with the three cross cutting rules (Section 5) and four outcomes (Section 6) set out within the Consumer Duty and the six TCF outcomes (Section 7), alongside the obligations in relation to the FCA Principles for Businesses and the FCA Conduct Rules.

Strategy

- 4.1.2 When determining Southway's Consumer Duty strategy, Southway's Board has aligned its vision and values with delivering good customer outcomes at the forefront of its procedures.

Southway's strategy sets out its objectives to reflect a consistent approach to delivering good customer outcomes and allocating appropriate resources to ensure that actions that ensure fair treatment of customers agreed through the customer journey.

Employee Responsibilities

- 4.2 All employees are expected to read, understand and act in accordance with all policies and procedures that relate to how Southway expects customers to be treated in order to ensure they receive good outcomes in accordance with the Consumer Duty.

All employees are expected to adhere to the FCA Conduct Rules applicable to their roles, in particular Individual Conduct Rule 6 which states "You must act to deliver good outcomes for retail customers".

In order to achieve this, Southway will ensure all relevant staff have the required level of knowledge and training regarding the services we provide.

5. Defining a 'good customer outcome'

- 5.1 Southway's customers for the purpose of the consumer duty are residents of Southway's various properties. Southway's FCA regulated activity is providing a debt advice service to assist debtors with achieving manageable debt repayment solutions. Included within the debt advice service are help and support with budgeting and income maximisation designed to help to ensure that customers are taking advantage of any benefits or reliefs available to them based on their individual circumstances.
- 5.2 A good outcome for our debt advice service is that the customer is able to make an informed decision regarding the debt solutions available to them through careful planning and support by our debt advice team. This is achieved by providing the right level of information to customers to enable them to understand the benefits and drawbacks of all available options.

6. Cross Cutting Rules

6.1 Southway recognises that delivering good customer outcomes will be achieved through adhering to the three cross-cutting rules of the FCA's Consumer Duty which are to:

- Act in good faith towards retail customers;
- Avoid causing foreseeable harm to retail customers; and
- Enable and support retail customers to pursue their financial objectives.

7. Consumer Duty Outcomes

7.1 Southway will ensure that it adheres to the four FCA Consumer Duty Outcomes, as set out below:

Products and Services:

7.1.1 Southway will ensure that the services provided to customers meets the needs, characteristics and objectives performs as they expect.

Southway is considered under the FCA rules as a manufacturer of the service it provides and will:

- Approve existing and new services, or any significant changes to its services.
- Make sure that the target market for the service has been identified and includes details of any groups of customers for whom the service is not suitable.
- Ensure that its service is designed to meet the needs, characteristics, and objectives of the identified target market.
- Assess whether the service has features that could cause foreseeable harm for groups of customers who are vulnerable and take action to address this.
- Monitor and review the service it provides on at least an annual basis to make sure that it still performs as planned and remains appropriate for its customer base.
- Review any actions taken in relation to the service to make sure that any changes achieve the required outcomes.

Pricing and Value

- 7.1.2 Southway will ensure that the service that it provides offers fair value. It will ensure that:
- Whilst Southway does not charge a fee for its services, it will monitor the non-financial costs (e.g. time) of the service and value it provides to its target market.

Consumer Understanding

- 7.1.3 Southway will ensure that it supports customers by helping them to make informed decisions about its services. Southway will:
- Support its customers' understanding by making sure that communications are likely to be understood by its typical customers and are provided at the right time, so that they can make properly informed and timely decisions.
 - Tailor communications, taking into account the characteristics of the customers who will receive these communications, including customers with characteristics of vulnerability, the complexity of the service and the manner in which the information will be communicated.
 - Monitor, test and adapt communications on a regular basis and make sure that where information is unclear, misleading or incorrect, that action is taken to amend them.
 - Review any actions taken in relation to customer communications to make sure that these changes achieve the required outcomes.
 - Make sure that any communications with customers are clear and fairly balanced.
 - Make sure that the protections applicable to the service are clearly communicated to the customer (e.g. Right of referral to the Financial Ombudsman Service).

Consumer Support

- 7.1.4 Southway recognises that customers can only pursue their financial objectives when provided with the level of support they need. Southway will provide customers with support channels which allows them to experience the service as expected. This includes:
- Making it clear how and when customers can access support.

- Southway considers whether vulnerable customers may suffer harm as a result of the way that its service is structured.
- Meeting customer's needs, including accommodating customers who are dealing with complex issues, or those who are vulnerable.
- Including appropriate "friction" points in the process which can mitigate the risk of harm to a customer and result in good outcomes.
- Being clear about how customers can make a complaint when things go wrong.
- Carrying out reviews of customer support levels on a regular basis and addressing any issues identified in a timely manner.
- Reviewing any actions take in relation to customer support to make sure that these changes achieve the required outcomes.

8. Treating Customers Fairly ("TCF"):

- 8.1 Although in general terms, the obligations under the Consumer Duty impose a higher standard than under Treating Customers Fairly, TCF sets out a series of outcomes that Southway was required to comply with to demonstrate that it puts customers at the heart of its business.
- 8.2 Southway believes that the TCF outcomes below remain relevant to achieving adherence to the three cross cutting rules and four consumer outcomes set out by the Consumer Duty even though these are superseded by the Duty. (Products & Services, Price & Value, Consumer Understanding, Consumer Support) and they are set out here so that staff can continue to keep them in mind.
- 8.2.1 **Outcome 1:** Consumers can be confident that they are dealing with firms where fair treatment of customers is central to the corporate culture.
- 8.2.2 **Outcome 2:** Products and services marketed are designed to meet the needs of identified consumer groups and are offered accordingly.
- 8.2.3 **Outcome 3:** Consumers are provided with clear information and are kept appropriately informed before, during and after the point of sale.
- 8.2.4 **Outcome 4:** Where consumers receive advice, the advice is suitable and takes account of their circumstances.

- 8.2.5 **Outcome 5:** Consumers are provided with products that perform as firms have led them to expect, and the associated service is both of an acceptable standard and as they have been led to expect.
- 8.2.6 **Outcome 6:** Consumers do not face unreasonable post-sale barriers imposed by firms to change product, switch provider, submit a claim or make a complaint.

9. Management Information

- 9.1 Southway must be able to measure the effectiveness of its policies and obligations to treat customers fairly and deliver good customer outcomes through Management Information (MI). Where deficiencies are noted, Southway’s Board must demonstrate that they take positive steps to address them and ensure that no customers were disadvantaged or suffered harm.
- 9.2 Southway’s Board along with the Consumer Duty Champion will monitor the delivery of good outcomes for its customers through specific MI within the Team Performance Statement (TPS) to act as key performance indicators of meeting the Consumer Duty. This MI will be reviewed by the People & Places Committee on a quarterly basis formally as well as informally on a business-as-usual basis. A formal review process will take place within a Board Meeting annually.
- 9.3 The TPS Management Information reviewed for each Consumer Duty Outcome will include:

TPS MI Metric	Applicable FCA Outcome
number of people accessing debt advice	Product & Services, Consumer Understanding, Consumer Support
Average waiting time for first contact	Consumer Support, Price & Value
£ value of debt written off (legal remedies and write offs) including rent arrears	Product & Services, Price & Value, Consumer Understanding, Consumer Support
Number of referrals with successful outcomes	Product & Services, Price & Value, Consumer Understanding, Consumer Support
Number and £ value of grants awarded for clients	Product & Services, Price & Value, Consumer Understanding, Consumer Support
Number of a/cs where arrears have reduced after end of intervention	Price & Value, Consumer Understanding, Consumer Support
Case studies provided for Committee	Product & Services, Price & Value, Consumer Understanding, Consumer Support
Complaints Received	Product & Services, Price & Value, Consumer Understanding, Consumer Support

10. Conflicts of Interests

- 10.1 Southway will meet its obligation to conduct itself ethically by properly managing any potential conflicts of interests. Southway has implemented a separate Conflicts of Interest policy that sets out how it intends to identify and manage the risks arising from conflicts of interest. Where a conflict is identified as likely to cause a poor outcome for customers, the relevant actions will be taken by Southway.

11. Vulnerable Customers

- 11.1 Southway has embedded the identification of Vulnerable Customers within its debt advice process. Our processes and training has been designed to ensure customers are treated fairly and achieve good outcomes.

12. Recruitment

- 12.1 Southway's recruitment strategy takes into account the previous conduct and behaviour of potential employees.
- 12.2 Potential employees will be questioned on their experiences of ensuring good outcomes where it is relevant to the role.

13. Remuneration

- 13.1 Southway operates a remuneration structure that recognises the fair treatment of customers.

14. Training and Competence

- 14.1 Management makes positive behaviours and attitudes towards the delivering of good outcomes central to how Southway conducts its' business, and this is encouraged through effective training and maintenance of staff knowledge.
- 14.2 Our training includes the principles of the Consumer Duty within its corporate culture, and competence assessments will ensure that the Consumer Duty is fully understood and implemented in accordance with this policy.

15. Complaints

- 15.1 Customers must be able to understand Southway’s complaints procedure, which must be clear, unambiguous and impartial. The opportunity to refer their complaint to the Financial Ombudsman Service must be clearly stated where it is applicable.
- 15.2 Southway will ensure that the service offered to a customer is not negatively influenced by a customer’s complaint and any complaint will be investigated fairly and objectively.
- 15.3 All complaints are recorded, and the outcomes monitored with management information analysed by Southway’s Board to identify any endemic issues within Southway.

16. Breaches of Consumer Duty

- 16.1 Any breaches of the Consumer Duty will be recorded on Southway’s breach log in conjunction with its Regulatory Breach procedure.
- 16.2 Southway will consider any further information relating to the Consumer Duty and inform the FCA under Principle 11 where it is deemed the regulator would reasonably expect notice.

POLICY REVIEW HISTORY	
<i>To be completed during each review</i>	
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