

## 1 PURPOSE AND STATUS

This report sets out how Impact Financial Services Limited complies with the Consumer Duty (PRIN 12) on an ongoing basis and how the firm monitors, evidences and reviews customer outcomes.

This document applies to the firm's live business and forms part of its continuing governance, oversight and supervisory framework.

## 2 BUSINESS SCOPE AND TARGET MARKET

### 2.1 Customers

The firm serves UK retail customers, including:

- individuals and families
- employed, self-employed and contractor clients
- customers with mainstream mortgage and protection needs

### 2.2 Products and Services

- Residential mortgages
- Buy-to-Let mortgages
- Life Assurance, Critical Illness Cover
- Income Protection

## 3 OUTCOME 1 – PRODUCTS AND SERVICES

Products and services are assessed on a continuing basis to ensure they remain suitable for the identified target market, consistent with customer needs, and supported by an advised process.

### Evidence & Monitoring

- File checking outcomes
- Suitability reviews
- Post-sale feedback

### Practical Example

If file reviews identify misunderstanding of exclusions, adviser explanation standards are reviewed and internal guidance updated.

## 4 OUTCOME 2 – PRICE AND VALUE

Value is assessed holistically, considering price and premium sustainability, scope of cover, advice quality, and post-sale service. The firm does not rely on volume-driven incentives.

### Value Review Triggers

- Elevated lapse rates within 12 months
- Affordability-related cancellations
- Poor value perception complaints

### Practical Example

Where early cancellations are linked to affordability, the firm strengthens affordability discussions and stress-testing of premiums.

## 5 OUTCOME 3 – CONSUMER UNDERSTANDING

Customer understanding is promoted through clear verbal explanations, plain-language documentation, and confirmation of understanding during the advice process.

### Evidence

- Suitability reports
- Recorded adviser interactions
- Post-sale queries and feedback

### Practical Example

If customers repeatedly ask similar clarification questions, this triggers review of adviser explanations and training updates.

## 6 OUTCOME 4 – CONSUMER SUPPORT

The firm provides accessible and appropriate support throughout the application process, during policy life, at claim or change stage, and during complaint handling.

### Support Considerations

- Complexity of needs
- Vulnerability indicators
- Changes in circumstances

### Vulnerability

Indicators of vulnerability are identified, recorded, and responded to proportionately with additional support.

## 7 MANAGEMENT INFORMATION & OUTCOME MONITORING

Area	MI Reviewed	Frequency	Owner	Action
Suitability	File check outcomes	Monthly	T&C / Compliance	Enhanced supervision
Value	12-month lapse rates	Quarterly	Compliance	Product/process review
Understanding	Post-sale queries	Quarterly	Compliance	Training updates
Support	Complaints & delays	Monthly	Director	Root cause analysis
Vulnerability	Vulnerability indicators	Quarterly	Compliance	Process adjustments

## 8 GOVERNANCE AND OVERSIGHT

Overall responsibility for Consumer Duty rests with the Managing Director. Oversight includes periodic MI review, assessment of emerging risks, approval of remediation actions, and escalation of material issues.

Material customer harm or systemic issues may be reported to the FCA where required.

9

## REMEDIATION AND ESCALATION

Where poor outcomes are identified, the firm may:

- enhance supervision
- require retraining
- amend processes
- provide customer remediation

Actions are tracked to completion and reviewed for effectiveness.

10

## RECORD KEEPING AND EVIDENCE

Evidence supporting Consumer Duty compliance includes:

- advice records and file checks
- supervision notes and MI reports
- complaints analysis

Records are retained in accordance with regulatory requirements.

11

## REVIEW AND CONTINUOUS IMPROVEMENT

This report is reviewed:

- at least annually
- following regulatory changes
- following any material Consumer Duty issue

Consumer Duty is treated as an ongoing governance obligation, not a one-off exercise.