

1. POLICY STATUS & PURPOSE

This document sets out the Protection Advice Policy of Impact Financial Services Limited.

The policy defines the principles, controls, standards and governance applied to all protection advice provided by the firm. It applies to all advisers and relevant staff and is binding.

This policy:

- establishes how compliant, suitable protection advice is delivered,
- ensures alignment with FCA rules and Consumer Duty,
- sets enforceable standards that advisers must follow.

Detailed step-by-step guidance, coaching materials and behavioural best practice may be provided separately through handbooks and training resources. Such materials support but do not override this policy.

2. REGULATORY CONTEXT & SCOPE

Impact Financial Services Limited is authorised and regulated by the Financial Conduct Authority.

This policy supports compliance with:

- FCA Principles for Businesses
- ICOBS
- PRIN 12 – Consumer Duty
- Financial Crime and Conduct rules

Scope of Application

This policy applies to:

- all advisers providing protection advice,
- managers supervising protection advice,
- compliance and oversight functions.

3. ADVISED-ONLY MODEL

The firm operates an advised-only protection model.

All protection recommendations must:

- be based on a full assessment of customer needs,
- be suitable for the client's circumstances,
- be documented and justified.

Non-advised or execution-only protection sales are not permitted.

4. FACT FIND & NEEDS ANALYSIS

Advisers must complete a full and accurate fact find covering:

- personal and financial circumstances,
- dependants and liabilities,
- existing protection arrangements,
- affordability considerations.

The adviser must identify and prioritise the client's protection needs and document:

- why protection is required,
- what risks are being addressed,
- what alternatives have been considered.

5. RESEARCH & PRODUCT SELECTION

Product research must be:

- appropriate to the client's needs,
- drawn from a range of available providers,
- free from provider bias or inappropriate influence.

Advisers must consider:

- scope of cover,
- exclusions and limitations,
- policy definitions,
- premium sustainability.

6. AFFORDABILITY & SUSTAINABILITY

Protection advice must take account of:

- the client's current income,
- foreseeable changes in circumstances,
- ability to maintain premiums over time.

Premium levels must be:

- affordable,
- proportionate to benefits,
- stress-tested where appropriate.

7. SUITABILITY & RECOMMENDATION

A suitability report must be provided confirming:

- the client's needs and objectives,
- why the recommended product meets those needs,
- why alternatives were discounted,
- key exclusions and limitations,

- affordability considerations,
- replacement analysis (where applicable).

The suitability report must be clear, fair and not misleading.

8. REPLACEMENT BUSINESS

Where existing protection is being replaced, advisers must:

- clearly demonstrate why replacement is in the client's best interests,
- compare existing and proposed arrangements,
- highlight any loss of benefits or increased costs,
- document the rationale in full.

Replacement must never be driven by commission or convenience.

9. DISCLOSURE & REMUNERATION

Clients must be informed:

- that commission is received,
- of the nature of remuneration,
- that commission does not affect the advice given.

No adviser may allow remuneration to influence suitability.

10. CONSUMER DUTY ALIGNMENT

This policy directly supports the Consumer Duty outcomes by ensuring:

- **Products & Services:** Advice is suitable and targeted to the appropriate market.
- **Price & Value:** Recommendations consider affordability and overall value, not price alone.
- **Consumer Understanding:** Advice is explained clearly and supported by written documentation.
- **Consumer Support:** Clients receive appropriate ongoing support post-sale.

Evidence of Consumer Duty compliance is maintained through:

- advice records,
- suitability reports,
- file checks,
- management information,
- supervision records.

11. SYSTEMS, RECORD KEEPING & EVIDENCE

All protection advice activity under this policy is:

- recorded,
- evidenced,
- monitored

within Pro System, which acts as the firm's primary system of record for:

- advice documentation,
- suitability evidence,
- file checking,
- supervision,
- audit and regulatory review.

Records must be complete, accurate and retained in line with regulatory requirements.

12. POST-SALE SERVICE & ONGOING SUPPORT

Advisers must:

- confirm policy commencement,
- provide policy documentation,
- ensure clients know how to claim or make changes,
- respond to reasonable client queries.

Post-sale engagement is part of delivering good customer outcomes.

13. SUPERVISION, FILE CHECKING & MONITORING

Protection advice is subject to:

- risk-based file checking,
- structured supervision,
- monitoring of advice quality and trends.

Where issues are identified, actions may include:

- enhanced supervision,
- retraining,
- process updates,
- escalation under the firm's breach framework.

14. GOVERNANCE & ACCOUNTABILITY

Overall accountability for this policy rests with the Managing Director.

Oversight includes:

- review of MI and file check outcomes,
- approval of remediation actions,
- escalation of material risks,
- FCA notification where required.

15. BREACHES & ESCALATION

Failure to comply with this policy may result in:

- enhanced supervision,
- restriction of advisory activity,
- disciplinary action,
- escalation to Compliance or the FCA.

Policy Review and Approval:

This policy will be reviewed annually or more frequently if required by changes in regulations or the needs of the firm. All amendments will be documented and communicated to all staff members.