

Version
1.0

Effective
01/03/2026

Owner
Managing Director

Oversight
T&C Manager

1 REGULATORY & GOVERNANCE CONTEXT

This policy has been developed to ensure:

- compliance with FCA Principles for Businesses (PRIN 2A),
- fulfilment of Consumer Duty (Act in Good Faith, Avoid Foreseeable Harm, Enable & Support Customers),
- compliance with SYSC (Systems & Controls),
- maintenance of corporate governance within the Directly Authorised model.

The purpose of this document is to:

- eliminate communication chaos,
- protect clients from conflicting communications,
- prevent commission disputes,
- ensure a transparent and measurable ownership model.

2 COMPANY PHILOSOPHY

Under FCA requirements, **the client belongs to the firm, not to any individual Adviser**. The Adviser's role is to service and care for the client on behalf of Impact Financial Services Limited.

An Adviser holds the right to commission – not ownership of the client. Commission is a reward for compliant behaviour, not only for revenue generation.

Impact Financial Services Limited is built on the principle that **all Advisers operate as one team**.

The primary objective of this Policy is not to penalise, but to **prevent conflict situations between Advisers** regarding client ownership before they arise.

Advisers are expected to support one another, communicate openly, and prioritise the client's best interest above individual commercial gain.

Collaboration over competition. One team, one standard, one goal – the best outcome for every client.

✓ Good Practice

An Adviser helps a colleague retain a client – e.g. by sharing relevant information, coordinating handover, or supporting continuity of service.

✗ Bad Practice

An Adviser attempts to exploit this policy or internal procedures to take over another Impact Adviser's client for personal gain.

3 FUNDAMENTAL PRINCIPLE

The client is a client of Impact Financial Services Limited.

An Adviser holds the right to commission, not ownership of the client.

Commission is a reward for compliant behaviour, not only for revenue generation.

3A EQUAL APPLICATION OF POLICY

This Policy applies equally to all Advisers, irrespective of:

- tenure,
- seniority,
- production level,
- role within the organisation,
- historical relationship with management.

No exemptions shall be granted based on performance, experience, or revenue contribution.

Commission entitlement remains subject to procedural compliance.

3 CRM AS SOLE SYSTEM OF RECORD

3.1 Pro System is the official source for client assignment (Primary Adviser).

3.2 No CRM entry = no formal ownership.

3.3 Every Adviser is required to verify the client's status before initiating the advice process.

3.4 Failure to do so constitutes a breach of governance.

4 ACTIVE VS INACTIVE CLIENT RELATIONSHIP

A relationship is considered:

✓ Active

- review within the last 12 months,
- documented post-sale contact,
- regular communication,
- genuine ongoing servicing.

✗ Inactive

- no contact for > 12 months,
- no review conducted,
- no documented servicing.

5 INTERNAL CLIENT TAKEOVER (ADVISER A VS ADVISER B)

5.1 Mandatory Procedure

If Adviser A encounters a client assigned to Adviser B:

- Suspends all sales activity.
- Notifies the Manager.
- Records the event in CRM.
- The decision is made by Management (with T&C involvement where necessary).

6 CLASSIFICATION OF BREACH

Type 1 – Minor

- prompt reporting,
- no concealment of actions,
- no intention to circumvent.

Type 2 – Serious

- failure to verify CRM,
- proceeding without escalation,
- reporting after the conflict arose.

Type 3 – Gross

- deliberate circumvention,
- actions outside the system,
- client manipulation,
- withholding information.

7 DECISION MATRIX – COMMISSION ALLOCATION

No	Description	Commission	Consequences
1	B's relationship inactive + A followed procedure	100% to A	–
2	B's relationship active + client chooses A + procedure followed	100% to A	Documented conversation
3	B's relationship active + A did not follow procedure	50/50 or 100% to B	Formal Warning
4	Deliberate circumvention of procedures	100% to B / withheld	Disciplinary action

Repeated breaches = potential termination of the adviser agreement.

8 LEGACY CLIENTS (FORMER ACCESS PERIOD)

8.1 A client serviced under a previous structure (e.g. Access), prior to joining Impact.

8.2 Pre-Impact history **does not automatically confer commission entitlement.**

8.3 In the event of a conflict, Management will assess:

- who first initiated the formal advice process within Impact,
- who registered the client in CRM,
- whether the client has clearly expressed a preference,
- whether active poaching occurred,
- whether data was processed in accordance with UK GDPR.

8.4 Where a client unambiguously chooses an Adviser – the conversation must be documented, a note recorded in CRM, and in disputes, a recording obtained (with consent).

8A CONFLICT DOCUMENTATION & MEETING RECORDS

In all cases involving:

- client ownership disputes,
- adviser reassignment requests,
- legacy client conflicts,
- policy replacement discussions,

the following documentation standards apply:

- All client conversations relevant to the dispute must be recorded or transcribed using an approved documentation tool (e.g. Fireflies), subject to client consent and UK GDPR compliance.
- A written summary must be stored in CRM.
- Where applicable, client preference must be confirmed and documented.

Failure to properly document discussions may impact commission entitlement and internal decision outcomes.

9 PROHIBITION OF ACTIVE POACHING

The following is prohibited:

- mass contacting a former client base without a legal basis,
- using data without a lawful basis,
- conducting parallel conversations outside the system.

Breach: commission withheld, proceedings initiated, termination of agreement.

10 LAPSE & QUALITY GOVERNANCE

The firm monitors:

- lapse rate per Adviser,
- post-sale documentation,
- annual reviews.

Excessive lapse rate: audit, remediation plan, restriction of permissions.

11 FINAL AUTHORITY

All decisions are made by Management, based on documentation, and are not subject to negotiation between Advisers.

Personal relationships do not form the basis for decisions.

12 CORE GOVERNANCE STATEMENT

Impact Financial Services Limited operates on the principles of:

Ownership. Accountability. Transparency.

Equal treatment matters more than results.

Governance standards apply uniformly across the organisation to preserve trust, fairness and structural integrity.