

## PURPOSE OF THIS MANUAL

This Compliance Manual sets out the governance, regulatory framework and internal compliance standards of Impact Financial Services Limited.

The purpose of this manual is to ensure that all advisers, managers and staff understand:

- regulatory obligations
- internal policies and procedures
- the firm's compliance standards
- the governance structure supporting regulatory compliance

This manual forms the foundation of the firm's regulatory framework and compliance culture. Impact Financial Services Limited is authorised and regulated by the Financial Conduct Authority (FCA) and operates in accordance with the FCA Handbook.

## SCOPE OF THE COMPLIANCE FRAMEWORK

The compliance framework applies to all regulated activities undertaken by the firm, including:

- mortgage advice
- protection advice
- customer servicing
- complaint handling
- client data management

The framework applies to:

- advisers
- supervisors and managers
- the T&C Manager
- senior management

All individuals performing regulated activities must comply with the policies contained within this manual.

## REGULATORY PRINCIPLES

The firm operates in accordance with the FCA Principles for Businesses and the requirements of the Consumer Duty.

The core regulatory expectations guiding the firm include:

- acting in the best interests of customers
- avoiding foreseeable harm
- delivering fair value
- supporting customers in achieving their financial objectives

Compliance with these principles is monitored through supervision, file reviews and internal governance.

### ✔ Good Practice

- Adviser explores full client circumstances before recommending
- Suitability letter clearly explains why the recommendation is appropriate
- Client is informed of all costs, charges and product limitations

### ✘ Poor Practice

- Adviser recommends a product without completing a full fact-find
- No explanation of why a specific product was chosen over alternatives
- Client not informed about cancellation rights or cooling-off period

## GOVERNANCE STRUCTURE

Ultimate responsibility for regulatory compliance rests with the Managing Director. Operational oversight is supported by the firm's governance structure including:

### Managing Director

Responsible for overall regulatory compliance and governance.

### T&C Manager – Andželika Dubij

Responsible for:

- adviser competence monitoring
- supervision and file reviews
- granting Competent Adviser Status (CAS)
- training and development oversight
- maintaining competence records

*The T&C Manager reports competence risks and adviser performance to senior management.*

## POLICY FRAMEWORK

The firm maintains a structured policy framework covering governance, advice standards, compliance risks and data protection.

#### **Governance Policies**

Define the firm's governance standards and internal regulatory framework.

- Training & Competence (T&C) Policy
- Fit & Proper Policy
- Remuneration Policy
- Consumer Duty Policy
- Compliance Policy

#### **Advice Standards Policies**

Define how advisers must deliver regulated advice.

- Protection Advice Policy
- Replacement Policy
- Client Ownership & Internal Conflict Policy

#### **Compliance & Risk Policies**

Address key regulatory risks.

- Anti-Money Laundering (AML) Policy
- Complaints Handling Policy
- Conflicts of Interest Policy
- Whistleblowing Policy
- Breach & Incident Reporting Policy

#### **Data Protection Policies**

Govern the processing of customer information.

- Data Protection Policy
- Privacy Notice

#### **Regulatory Reference Materials**

Support regulatory awareness.

- FCA Handbook

## **TRAINING AND COMPETENCE**

All advisers must operate within the firm's Training & Competence framework. The framework ensures advisers:

- possess appropriate qualifications and knowledge
- operate within their competence level
- receive appropriate supervision and training

Advisers progress through structured competence stages, including:

1. New Adviser

2. Supervised Adviser

3. Competent Adviser (CAS)

4. Senior Adviser

Competent Adviser Status is granted by the T&C Manager once competence requirements are satisfied.

## **MONITORING AND SUPERVISION**

The firm monitors adviser performance and regulatory compliance through:

- file reviews
- supervision meetings
- training assessments
- complaints analysis
- policy retention monitoring

Where issues are identified, the firm may implement:

- enhanced supervision
- additional training
- remediation actions

#### **✔ Good Practice**

- Regular file reviews with documented feedback and follow-up
- Supervision meetings held consistently with clear agendas
- Performance concerns addressed promptly with a development plan

#### **✘ Poor Practice**

- File reviews conducted infrequently or without actionable feedback
- No formal record of supervision meetings or outcomes
- Performance issues ignored until a complaint is received

## **CONSUMER DUTY AND CUSTOMER OUTCOMES**

Impact Financial Services Limited embeds Consumer Duty within its advice process and governance framework. Customer outcomes are

monitored through:

- advice file reviews
- complaints analysis
- policy retention trends
- customer feedback

The firm continuously reviews its processes to ensure good customer outcomes are delivered.

**✔ Good Practice**

- Adviser checks client understanding of recommended products
- Outcomes are tracked and reviewed at governance meetings
- Client vulnerability is identified and appropriately supported

**✘ Poor Practice**

- No follow-up to confirm client understood the advice given
- Retention and complaints data not reviewed or acted upon
- Vulnerable clients not identified or treated differently from others

## INCIDENT AND BREACH MANAGEMENT

Where regulatory breaches or operational incidents occur, the firm follows its Breach & Incident Reporting Policy. This includes:

- identification and classification of breaches
- escalation to management
- assessment of regulatory reporting obligations
- remediation actions where necessary

Where appropriate, regulatory notification to the FCA may be considered.

**✔ Good Practice**

- Breaches identified, documented and escalated promptly
- Root cause analysis completed with remediation actions
- Lessons learned shared with the team to prevent recurrence

**✘ Poor Practice**

- Breaches not reported or hidden from management
- No investigation into why the breach occurred
- Same errors repeated with no corrective action taken

## RECORD KEEPING

The firm maintains records demonstrating compliance with regulatory obligations. Records maintained include:

- advice documentation
- file review results
- supervision notes
- training records
- complaints records

Records are retained in accordance with regulatory and data protection requirements.

## REVIEW AND CONTINUOUS IMPROVEMENT

This Compliance Manual is reviewed:

- at least annually
- following regulatory updates
- where governance improvements are required

Impact Financial Services Limited views regulatory compliance as an ongoing process requiring continuous improvement.

## COMPLIANCE CULTURE

Impact Financial Services Limited promotes a culture where customer outcomes are prioritised, advisers operate with integrity and professionalism, and regulatory compliance is embedded in everyday business activities. Compliance is considered a shared responsibility across the organisation.