

PURPOSE

The purpose of this policy is to ensure that Impact Financial Services Limited identifies, manages and mitigates conflicts of interest that may arise in the course of its regulated activities.

The firm is committed to acting honestly, fairly and professionally in the best interests of its clients, in accordance with regulatory expectations set by the Financial Conduct Authority.

This policy sets out the firm's approach to:

- identifying conflicts of interest
- managing and mitigating conflicts
- disclosing conflicts where appropriate
- maintaining records of identified conflicts

SCOPE

This policy applies to:

- Mortgage Advisers
- Protection Advisers
- Managers and Supervisors
- Directors
- All employees and contractors

All individuals associated with the firm must act in a manner that prioritises customer interests over personal or commercial interests.

DEFINITION OF A CONFLICT OF INTEREST

A conflict of interest arises where the interests of the firm, its advisers or associated persons may conflict with the interests of a client.

Conflicts may arise between:

- the firm and a client
- one client and another client
- an adviser and a client
- the firm and its advisers
- advisers within the firm

EXAMPLES OF POTENTIAL CONFLICTS

Potential conflicts of interest may include:

- recommending a product because it generates higher commission
- recommending replacement of an existing policy without sufficient justification
- advisers prioritising personal financial benefit over client outcomes
- relationships with product providers that could influence recommendations
- situations where advisers have personal relationships with clients that may affect impartiality
- situations where two advisers claim ownership of the same client

The firm maintains policies and procedures to ensure these conflicts are appropriately managed.

CONFLICT IDENTIFICATION

Conflicts of interest may be identified through:

- adviser disclosures
- file reviews
- compliance monitoring
- customer complaints
- internal reporting

All advisers must immediately report any potential conflict of interest to their manager or the T&C Manager.

MANAGING CONFLICTS OF INTEREST

Where a conflict is identified, the firm will take appropriate measures to ensure that the customer's interests remain protected. These measures may include:

- restricting adviser involvement in the case
- enhanced supervision
- independent file review
- reassignment of the client to another adviser

The firm aims to avoid conflicts wherever possible and manage them appropriately where they cannot be avoided.

DISCLOSURE OF CONFLICTS

Where a conflict cannot be fully avoided, the firm may disclose the nature of the conflict to the client. Such disclosures will be made in a clear and transparent manner, allowing the client to understand the situation and make an informed decision.

GOOD & POOR PRACTICE

✔ Good Practice

- Advisers recommend products based solely on suitability and customer needs
- Advisers document the rationale for all recommendations
- Transparent disclosure of remuneration structures
- Supervisors review cases where potential conflicts arise

✘ Poor Practice

- Recommending products purely due to higher commission
- Replacing existing policies without clear benefit to the client
- Failing to disclose conflicts of interest
- Advisers prioritising personal gain over customer outcomes

MONITORING AND OVERSIGHT

The firm monitors potential conflicts through:

- file reviews
- supervision of advisers
- complaints monitoring
- internal reporting

The T&C Manager is responsible for overseeing conflicts management and ensuring advisers adhere to this policy.

RECORD KEEPING

The firm maintains records of identified conflicts of interest, including:

- nature of the conflict
- action taken
- outcome

These records support internal governance and regulatory oversight.

REVIEW OF THE POLICY

This policy is reviewed:

- annually
- following regulatory changes
- following identification of significant conflicts

Impact Financial Services Limited remains committed to maintaining strong governance and protecting the interests of its customers. All potential conflicts must be identified, reported and managed in accordance with this policy.