



Sales Procedure Guide

A guide to compliance with motor finance regulations when conducting business with Evolution Funding.

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v9.0

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Evolution Funding Limited and associated trading styles is authorised and regulated by the Financial Conduct Authority for credit brokerage. We are a credit broker not a lender. Our FCA number is 823324.

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Introduction

Dear Dealer Partner,

Thank you for taking the time to review this document. Its purpose is to provide you with important information that will assist your dealership in meeting your regulatory requirements whilst doing business with Evolution Funding.

At Evolution, we continue to invest in both new people and systems, cultural development and training provision. We have in place a strong mission, vision and a set of core guiding values, which are built upon our Treating Customers Fairly (TCF) Policy statement. This policy statement is available to read as Appendix 1 in this document.

We have designed internal processes, especially in the underwriting and placement of customers to funders, with TCF outcomes at the core. We have introduced a specific TCF policy for underwriting (Appendix 2) in addition to our overall company TCF policy.

The commission packages and terms we have in place with our dealer partners ensure you can evidence with total certainty that, when dealing with Evolution, there is no conflict of interest in the sales process and you are meeting all FCA regulatory requirements. This includes being in line with PS20/8.

New FCA rules under Policy Statement 20/8 (Motor Finance discretionary commission models and consumer credit commission disclosure) became live as of January 2021. We will continue to ensure our offering to dealer partners remains both compliant and competitive in the market.

We have a nationwide sales force, including nearly 40 account managers, 6 regional directors and a dedicated dealer support team.

This coverage enables Evolution to provide full account management support and business reviews to complement the incredible real-time Management Information we are now able to offer to dealer partners.

As a result, we believe that we are the best placed motor finance broker to assist dealerships in delivering point of sale funding solutions that allow dealers to profitably sell more vehicles, in a consistent, fair and transparent manner that meets customer needs and regulatory requirements.

We welcome you to give us a test drive.



FCA Authorisation Process

If you have not already done so, you will need to supply your Evolution Account Manager with your FCA authorisation number and status to be able to transact business with us.

If you are an Appointed Representative (AR) of a compliance company, your Principal firm may require details about Evolution Funding to enable them to set us up on their reporting/monitoring systems. You should contact your Account Manager to discuss this.

You must hold the following FCA categories to be able to transact business with Evolution and our funders:

- ◆ Credit Brokering
- ◆ Debt Adjusting
- ◆ Debt Counselling

You will need to register with the ICO under the Data Protection Act.



DealerZone

DealerZone is the Evolution Funding point of sale system. It is unique compared to other motor finance point of sale systems, with no other company being able to offer all of the following:

- Multiple products and finance company quotations on the same screen.
- Cars, light commercial vehicles, motorhomes, caravans and motorbikes all quoted in one place.
- Batch Marketing – produce quotes for all eligible vehicles, via a stock feed, in a few simple steps.
- Private individual and business user applications supported.
- Fast Proposal - under 90 seconds from start to finish.
- Auto Accepts - available 24 hours a day across multiple funder, customer e-Sign links/documents.
- Customer finance documents available 24/7.
- e-Sign support for 17 lenders.
- Amend the asset or financial details at the click of a button.
- Track the live progress of a deal.
- Provides a historic audit trail.
- Submit identity documents using My Garage online.
- Functionality to add delivery dates to pre-empt payout work/job checks.
- Download the regulatory decline notice to provide to the customer.
- Check the progress of the Evolution Extra process/ pre-qualification for your rate for risk customers.



Quotation

DealerZone provides simultaneous quoting of all products that your dealership is eligible for or wishes to offer to customers. Your Evolution Account Manager will ensure the system is set up in line with your agreed contractual pricing terms and will be controlled in line with regulatory requirements.

The system ensures a transparent and compliant customer journey across multiple products and finance companies, even if the customer isn't eligible for your primary finance company's product.

An updated version of Evolution Funding's DealerZone system is now available, Direct Lender Platform (or DLP). This update enables you to submit applications to your primary lender first, utilising the technical functionality provided by Evolution Funding.

DLP enables you to have one proposal system across chosen finance providers, maximising efficiency, conversions and gives the ability to include credit score-based pricing across a whole panel of lenders.

For further training on the DealerZone Quotation page, please contact your Account Manager.

Affordability

It is critical that both Evolution and our dealers have processes in place to meet the FCA requirements for credit brokers, found in CONC 5.4, relating to affordability.

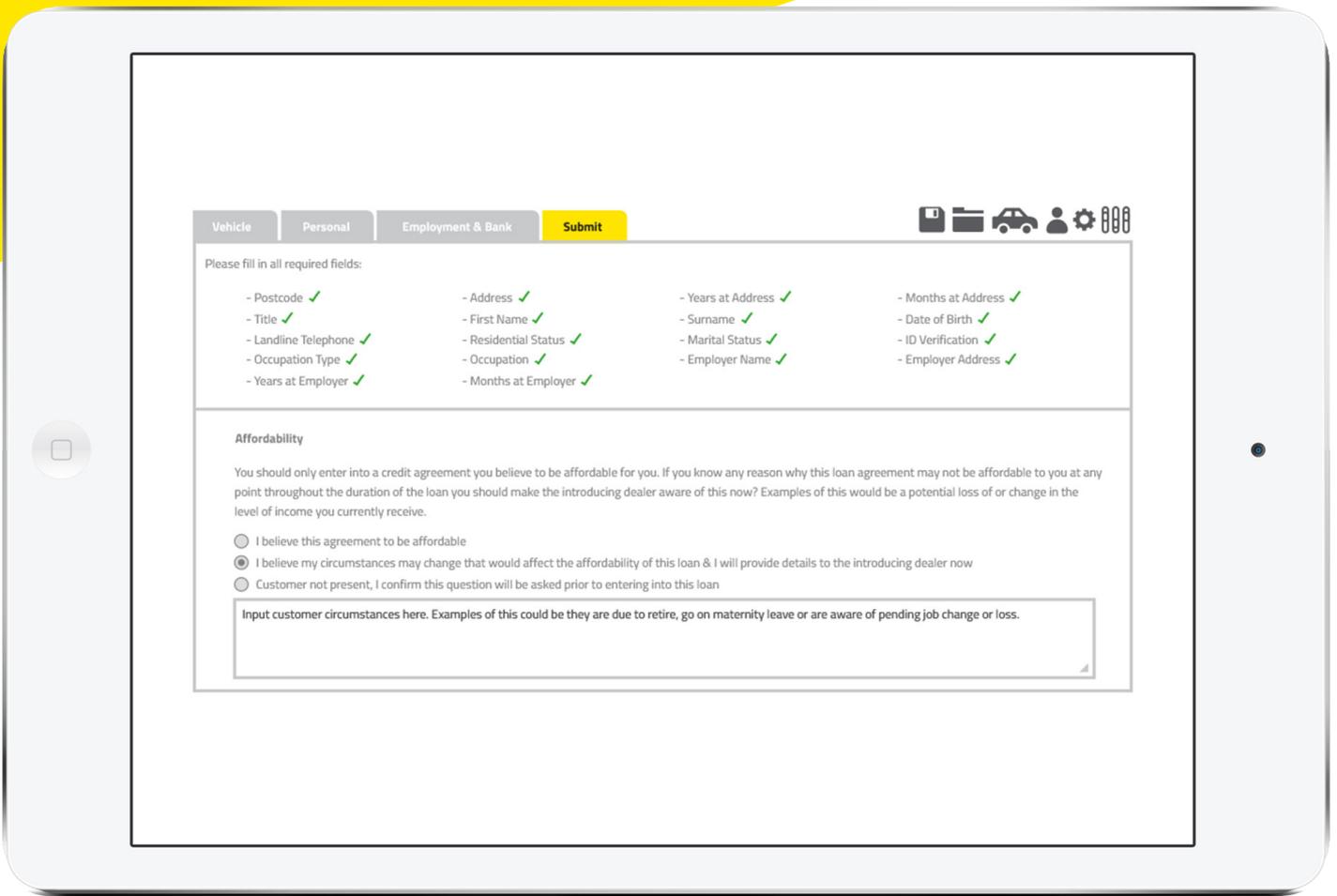
These include:

CONC 5.4.2R (1) In giving explanations or advice, or in making recommendations, a firm must pay due regard to the customer's needs and circumstances. (2) In complying with (1) a firm must pay due regard to whether the credit product is affordable and whether there are any factors that the firm knows, or reasonably ought to know, that may make the product unsuitable for that customer.

DealerZone has been designed with this in mind and includes:

- Steps in the application process to assist in checking customer affordability, designed to capture crucial information that our lenders require to make responsible lending decisions.

- Utilising our dynamic data capture solution that profiles a customer's application as you key in critical data and adjusts the required mandatory fields accordingly.
- Enhanced capture of settlement details. Whilst not mandatory, the details of both the settlement funder and the monthly repayment on the settlement loan can be entered. This is useful information that can assist both Evolution and our lenders in the underwriting process and assessment of affordability.



Finally, as per the screenshot above, customers are asked prior to submission to confirm that they believe the loan they are applying for is, in their assessment, affordable to them. They must give details of any reasons they may know as to why the loan may not be affordable to them throughout the duration of the loan.

If they do select this option then a free format box will enable them to give details that will be transferred to our underwriters. Please note that all applications of this nature will be referred to manual underwriting and will not go through the automated decision systems.

We also ask that you do not use this as a general notes section. It is specifically for the capture of information relating to affordability and will only appear if the customer selects to say they believe the loan may not be affordable.

If you become aware of this information after your customer has been proposed, you should give us this information by contacting our underwriting team as soon as possible.

More information on the role and responsibility that both Evolution and our dealers have in assessing customer affordability can be found in CONC 5.4.

[Click here to view CONC 5.4](#)

Dealer Sales Procedures

In order to comply with your regulatory requirements, including the FCA principles for business, the consumer credit source book (CONC) and PS20/8, Evolution recommend all dealers review the following sales procedures. We will require all dealers to adhere to certain minimum standards and requirements in dealings with Evolution.

This section is not a comprehensive summary of all your regulatory requirements nor is it a comprehensive summary of all your contractual obligations to Evolution Funding Limited.

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Disclosure Documentation

We recommend dealers review their sales process to ensure all appropriate disclosure, adequate explanation and the right to withdraw is given in good time to customers. We consider customer suitability in line with CONC rules and expect our dealer partners to do the same. This includes CONC 2.5.3 & 4.2.5 R, which state:

A firm must:

2.5.3 R (1) “where it has responsibility for doing so, explain the key features of a regulated credit agreement to enable the customer to make an informed choice as required by CONC 4.2.5 R”

2.5.3 R (2) “take reasonable steps to satisfy itself that a product it wishes to recommend to a customer is not unsuitable for the customer’s needs and circumstances”

4.2.5 R (1a) “provide the customer with an adequate explanation of the matters referred to in (2) in order to place the customer in a position to assess whether the agreement is adapted to the customer’s need and financial situation.”

Matters referred to in (1a) include but are not limited to:

4.2.5 (2a) “the features of the agreement which may make the credit to be provided under the agreement unsuitable for particular types of use;”

Please ensure your sales process includes provision for the supply of all appropriate sales disclosure documentation to the customer. Evolution will supply the finance providers agreement and PCCI, as well as our IDD and adequate explanation video/document. For customers signed in-showroom, we require our Customer Acknowledgement document be given to and discussed with the customer.

As Evolution offer both Hire Purchase and Fixed Sum Loan Agreements as standard product choice it is essential that your sales process and training includes the provision for identifying agreement type and adequately explaining the differing features of these products to the customer. Our adequate explanations document or video makes reference to this requirement. The adequate explanation document/video provided with the agreement will contain all information regarding the agreement features.

It is the dealer’s responsibility to supply the customer with their status disclosure details.

We provide our Initial Disclosure Document (IDD) to every customer automatically in our journeys (e.g. emails and sign anywhere) and a copy of this document is shown in Appendix 4.

For more information on pre-contract disclosure and adequate explanations, please refer to CONC 2.5 (conduct of business for Credit Broking) and 4.2 (pre-contract disclosure and adequate explanations).

[Click here to view CONC 2.5](#)

[Click here to view CONC 4.2](#)

Pre-Contract Disclosure Requirements

As of the 28th January 2021, the FCA has implemented new PS20/8 rules regarding commission disclosure and all our dealer partners need to ensure that they adhere to both Evolution Funding's standards and those of the Financial Conduct Authority.

Your disclosures must be prominent, transparent and open, to enable your customers to make a more informed choice before purchase. They must be provided to customers in all your communications and promotions, which fall into two main categories:

1. Financial Promotions (e.g. websites or marketing).

You must describe your relationship with lenders or brokers and explain whether you work exclusively with one or more lenders, or are independent. You must also specify the limitations of your panel – is it the whole market or a selection? The existence and nature of any finance agreement with the lender, should be prominent.

Further details can be found in our Financial Promotions Guide.

[Click here to view our Financial Promotions Guide](#)

2. Pre-Contractual Information.

Before the customer has made a final decision, the dealer should disclose the existence and nature of any commission or other remuneration received from the lender or broker, and how it may affect the amounts payable to the customer. This can be in general terms and doesn't need a tailored illustration, but should be prominent and clear. Details can be found in the section below.

The content you include in your commission disclosure should consider the following:

- Is the disclosure adequately prominent?
- Does it detail both the existence and nature of the commission arrangement, including how the commission arrangement impacts the total amount the customer pays.
- Is it a fixed amount or % of the balance?

- Does the description cover all possible variables?
- Do you have a process in place to disclose the amount or likely amount of commission if the customer requests it?
- Are your processes and controls robust enough in place to ensure they're following the regulatory requirements every time?

[Click here to view FCA PS20/8](#)

Supporting documents

PCCI (or Pre-Contract Consumer Information) was previously known as the SECCI. The name change, will happen on all documents by May 2021, but the content of the document, provided by the lender, will not alter. Evolution Funding provide every customer with an Initial Disclosure Document that outlines who we are, our regulatory status, commission disclosure and how to contact us if they are dissatisfied with the service we provide. You will be asked to provide us with a copy of your IDD that you give to your customers prior to signing.

Financial Promotions

[Click here to view our Financial Promotions Guide](#)

The rules set out in CONC Chapter 3 cover any published advertising of products which are regulated by the Consumer Credit Act. An advert is 'published' every time it is made available to the public and includes advertising in all media channels, including social media and websites.

A financial promotion is a "communication of an invitation or inducement to engage in investment activity" and must be fair, clear and not misleading. The Financial Services and Markets Act 2000 defines 'investment activity' as the "offer to enter into an agreement the making or performance of which by either party constitutes a controlled activity". Credit broking is a controlled activity.

If you wish to include Evolution Funding's name or display our logo in your advert, promotion or on your website, you should discuss this with your Evolution Account Manager who will advise you of our requirements prior to anything being added.

It is your responsibility to ensure that your advertising and promotional activities fully comply with all laws and regulations that cover advertising of loans and credit, including, but not exclusively, the Financial Conduct Authority, The Advertising Standards Authority and The Competition and Markets Authority.

This would include information such as your status disclosure, commission and eligibility criteria.

Commission disclosure within communications and promotions is a key area of the recent changes under PS20/8. Please make sure you align to this, with particular reference to changes in CONC 3.7

[Click here to view CONC 3.7](#)

You should also ensure you are now fully compliant with the FCA policy statement PS14/18 on credit broking and fees. Again, your Evolution Account Manager can provide further information in this area if required.



Distance Sales

If your dealership conducts regulated credit activities that are made at a distance then you must ensure that you comply with all regulations and legislation.

CONC 2.7 details the rules that you must follow when conducting regulated credit sales at a distance. The rules in CONC 2.7 require a firm to ensure that a customer is in good time given all necessary pre- contractual and contractual information in a durable medium required before entering into a credit agreement.

CONC 11.1 details rules around the customer's right to cancel a distance contract and the intermediary and lender's obligations to communicate this to a customer. All regulated consumer credit agreements have to comply with section 66A of the Consumer Credit Act and offer the customer the right to withdraw from the credit agreement. As such, the right to cancel under CONC 11.1.1R does not apply unless the credit intermediary or funder breaches CONC 11.1.2R (2) or (3) and fails to disclose as required in CONC 2.7.6R to the customer their contractual terms and conditions, including the right to withdraw from the credit agreement.

The FCA will expect that your dealership has processes and procedures in place to ensure you meet with the above requirements.

You must disclose where any customer plans to use a distance sales process as it is vital we check the funder's documents can be signed off trade premises and that additional enhanced due diligence checks are completed. Evolution's Sign Anywhere journey will ensure that adequate proofs are captured and the process is followed to prevent fraud and money laundering.

You should ensure your distance sales processes (including click and collect) work with the rules of the Consumer Rights Act 2015.

[Click here to view the Consumer Rights Act](#)

Commissions

You must ensure all your commission disclosures meet the FCA requirements as outlined in CONC 4.5.3.

4.5.3 states:

A credit broker must prominently disclose to a customer in good time before a credit agreement or a consumer hire agreement is entered into, the existence and nature of any commission or fee or other remuneration payable to the credit broker by the lender or owner or a third party, where the existence or amount of the commission, fee or other remuneration could actually or potentially:

(1) affect the impartiality of the credit broker in recommending the credit agreement or the consumer hire agreement; or

(2) if made known to the customer, have a material impact on the customer's transactional decision to enter into the credit agreement or the consumer hire agreement.

Further details on the above can be found in CONC 4.5 on commissions.

[Click here to view CONC 4.5](#)

Evolution operates either fixed rate or credit score-based pricing commission packages with our dealers for our prime business. Where customers are placed with one of our niche and rate for risk funders, each funder will assess the customer using their own risk-based approach.

Your account manager is able to supply you with the information you need to evidence the commission you receive meets your regulatory requirements.

If you use more than one funder or broker in the placement of your finance business, you must ensure your own processes and procedures meet the requirements outlined in CONC 2.5.8 (Unfair business practices: Credit Brokers). We would like to highlight two rules which are key to this:

A firm must not:

(12A) secure credit for a customer at a higher rate of interest than was requested, where the object of doing so is for, or can reasonably be concluded as having been for, the personal gain of the firm or of a person acting on its behalf, rather than in the best interests of the customer.

(13) give preference to the credit products of a particular lender where the object of doing so is for, or can reasonably be concluded as having been for, the personal gain of the firm or of a person acting on its behalf, rather than in the best interests of the customer.

Changed Customer Outcomes

We believe that the FCA principle of TCF is not designed to encourage you to treat everybody the same, but it is designed to ensure we all treat similar customer and asset risk profiles in a consistent, fair and transparent manner.

We evidence TCF (where applicable) by ensuring the loan is both affordable and suitable, the cost of credit and any limitation of that credit agreement have been clearly explained to the customer, and that the basis of this loan offer is made free from conflict of interest.

Evolution have controls in place to enable us to evidence how we meet the FCA's expectations of breaking the strong link between customer interest rate and broker earnings, whilst ensuring we treat each customer fairly using the most appropriate outcome from our wide panel of funders.

This can be achieved using a combination of our process and procedures for underwriting, soft search capability using IQ, agreed dealer commission scales, and improved communications and recording of sales interactions with customers.

For further details please refer to our TCF policy statement (Appendix 1) and Underwriting TCF statement (Appendix 2).



Vulnerable Customers

The FCA defines a vulnerable consumer in its 2017/18 Business Plan as:

“Someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care.”

Evolution’s Approach

There are seven key recommendations of the CONC sourcebook (CONC 2.10G) that stand out to us (under Principle 6) when dealing with all our customers:

- 1** We presume that all customers have the mental capacity to make a decision about the loan unless anything indicates otherwise (CONC 2.10.4G).
- 2** We will act on knowledge (past or present), observations, belief or suspicion that a customer has a limited mental capacity (CONC 2.10.125G, 2.10.5G, 2.10.8G).
- 3** Provide support (where possible) to the customer to make a decision following identification (e.g. more time, clearer information) (CONC 2.10.12G).
- 4** We are aware that mental capacity and mental illness differ (CONC 2.10.6G).
- 5** Our policies and procedures are in place to manage customers with capacity limitations (new and arrears customers) (CONC 2.10.10G).
- 6** We accommodate all channels of communication, including telephone, face-to-face, online (CONC 2.10.14G).
- 7** Customers are allowed to make unwise decisions but they have a right to be protected when they are unable to make these decisions and we endeavour to help them with this (CONC 2.10.13G).

[Click here to view CONC 2.10](#)

At Evolution Funding we make our staff aware that any customer can be vulnerable, at any time, for one or many reasons, be they financial, coercion, lack of understanding, etc.

This can include examples such as:

- Mental or physical infirmity.
- Learning difficulties.
- Illiteracy and/or if English is not their first language.
- Recent change of circumstances – financial, bereavement, divorce, etc.

We work with our staff to identify, support and protect potentially vulnerable customers through day-to-day and formal training. We also have a programme of monitoring our handling of those customers.

We will ensure access to all our products and services are equal to all persons, whilst weighting responsibility towards ensuring that people who are considered vulnerable are appropriately supported and advised. Should this situation arise and it becomes obvious that the information we provide to the customer is not being understood then we will ask the customer to seek the involvement of a trusted friend or relative before proceeding.

A customer can be classed as vulnerable and susceptible to detriment at any point in the customer journey including but not limited to the application process, sign up, pre-qualification call, pay-out security call, complaints and collections.

Your Account Manager is your point of contact for the oversight of and any remedial action required from the identification of a vulnerable person that may involve your dealership.

We use recognised frameworks to train and assist our staff to identify potentially vulnerable customers and to help them handle those customers in an appropriate manner.

We also complete security calls on a significant percentage of our customers, including those we identify may require enhanced due diligence due to their age, occupation, or the level of borrowing. Through these calls we confirm details of the agreement with the customer, establish if they fully understand the loan, that it is affordable to them and they are happy to proceed.



Dealer Responsibilities

Vulnerability

As one of our approved dealers you should also be able to demonstrate to us if required that you take steps to identify potentially vulnerable consumers and that you will work with us to ensure you do not inappropriately sell finance to them.

If vulnerable customers are not identified by lenders, these can result in detriment including borrowing and lending that results in 'later downstream' financial difficulty and problem debt.

You should be aware that some consumers may not ask questions about the finance they are being offered because they lack confidence or because they are afraid of being embarrassed. You have a responsibility to ensure consumers are in full possession of all the facts.

This not only benefits consumers but it could potentially reduce the number of cancelled finance agreements.

Evolution Motor Finance use a protocol called BRUCE to assist our staff in identifying indicators of potential vulnerability.

These are:

Behaviour and talk
Remembering
Understanding
Communicating
Evaluating

If you ever have any concerns about a customer or potential customer at any point, please contact our compliance function on:

compliance@evolutionfunding.com

For further reading, we recommend the following papers on consumer vulnerability:

- Vulnerability: a guide for lending (June 2017) by the FLA and The UK Cards Association.
- Consumer Vulnerability (February 2015) by the FCA.

The FCA have recently published their final guidance to help firms in the fair treatment of vulnerable customers.

Details of the guidance can be found through the link below:

[Click here to view FG21/1](#)

Complaints

You must have a complaints procedure in place and documented. Your staff must be trained in these procedures and you must have clear management control for monitoring of complaints.

There are strict regulatory requirements around how complaints are handled and these should be incorporated into your sales process and procedures.

Your complaints procedures should be made available to your customers to access if required.

Where a complaint is made to a funder or directly to Evolution, you will receive an email and letter from us and following that a member of our complaints team will contact you within 48 hours to establish the course of action you are taking. If a resolution has not been reached within 10 days your account manager will be in touch with you, unless they have an arranged visit sooner.

Evolution expects dealer partners to notify us as soon as possible about any complaint received by your dealership that relates to a product or service sold via Evolution, or about a complaint relating to a vehicle bought using one of our finance partner's products.

Evolution requires dealers to respond promptly to information requests made by Evolution when handling a customer's complaint. In communications of specific complaints, we will expect a response within three working days.

This is accepted as a discussion with your Account Manager or our Complaints Team about the likely action to be taken.

You will be notified of and can monitor complaints made to Evolution about your dealership via our reporting suite of management information.

The link below will provide further information on the rules relating to regulated complaints, which include complaints relating to a vehicle's quality under section 75 or 75A of the Consumer Credit Act or due to the implied terms of a Hire Purchase contract.

[Click here to view the Consumer Rights Act](#)

Anti-Money Laundering and Fraud Prevention

You must verify that a customer's identity and the address they provide is legitimate. Verifying an identity and address means checking that the documents and signatures provided by the customer are genuine and match up, and photographic identification looks like the customer providing it.

We work within the FLA standard for Fraud and Anti-Money Laundering best practice by completing customer due diligence and enhanced due diligence where necessary. We expect our dealers to work with us within this framework of 'know your customer' and 'prove your customer' when obtaining documents from the customer.

We also expect our dealers to be vigilant to the risk of forgeries, including checking that documents are clear and in good condition as well as making further enquiries of the customer where necessary.

Your Evolution Funding Account Manager can provide a list of acceptable proofs of identity and address, by funder, if required.

To comply with money laundering requirements, Evolution Funding require you to provide evidence as to how large non part-exchange deposits have been paid to you. This may involve us asking for a copy of a bank transfer confirmation/remittance from the customer showing how a non part-exchange deposit of £8,000 or more is being paid.

Training

Before any of your staff sell our products and when new products, product features, processes or procedures are launched, your staff should receive adequate training. Your Account Manager can provide you with a launch training pack if requested.

This can assist you in a number of key areas, including:

- A comprehensive guide to using our DealerZone system.
- A description of our process when you submit a customer application to us and useful checklists to aide you with a selection of our funders.
- Details of the differences between our products including Hire Purchase, Personal Contract Purchase and Fixed Sum Loan agreements.

- The Management Information we make available to you to assist your business.
- Details and contact points for our teams ready to support you.

You must also track and record all training undertaken. Your Evolution Account Manager is available to provide additional systems and product training relating to the use of DealerZone and the sale of our products.



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Appendix 1

Treating Customers Fairly (TCF) Policy Statement

What is Treating Customers Fairly?

Officially, a UK firm regulated by the FCA “must pay due regard to the interests of its customers and must treat them fairly.” For Evolution, this is not a regulatory tick-the-box exercise – it is at the heart of our group Visions and Values, who we are, what we do and how we do and conduct ourselves in our daily interactions with all of our customers.

We recognise that we must continue to ensure TCF is integral to our products, our service and our operations and that, to treat our customers fairly, we need to abide by the six TCF regulatory outcomes and five conduct rules introduced as part of the Senior Management and Certification Regime (SMCR).

Desired consumer outcomes of TCF

The FCA has outlined six core consumer outcomes that it wishes to see as a result of the TCF initiative.

These are:

- **Outcome 1** - Consumers can be confident that they are dealing with firms where the fair treatment of customers is central to the corporate culture.
- **Outcome 2** - Products and services marketed and sold in the retail market are designed to meet the needs of identified consumer groups and are targeted accordingly.
- **Outcome 3** - Consumers are provided with clear information and kept appropriately informed before, during and after the point of sale.
- **Outcome 4** - Where consumers receive advice, the advice is suitable and takes account of their circumstances.
- **Outcome 5** - Consumers are provided with products that perform as firms have led them to expect, and the associated service is of an acceptable standard and as they have been led to expect.
- **Outcome 6** - Consumers do not face unreasonable post-sale barriers imposed by firms to change product, switch provider, submit a claim or make a complaint.

Conduct rules

Since December 2019, as an FCA solo regulated business our staff also fall under the conduct rules. These are:

Rule 1 – You must act with integrity – This is the expectation that individuals will deal honestly with their colleagues, with customers and the regulator.

Rule 2 – You must act with due skill, care and diligence – This is the expectation that individuals will act with the skill and care that would be reasonably be expected of a competent individual performing the role which they are engaged to follow.

Rule 3 – You must be open and cooperative with the FCA, the PRA and other regulators (ICO etc.) – This is the expectation that individuals will respond fully and honestly to any enquiries made of them by regulators.

Rule 4 – You must pay due regard to the interests of customers and treat them fairly – This rule expects that individuals will treat customers fairly and act in their interests. This rule is about individual accountability and enables the FCA to take action against any individual who does not meet this expectation.

Rule 5 – You must observe proper standards of market conduct – This is the expectation that individuals will follow the rules and standards of the markets in which they operate. In particular that individuals will not try to manipulate these markets to achieve an advantage.

Key milestones in embedding TCF into our business

- In 2011 the Senior Management Team created the Groups “Mission Statement”.
- In 2011 the Senior Management Team defined the groups visions and values and what they meant to the business.
- In late 2011 the business created and engrained into its culture modular training courses for all internal and external staff. The very first course every one attended was “Vision and Values and what this means to Evolution”. This course enabled all our staff members to help define and contribute to the values and actions that deliver these values.
- In 2015 we created our Underwriting TCF Statement that outlines how our underwriting processes, both automated and manual, ensure customer outcomes are at the heart of our strategy, ahead of all other factors.
- On 9th December 2019 we saw the introduction of the conduct rules to the business under Senior Management and Certification Regime (SMCR). All staff members will attend a training session by 31st March 2021 to understand their responsibilities and how their individual role links to the conduct rules.
- In January 2020 the business introduced a new set of vision and values to the business. To support the vision a new mission defining ‘how’ we achieve our vision was also introduced.

Our Mission Statement & Vision

- Our vision, mission and values help staff understand the direction and aspirations of the business, and the behaviours and mindset that will help us accomplish our goals. By working together with a shared focus, our aim is to create a culture which supports the future growth of Evolution Funding.
- Our previous vision had been in place for eight years and over that time, both the motor finance market and the company have evolved. A new and even bigger vision was needed to align Evolution with where the market is going, and where we want to be within it.
- All new staff members are invited on our vision and values day within 6 months of joining the business.
- Central to our TCF journey is having products, processes and policies that ensure we deliver leading outcomes for all our stakeholders including our customers. Customer outcomes are at the heart of our values.

TCF is a key factor in the completion of our departmental audits. This includes:

- TCF Underwriting (separate policy in place for this).
- Arrears audits – within our monthly audit of our Evolution Loans customers that are in arrears, we monitor for TCF. This includes arrangements and how or when we communicate with the customers.
- Enhanced due diligence – focusing on the customers with a higher chance of vulnerability.
- Audit sample of our new customers.
- Automated incident management where any staff member can highlight when a customer has any problems or concerns.

Our Vision

To lead change, digital innovation and excellence in motor finance.

Our Mission

To evolve motor finance by delivering partner solutions that enable exceptional customer experience and choice.

- To be fair and transparent to all consumers, regardless of credit score.
- To intermediate £1 billion in consumer advances via our platform.
- To enable 1:5 used car funding transactions via our digital solutions.



Our Values

Taking our six core TCF vision and values in turn, our response can be summarised as follows:

	Values		What this means in Evolution
1	Be excellent and do the right thing, always		Customers can expect that we will act with integrity, honesty and fairness in all dealings and interactions.
2	Spread optimism		Customers can expect that in dealing with our partners, we place fair customer outcomes central to the development of these partnerships. From the design of products and services to monitoring complaints and cancellations, we work to place the customer at the heart of our partnership.
3	Work fearlessly		All our people are provided with high levels of training and development to ensure they are appropriately skilled to deliver the right levels of customer service and fair outcomes for customers.
4	Fuel growth and innovation		Exceptional results and success come from exceptional customer service and Evolution looks to deliver high quality service to our customers.
5	Be cooperative and collaborative		Work across the customer journey as an organisation with the objective of ensuring positive customer experiences and outcomes.
6	We are all customers		Customer journey and products are designed with 'would I be happy with the service that we're offering' in mind. Making us think about customer service and making sure we give good outcomes to customers.

Investment in training and development, e-learning modules and a group intranet help embed TCF into our culture, employees and daily processes.

Looking to the future

We continue to refine the policy and best practice around TCF and customer conduct. We review and act on both regulatory recommendations, changes and relevant internal management information, to give the best possible outcome for the customer.

Above all, at the heart of everything we do, lies an unshakeable commitment to our customers.

Appendix 2

Underwriting TCF Statement

Treating Customers Fairly is at the heart of our strategy for placing customers with lenders, either in the design of our automated systems or via manual underwriting by Evolution employees. Our primary objective is to achieve the best outcome for the customer and adhere to FCA Principle 6.

Customers are assessed and placed with lenders based on factors including credit score, residential and employment status, credit reference data, the asset being funded and the lend and term required.

Commission earnings for either the motor retailer or Evolution are never used as a primary determinant in the placement of a customer to a lender, and this is mirrored in our underwriting mission statement:

“To underwrite proposals accurately and efficiently to ensure the best outcome for our customers.”

Customers are proposed to the lender that best meets their circumstances based on the proposal data received from the introducing dealer; if 2 or more lenders match these circumstances, then the lender offering the best customer outcome based on the overall cost of the credit (APR) will be selected regardless of commission earning to Evolution or the introducing dealer.

Customers are always considered for the product they have applied for and would only be offered an alternative based on them having failed to meet the eligibility requirements for their chosen product, or Evolution having assessed their needs and circumstances as being unsuitable for that product.

Evolution Funding Limited will never knowingly propose a customer to a lender where we have good reason to believe that the customer does not fit that lender's credit criteria.

Evolution Funding Limited will never charge the customer a fee for our services. Evolution Funding Limited will conduct a creditworthiness assessment on a customer before passing that customer's application to an appropriate lender. The type and sources of information required to do this will vary by applicant, depending on the circumstances, but will include all or some of the following:

- Income & Expenditure (including settlement information);
- Credit Score (including both internal and external scoring and matching solutions);
- Previous dealings;
- Credit Reference Agency data;
- Information provided by the customer and or motor dealer;
- Any future changes in circumstances that we have been informed of or would reasonably be expected to foresee.

Evolution Funding Limited will take reasonable steps to ensure any lender and lenders product is suitable to the customer's needs and circumstances based on the information disclosed to us. Any new information that becomes known to Evolution that may affect the lenders decision is always passed to the lender.

Appendix 3

Status Disclosure Document

IMPORTANT PLEASE READ



Initial Disclosure Document

Dear Customer

Please read the following document in addition to your pre-contract information. You should consider the information provided before signing your finance agreement.

Evolution Funding Limited is a credit broker, not a lender. We can introduce you to a limited group of carefully selected credit providers who may be able to offer you finance for your purchase. Our role as a credit broker is to determine which lender on our panel to introduce you to. Each credit provider may have different interest rates and charges. We do not charge you a fee for our services. We are only able to offer a range of finance products from these providers, which may be suitable for you and we will explain the key features of these products to you (or your introducing supplier will).

The introducing supplier or partner may have arrangements with other brokers or lenders and therefore you should consider the information provided to you by them.

Rates will be either fixed, based on the lender, or based on your credit score. Fixed rates are determined by our contractual agreement with the introducing supplier and the supplier cannot change this rate. Credit score-based rates are pre-set, but are also linked to your individual credit rating. Typically, the higher your credit score, the lower the APR you will receive from a credit provider.

We are **NOT** independent financial advisors. We will provide details of the products available from the lenders that we work with, but no advice or recommendation will be made. You must decide whether the finance product is right for you. We will receive payment from the credit provider for introducing you to them and we will also pay a commission to the introducing supplier or partner. The amount both parties receive could vary by credit provider, which may be a higher amount in relation to certain products compared with other products available.

The lenders we work with could pay commission at different rates. However, the amount of commission that we receive from a lender does not have an effect on the amount that you pay to that lender under your credit agreement. We run a number of different commission models depending on the arrangements that we have agreed with the lender and in turn agreed with our supplying introducers. The commission received is either a fixed fee or a percentage of the amount you borrow, which means the payment we receive may vary depending on the amount you borrow and the term the loan is borrowed over. This may also mean that the more you borrow the more the introducer is paid. Our commission, or that of the introducing supplier/partner, will not influence the interest rate that you will pay with a lender. Details on the amount of commission are available on request.

For more information regarding the statement above please ask your supplier.

Financing your purchase - Frequently Asked Questions

Who are we?

Evolution Funding Ltd. Company registration number 11354996. Our registered address is Thompson Close, Chesterfield, S41 9AZ.

What can we do to help finance your purchase?

We are authorised and regulated by the Financial Conduct Authority for credit brokerage. Our FCA number is 823324.

Can we give you independent financial advice?

We are **NOT** independent financial advisors. We will provide details of the products available from the lenders that we work with, but no advice or recommendation will be made. You must decide whether the finance product is right for you.

Using your personal data

Please read our **Privacy Notice** as your personal data is being processed by Evolution Funding Ltd.

We use your personal data in order to:

- Support a number of specific steps before you enter into a contract for vehicle finance (loan agreement) with your chosen finance company; and
- Ensure that our legitimate interests as a finance broker are protected.

Our **Privacy Notice** can be found at web.evolutionfunding.com/privacy-notice/

Further information

If you have any queries regarding the agreement you are entering into, please contact our Dealer Support Department at dealersupport@evolutionfunding.com or by telephone on **01246 458 800**.

What can you do if you have any concerns about our services?

If you have any concerns, please contact us in the first instance by writing to us at: **Resolutions Department, Evolution Funding Ltd, Thompson Close, Chesterfield S41 9AZ**, emailing us at help@evolutionfunding.com or by telephoning us on: **01246 458 812**.

You have the right to refer any unresolved complaint to the Financial Ombudsman Service:
Exchange Tower, London, E14 9SR.

Web: www.financial-ombudsman.org.uk

Telephone: **0800 0234 567**



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compliance@evolutionfunding.com
www.evolutionfunding.com

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