

Dear Valued Dealer,

As you will no doubt be aware, under the FCA Consumer Duty, manufacturers of finance products (typically, this means lenders) are required to carry out a review of the products they offer to ensure that they offer fair value and good outcomes for customers.

In addition, manufacturers have also been required to share a summary of the outcome of those product reviews with distributors of financial services products (typically, this means brokers and retailers).

'Dear CEO' Letter

Distributors of financial products have their own obligations in relation to how manufacturers' finance products are provided to customers. As such, for each of the lenders that you offer finance products to your customers, you should;

- understand the characteristics of the lenders' products
- understand the 'target market', this means the type of customers and their needs that the lenders' products are designed for
- consider the needs of your customers, and whether they fit with the lenders' target market
- ensure that you are distributing the lenders' products in accordance with the lenders' target market and distribution strategy (including ensuring you are not providing products to any customers that any lender has confirmed that its products are not suitable)

The FCA has produced guidance for firms in relation to the implementation of the Consumer Duty, this can be found via the following link (in particular, see the guidance for distributors starting at page 63);

[FCA Guidance on Consumer Duty](#)

In addition, the FCA has a specific Consumer Duty related section on its website that offers additional information and guidance, this can be found via the link below;

[FCA Website Consumer Duty Pages](#)

We hope you find this information useful, if you have any questions, please contact us via your account manager or email compliance@dsgfs.com

Best regards,
Compliance Team

