

E.L.I. LTD.
EAST LoTHIAN INVESTMENTS Ltd.

Developing a modern East Lothian

Consumer Principle Policy

This policy should be read and carried out by all staff who undertake collection procedures within the business.

Board of Directors approval date	August 2022
Reviewed date	
Reviewed date	
Reviewed date	
Review lead	Manager ELI Ltd

*East Lothian Investments Ltd, Registered in Scotland No:187674, Registered Office,
John Muir House, Haddington, East Lothian EH41 3HA.
Authorised and regulated by the Financial Conduct Authority*

Definition: - for the purpose of this document the term “Retail Customers” covers and means all applicants for interest free loans to ELI Ltd (The Company)

1. Purpose

As a not for profit company, limited by guarantee, the purpose of this policy is to protect the integrity of East Lothian Investments Ltd (SC187674) (“the Company”) decision-making process.

To enable loan applicants to have confidence in the company’s integrity, and to protect the integrity and reputation of Directors of ELI and East Lothian Council employees involved in the company.

The company will act in the best interest at all times of its retail customers and have a clear focus on the impact of the company’s actions on consumers. This will include ensuring that retail customers have all the information in clear language to enable them to make decisions in their best interest.

This purpose of this policy will be underpinned by a range of cross cutting rules:

The Company must act at all times in good faith towards retail customers.

The Company must avoid foreseeable harm to retail customers.

The Company must enable and support retail customers to pursue their financial objectives.

The Company must focus on the diverse needs of their retail customers at every stage.

The Company must always put good retail customer outcomes at the centre of its business.

2. Scope

The policy relates to the Companies Manager, Board of Directors and any administrative support provided by East Lothian Council.

3. FCA measurements

This policy will be measured by the FCA against 4 retail customer outcomes as follows:-

3.1 Products and services

All products and services for retail customers are fit for purpose and are designed by the Company to meet the relevant customers' needs and targeted at those customers.

For example, in the design process, the FCA expects firms to take account of expected behavioural biases for customers, and aspects of the product that may deter customers from acting in their interests (i.e. unreasonable exit fees).

3.2 Price and value

All customers must pay a price for products and services that represents fair value. The FCA expects poor value products and services to be removed from markets, leading to fewer

complaints about poor value and unexpected fees or charges. This means that the Company should ensure that the benefits of the products and services offered to retail consumers are reasonable, relative to their price and represent fair value.

The current product offering of interest free loans with a 5% arrangement fee is viewed by the Company as fair value when considered against commercial lending in the marketplace.

3.3 Communications

The Company's communications must support and enable customers to make informed decisions about the financial products and services that are offered. Customers must be given the information they need, at the right time and presented in a way that they can understand.

This must cover all the Company's communications with retail customers across all mediums and for the full lifecycle of the product offered.

The FCA expects the Company to consider the cross cutting rules when approving or reviewing any communications to customers, and the Company is expected to monitor how these communications are received/performed in order to determine whether they are consistent with the FCA's desired outcomes.

In practice, the Company must consider the level of management information that they receive on their communications and consider enhancements going forward in order to meet FCA regulatory expectations.

3.4 Customer service

The Company must provide a level of support that meets / exceeds the retail customers' needs throughout their relationship and applies to all aspects of the Company's interaction.

The Company will need to design their customer service processes to avoid customers suffering, including either costs, or non-monetary costs (i.e. the expenditure of time/significant effort).

The Company will undertake annual customer satisfaction surveys with all retail customers.

4. Implementation

The responsibility for implementation rests with the Companies Manager and all policies, loan form application, guidance documents, marketing, promotion and satisfaction surveys are to be reviewed on an ongoing basis based on the cross cutting themes as well as the FCA measurement and reported to the board accordingly.

A customer duty of care has been developed and is attached as appendix A. This policy and duty of care will be provided to all retail consumers.

This policy is meant to supplement good judgment, and staff and Directors should respect its spirit as well as its wording.

Appendix A – Customer duty of care

East Lothian Investments Ltd commitments to our retail customers

- We will lend responsibly and treat your business fairly and reasonably at all times.
- We will ensure that all information we provide about our loan offering and how it works is clear and understandable so that you can decide if it is best for your business' needs.
- We will provide clear, upfront information on the documents required to support an application including a checklist. Taking account of this will help to ensure that we can deal with your application efficiently.
- If we are unable to approve your application, we will explain why and provide a referral, where appropriate to business support programmes such as the Business Gateway.
- If your application is declined you have the right to appeal the decision within 6 months of refusal.
- We will set out any requirements/conditions we may have to support any borrowing in a clear, understandable way.
- We will confirm the conditions of your business borrowing in writing and highlight any covenants or material conditions attached to it.
- We will clearly set out the type and frequency of information we will require to monitor the business' performance.
- If your business experiences difficulties, we will seek to understand the overall circumstances to try and identify suitable and pragmatic solutions.