

How you can prepare for FCA authorisation

As the motor finance industry readies itself for full FCA authorisation, Alphera Financial Services is offering dealers and brokers a helping hand

It is six months since the Financial Conduct Authority (FCA) took over regulation of consumer credit. Following the initial flurry of interim permissions, the motor finance industry is gearing up for full authorisation.

Andy Gruber, director at independent motor finance provider ALPHERA Financial Services, believes the opportunity for dealers and brokers is substantial: "The changes coming into play under the FCA give the motor trade the chance to 'up our game' even further, focusing on the customer and putting in place an environment in which we can all benefit.

"It's a 24/7 retail world and we all have to work even harder to provide a top-level service that keeps people coming back. If dealers and brokers succeed in putting the customer at the heart of their business, our experience shows that the upside can be tremendous."

The industry viewpoint

Alphera has run a series of roadshows with dealers and brokers across the UK to talk through the authorisation process. Grant Perks, sales compliance specialist at Alphera, looks at some of the feedback:

1 Which application should I complete?

The FCA has recently released a decision tool to provide guidance to dealers and brokers, entitled Credit Ready. This is available on the FCA website.

2 I think I'm already doing a good job, but how can I prove this?

It isn't enough to have a customer-centric approach; you also need to be able to provide evidence of how you achieve good customer outcomes. As such, it is important to have management information and reporting in place.

3 This is the first time I've thought about the risks my business faces

To achieve consistent growth, it is important to identify the risks and look for ways of mitigating them, of planning for the unexpected. For example, do you have succession plans in place?

4 Do I really need a business continuity plan?

Yes. Have you thought about how your business will survive an event affecting the ability to use your business premises or a complete loss of your IT systems?

5 Is any additional training required?

You will need to ensure that your staff have the skills, knowledge and competence to complete their tasks.

6 How much compliance monitoring do I need?

You will need to have sufficient monitoring not only to satisfy yourself that you are operating in a compliant manner, but also to satisfy the FCA.

Next steps – a helping hand

The final Alphera roadshow in the nationwide series will take place in Sutton Coldfield, Midlands, on Wednesday, October 8. The packed agenda

will continue to focus on applying for FCA authorisation, with an interactive day offering guidance in preparing your business plan, greater detail on the compliance manual, identifying business risks and mapping customer journeys to identify and measure conduct risks.

On Thursday, October 9, Alphera's FCA readiness manager, Martin Parr, will co-host a webinar with AM editor Jeremy Bennett to help dealers and brokers navigate the FCA application process.

Parr says: "As we've seen from our recent roadshows, there is still a degree of uncertainty in the marketplace. With this webinar, we're hoping to provide greater clarity around elements such as the business plan, compliance manual, risk management and the conduct journey."

In addition, Alphera's Andy Gruber will deliver the keynote address at the AM F&I Compliance Conference at the Oxford Belfry on November 18. For more information or to book a place, visit www.amfandicompliance.co.uk.



To register interest in the roadshow, webinar, or to contact the Alphera team, please email fcareadiness@alphera.co.uk, visit www.alphera.co.uk or call 01256 747 824.



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