

## Product sale

**Customer outcome:** business customers will only be provided with a product that is deemed affordable and which meets the requirements of the business.

**Firms will achieve this:** with systems and controls that ensure the sales process, training and incentives promote the right behaviours and direct their employees, or their agents, to deliver the right customer outcome.

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1. Firms should ensure that customers are provided with clear guidance on the information and documentation they will need to submit during the application process.
2. Firms should inform the customer of the likely time it will take for a lending decision to be made. Following receipt of the required completed documentation, firms should ensure that customers are kept informed of the progress of their application.
3. Where applicable, customers are informed that checks may be made at Credit Reference Agencies and that information may also be provided to Credit Reference Agencies during the life of the borrowing.
4. Before providing any form of credit, granting a limit or increasing the customer's borrowing, firms should assess, from the information available at the time, whether the customer will be able to repay it in a sustainable manner without incurring financial difficulty.
5. If a firm offers a product which includes an indicative quotation facility, it should provide the customer with clear information as to what this is, and that any quotation provided will be linked to the customer's financial circumstances.
6. Firms providing a credit card product should present information about the main features of a credit card in summary box form, where appropriate.
7. At the point of sale, firms should provide clear information to the customer regarding the key features of a product and any breakage or early repayment fees/costs associated with it. This information should be made available to the customer upon request, throughout the lifetime of the borrowing.
8. Firms should inform the customer if any security, for example, a guarantee/debenture/indemnity, is required to support the borrowing or other liabilities and the reason why. The level of security required by the firm should be appropriate to the amount borrowed.
9. Firms should ensure that the customer is provided with clear information on the circumstances under which the security will be released. The security should not be relied upon beyond the life of the borrowing.
10. Firms should confirm the conditions of any facility in writing and recommend that the customer seeks independent advice before accepting the facility.

11. Firms should ensure that customers are kept informed of the estimated timescales which may apply to the issuing of facility letters or for obtaining any security that may be required to support the borrowing.
12. Before a customer accepts the facility, firms should agree with the customer as to what form of monitoring information they will require about the business' performance and how often this will be required.
13. If an individual or a business agrees to be a guarantor or to provide an indemnity, the firm should make the individual/business aware of their obligations under the agreement and that they have the option to seek legal advice, should they wish to do so.
14. Firms should not accept unlimited guarantees from an individual/business unless it is to support a customer's liabilities under a merchant agreement<sup>2</sup>; however other forms of unlimited third party security may be taken, if available.

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<sup>2</sup> A contract between a business and a credit card service provider.