

1. Introduction

At TCS Trade Car Sales (Midlands) Ltd, we are unwavering in our commitment to transparency, integrity, and the fair treatment of our customers. In alignment with this commitment, we have instituted this Commission Disclosure Policy. This policy is meticulously designed to ensure that our customers are fully informed about any commissions or fees that may be received by our firm in connection with the financial products and services we offer.

By providing clear and comprehensive information regarding such commissions, we aim to foster trust, facilitate informed decision-making, and uphold the highest standards of ethical conduct in all our dealings.

2. Purpose and Objectives

The primary purpose of this policy is to establish a structured and transparent framework that:

Ensures Full Disclosure: Clearly communicates to customers the existence, nature, and amount of any commissions or fees received by TCS Trade Car Sales (Midlands) Ltd in relation to financial products or services provided.

Promotes Informed Consent: Guarantees that customers are furnished with all pertinent information regarding commissions prior to entering into any financial agreement, thereby enabling them to make well-informed decisions.

Enhances Transparency and Trust: Cultivates an environment of openness and honesty, reinforcing customer confidence in our business practices and commitment to ethical standards.

By achieving these objectives, TCS Trade Car Sales (Midlands) Ltd aspires to maintain and enhance the trust placed in us by our customers, ensuring that all interactions are conducted with the utmost integrity and transparency.

3. Scope

This policy is applicable comprehensively to:

All Financial Products and Services: Encompasses all financial offerings provided by TCS Trade Car Sales (Midlands) Ltd, including but not limited to vehicle financing, insurance products, and any ancillary services that may involve the payment or receipt of commissions.

All Employees and Representatives: Applies to every staff member and representative of TCS Trade Car Sales (Midlands) Ltd involved in the sale, recommendation, or provision of financial products and services, ensuring a unified approach to commission disclosure.

4. Regulatory Frameworks

Our Commission Disclosure Policy is meticulously aligned with the directives and guidelines

promulgated by the Financial Conduct Authority (FCA) and recent legal precedents, specifically:

FCA Policy Statement PS20/8: This policy statement mandates that credit brokers, including vehicle dealers and motor finance providers, must disclose the existence and nature of any commission arrangements to customers in a timely and transparent manner. The disclosure should occur before the customer enters into a credit agreement or consumer hire agreement, ensuring that customers are fully aware of any potential conflicts of interest.

Court of Appeal Ruling (October 2024): The Court of Appeal determined that brokers, such as car dealers, are obligated to explicitly disclose to their customers any commissions received from finance lenders. This ruling emphasizes the necessity for transparency, ensuring that consumers are fully informed of potential conflicts of interest when entering into finance agreements.

5. Disclosure Principles

In adherence to regulatory requirements and our commitment to ethical conduct, TCS Trade Car Sales (Midlands) Ltd will ensure that:

Timing of Disclosure: Customers are informed about the existence and nature of any commission arrangements well in advance of entering into any financial agreement, providing them with sufficient time to consider the information.

Method of Disclosure: Disclosures are made in a clear, concise, and prominent manner, utilizing written documentation to ensure that customers can easily understand the information provided.

Content of Disclosure: The disclosure will include details about the existence of the commission, the identity of the payer, the amount or method of calculating the commission, and how the commission arrangement may affect the amounts payable by the customer.

6. Procedures for Commission Disclosures

To operationalize this policy, TCS Trade Car Sales (Midlands) Ltd will implement the following procedures:

Standardized Disclosure Statements: Develop and utilize standardized templates for disclosing commission information, ensuring consistency and comprehensiveness across all customer interactions.

Employee Training: Provide regular training sessions for all employees and representatives involved in the sale or provision of financial products and services, ensuring they understand the importance of commission disclosure and are proficient in conveying this information to customers.

Documentation and Record-Keeping: Maintain detailed records of all disclosures made to customers, including copies of disclosure statements and acknowledgments of receipt, to demonstrate compliance with regulatory requirements and facilitate future audits.

7. Customer Rights and Acknowledgments

TCS Trade Car Sales (Midlands) Ltd recognizes and upholds the rights of customers to:
Request Further Information: Customers are entitled to inquire about the specifics of any commission arrangements related to the financial products or services they are considering, and we are committed to providing comprehensive and transparent responses to such inquiries.

Provide Informed Consent: Prior to the execution of any financial agreement, customers will be asked to acknowledge their understanding of the commission disclosure, ensuring that their consent is both informed and voluntary.

8. Monitoring and Review

To ensure the ongoing effectiveness and relevance of this policy, TCS Trade Car Sales (Midlands) Ltd will:

Regular Monitoring: Continuously monitor compliance with this policy through internal audits, customer feedback, and regular reviews of disclosure practices.

Periodic Policy Reviews: Conduct comprehensive reviews of the Commission Disclosure Policy at least annually, or more frequently if necessitated by regulatory changes or operational developments, to ensure alignment with current laws, regulations, and industry best practices.

Continuous Improvement: Utilize insights gained from monitoring and reviews to refine and enhance our disclosure practices, ensuring they remain effective, transparent, and customer-centric.