

# Consumer Duty Distribution Guide

## Partnerships & Direct



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Distribution Channels	Partnerships & Direct

## 1. Distribution Arrangements

### 1.1 Distribution arrangements: overview

Propel provides asset finance to UK business customers to acquire equipment and vehicles. The Propel Partnerships & Direct channel distributes Propel's products to customers either directly or through an introduction from a strategic partner. Propel does not offer customers advice, nor can customers access products through this channel other than those manufactured by Propel.

Customer understanding is an integral part of creating an environment in which customers can pursue their financial objectives. Propel, therefore, presents the product information including rates, terms, amounts and other relevant details directly to the customer. Propel provides several convenient ways for customers to get in touch with them, according to the distribution channels they use. The process from the time of customer application to the time they receive funds varies depending on the complexity and size of the application, but typically credit decisions will be made and notified within 24 hours and documents raised by the end of the following day upon receipt of invoices. Payment of invoices and inception of the customer agreement is typically made within 24 hours of receipt of final, complete documentation.

Propel's Partnerships & Direct channel introduces customers either directly through an API (Application Programming Interface) from the distributor's system or by email, telephone communication or a face-to-face meeting. The application details are then entered into Propel's front-end technology platform, Propeller. Once a customer has applied to Propel, the customer journey from the point of enquiry and initial data submission onwards is controlled by Propel and follows a standard process.

### 1.2 Unsuitable/inappropriate distribution arrangements

Propel's product is not suitable for retail customers and should not be sold in a customer's home. Propel's products are not to be packaged with other finance/insurance products. If a Propel product is to be offered with any element of inducement, e.g. preferential rates or other benefits, this should only be done after consultation and explicit agreement with Propel.

### 1.3 Overview of Partnerships & Direct channel operation

#### Partnerships

Propel works with the partner's customer-facing teams who generate customer referrals.

Propel receives referrals typically through its technology platform, Propeller, or through email. These proposals outline the finance referrals for the assets that a customer wishes to obtain.

When Propel receives a referral, they interact directly with the customer (not the referrer) to understand their finance needs. Propel owns the customer relationship from the point of referral; and keeps the partner updated on the relevant stage of the customer application.

Propel's credit team reviews the application; and the customer is notified of the credit decision. If the customer is approved for finance, they complete documentation with Propel that outlines the terms of the asset finance agreement.

Propel requests the equipment invoice either directly from the supplier of the equipment, or through the customer. Following Propel's Know Your Customer (KYC), Know Your Supplier (KYS) and other regulatory checks, Propel pays the supplier.

When the agreement has been activated, Propel issues a Welcome Pack to the customer.

#### Direct

Propel identifies customers with asset finance needs; and interacts directly with the customer to understand their requirements. Propel owns the customer relationship; and keeps the customer updated with the progress of their application.

Propel's credit team evaluates the application, and once the review is complete, the customer is informed of the credit decision. If the offer is accepted, the customer and Propel complete the necessary documentation, which outlines the terms of the contract.

Propel requests the equipment invoice either directly from the equipment supplier or from the customer. Following Propel's Know Your Customer (KYC), Know Your Supplier (KYS) and other regulatory checks, Propel pays the supplier.

When the agreement has been activated, Propel issues a Welcome Pack to the customer.

### 1.4 Benefits of the Partnerships & Direct channel

#### Strategic Partnerships

Customers can obtain access to financial services and products from an asset finance provider that is not available through their current relationships, such as their bank.

Propel provides referred customers with a dedicated Propel Account Manager. Customers have the option to interact with Propel either face-to-face or remotely.

Propel adheres to Service Level Agreements (SLAs) to ensure that customers receive timely communications - including prompt callbacks, credit decisions and necessary documentation.

#### Direct

Propel provides customers with a dedicated Propel Account Manager. Customers can deal with Propel either face-to-face or remotely.

Propel follows SLAs to ensure customers receive timely callbacks, credit decisions and documentation.

### 1.5 Limitations/risks of the Partnerships & Direct channel

Propel's exclusive focus on its own products means that there is no guarantee that customers will be presented with the most optimal or cost-effective option available.

Propel's business hours are Monday to Friday, from 9am to 5pm, with customer support only available during those hours.

## 1.6 Considerations for vulnerable customers

Propel's Partnership channel does not have a direct relationship with the customer at the referral stage; and therefore cannot have full visibility or knowledge as to whether a vulnerable customer has been identified & appropriately assessed at the point of referral. To address this, and when prospecting customers in its Direct channel, Propel conducts a key fact find with the customer during the enquiry stage to identify any vulnerable customer characteristics, and this continues throughout various touchpoints.

Propel has documented and implemented a vulnerable customers policy, provides vulnerable customer training, and has appointed vulnerable customer champions.

## 1.7 Identification and management of conflicts of interest

Propel has established and implemented robust ethical walls, policies & procedures to prevent conflicts of interest across its distribution channels and to ensure customer choice is not restricted.

## 1.8 Propel specific requirements on Partnerships & Direct

Propel's appointed partners must be FCA regulated. There is a comprehensive onboarding process for partners, while all partners are screened according to Propel's onboarding policy and are subject to ongoing monitoring requirements.

To ensure compliance with the FCA's Financial Promotions regulations and Propel's own Financial Promotions Policy, any partner wishing to promote Propel or its products in written form must undergo review and approval by Propel's Marketing Director.

Any specific operational requirements are documented in the legal contracts.

## 1.9 Propel resilience and recovery arrangements

Propel has robust resilience and recovery arrangements in place, supported by Business Continuity and Disaster Recovery policies & processes.

# 2. Monitoring of Partnerships & Direct Channel

## 2.1 Overview of governance and monitoring arrangements

Propel regularly monitors and reviews the performance of its partners in line with the legal contract between the parties.

Propel operates a robust governance structure, where the performance of its partnerships is reported both through specific partner governance meetings and through its Commercial Management Committee, with delegated authority from Propel's Board of Directors. The performance assessment of each of its partnerships includes but is not limited to: commercial performance, customer feedback, complaints, service level agreements and regulatory updates.

## 2.2 Intervention and escalation

As outlined above, all the partnerships performance is monitored monthly to assess that customers are receiving fair value. This assessment will include:

- application acceptance and conversion statistics to monitor that Propel's products are being offered to the correct target market
- customer arrears and delinquency statistics to ensure that the correct affordability assessments are made
- complaints data and insights to ensure that Propel's products are being adequately explained, with no distortion or inducements impacting the customer outcome

Where the incidence of the above causes any level of concern, Propel will undertake the following course of action at its discretion:

1. Investigate the issues and present the facts to the partner
2. Agree on a resolution with a specified remedy period
3. Where there is a repeated incidence of these issues, Propel may choose to restrict the partner's access to any element of its product set, including but not limited to any of its Regulated or Unregulated products for a period of time
4. Where agreed remedies are not achieved or if issues persist, Propel reserves the right to terminate the relevant trading agreement in line with the provisions of the contract

Propel's Commercial Management Committee will govern any intervention or escalation.

## Get in touch

For more details

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