

Code of Practice

Responsible finance providers are professional trusted organisations that act responsibly and treat customers fairly.

All our members are required to sign up to the Responsible Finance Code of Practice. It sets out the shared standards that all responsible finance providers must comply with.

The ten standards that members must adhere to are:

1. Clarity in respect of loan interest rates, repayment, default and cancellation arrangements
2. Customer awareness that the responsible finance provider adheres to these ten standards within the Code of Practice, in a customer-facing document published on their website
3. Legal compliance – the responsible finance provider will comply with all relevant laws, regulations and the requirements of its regulators, including the timely submission of accounts and returns
4. Clear financial processes – the responsible finance provider will adhere to financial approval and decision making processes, operate a well-managed portfolio, and its Board will monitor the finances of the organisation
5. Accountability by the Board – the Board will always act in the best interests of the responsible finance provider, representing its shareholders and/or members, and reporting back to them
6. Management of Risk – the Board will establish or ratify policies and decisions on all matters that might create significant risk to the responsible finance provider, financial or otherwise, and maintain a risk register
7. Internal controls – the responsible finance provider will maintain a set of procedures designed to protect against financial mismanagement and fraud
8. Conflicts of Interest: A responsible finance provider will manage any conflicts of interest arising out of its governance or business activities
9. Complaints: A responsible finance provider will deal honestly and efficiently with all complaints and if necessary will take part in conciliation or go to arbitration
10. Social Performance: A responsible finance provider will take steps to measure and report on its social performance

Our members are required to provide evidence that they adhere to the Ten Standards of the Code of Practice, and they must follow best practice contained in the overall Code in proportionality to their organisation size.