

FairLife Debt Advice Mark

Executive Summary

The primary reason for launching a Mark in Debt Advice is to ensure that clients who are in debt are treated fairly. The Debt Advice Mark interlinks with FairLife's other marks in the debt space and helps to form an umbrella of trust across the industry called the FairLife Family.

Consumers struggling with debt often have multiple creditors and the experience of debts being passed onto other companies can be very confusing, especially for people in vulnerable circumstances. It is hoped that consumers will be reassured when all the companies they deal with display the FairLife Mark and that this will offer some consistency when they are contacted by an unfamiliar company.

Criteria

1. The first criterion is that the debt advice service is free to the client.
This includes no cross-selling and no incentives to sell third-party products.
2. The second criterion is to follow the FCA Principles, and its rules and guidance for debt advice, when dealing with all clients, not just those cases that are subject to regulation.
3. The third criterion is to act with integrity and in the client's best interests at all times.
4. The fourth criterion is the FairLife Family and display of the FairLife Mark.
 - The licensee should seek to display the FairLife logo where practical.
 - When recommending a product or service to the client, the client should be made aware if there are providers with a FairLife Mark.

The FairLife Mark is a mark of integrity, awarded based on the provider's own declarations.

The Mark acts as a beacon, helping to guide consumers, whilst allowing competition and customer choice to flourish. Licensees are expected to follow the spirit of the fair trading initiative, as well as the tangible criteria, and to deal fairly with customers at all times.

Criteria detail and examples

The first criterion is that the Debt Advice service is free to the client.

Fee paying debt managers can be the right choice for some people, especially those who are financially capable, but incorporating these providers would risk weakening the FairLife Mark's benefit to more vulnerable customers.

The FairLife Family of debt marks are designed to protect less financially capable customers and to point those in financial difficulties toward free, good quality debt advice.

Criteria one also specifies that the licensee should not engage in cross-selling its own products to the client or be incentivised to recommend the products or services of other companies.

Notes:

1. Nothing in criteria one prevents a FairLife debt manager from referring a client to a fee paying service, or a fee charging product, if this referral is considered to be in the client's best interests.
2. Nothing in criterion one prevents debt advice groups from applying for the mark if they are part of a commercial group provided that the debt advice operation is a separate entity. The debt advice service must be free to the clients and the products of outside vendors must be considered equally with those from within the group. Any recommendation must reflect the client's best interest.

The second criterion is to follow the FCA regulations for debt advice.

The Financial Conduct Authority (FCA) does not currently regulate all debt advice, thereby depriving some clients of the benefit. A FairLife debt advisor voluntarily follows the FCA handbook in its dealings with all clients, not just those who are subject to regulated advice.

The third criterion is to act with integrity and in the client's best interests at all times.

Criterion three is a commitment to deal honestly with clients and to act in the client's best interests at all times. In particular, if the licensee is setup to facilitate a partial range of options to client problems, care must be taken to ensure that the option recommended is best for the client. The advisor must be open and transparent about the full range of options, recommending that the client speak with alternative providers where appropriate.



The FairLife Foundation



The fourth criterion is the FairLife Family and display of the FairLife Mark.

Display of the Mark

- The licensee should seek to display the FairLife logo where practical.

A key benefit of the FairLife Charity is the comfort given to vulnerable clients that all of the groups involved in their debt are part of the same fair trading initiative. This comfort is given by licensees putting the FairLife Mark on their websites and written communications.

For some firms, placing the FairLife Mark on paperwork will involve considerable management time and subsequent workload. For this reason a one year lead time is allowed from the date the Mark is adopted. If the work is likely to take more than one year to implement FairLife Ltd should be contacted.

FairLife Family

- When recommending a product or service to a client, the client should be made aware if there are providers with a FairLife Mark.

As more companies join the FairLife initiative it will become easier for licensees and clients to keep within the FairLife Family. FairLife Ltd will also work with its Mark holders to identify companies they deal with and will encourage these companies to take a FairLife Mark.

Once the FairLife Family is established many customers falling into debt will be kept within the FairLife Family regardless of how many times their debt is purchased or how many debt recovery firms are involved. This will assist debt advisors and the FairLife Charity in helping people who are struggling to pay their debts.



The FairLife Foundation



Licence fees

The Mark is free to charitable organisations and not-for-profit groups (the £1 fee is 'considered paid'). For commercial companies, the Annual licence fees are designed to be a token amount which contributes to the running costs of the charity.

Displaying the Mark and the FairLife Advert

The Debt Advice Mark may be displayed at the discretion of the organisation. Placing the Mark is only restricted if the employer sells financial products or services; the restrictions being to avoid confusion.

Employers who wish to help establish FairLife as a fair trade mark for the finance industry are encouraged to display the FairLife Advert (shown in the top left hand corner of this document) where employees, customers and members of the public can view it.

Obtaining the Mark

This information and a licence agreement can be downloaded from the FairLife website under Product and Service Marks / Debt Advice.

Contact details

Contact details for FairLife Limited and the FairLife Foundation Limited:

Telephone: 020 366 40377

Address: Unit 40A, The Grove, Hatfield, AL9 7RN

Email Addresses: admin@fairlifecharity.org

Appendix 1

The FairLife Foundation (background)

The FairLife Charity is a fair trading initiative designed to benefit everyone in the UK by improving everyday financial products and educating the public.

The charity is applying the principle of fair trading to the banks and finance institutions of the British economy; awarding its trademark logo, the FairLife Mark, to products and services that meet defined criteria. The FairLife Mark is a mark of integrity. Providers self certify and agree to follow the spirit as well as the letter of the rules.

The mark will span all areas of finance, eventually forming an umbrella of trust known as the FairLife Family, and will help to highlight minimum standards of sound practice. The Mark acts as a beacon, helping to guide consumers, whilst allowing competition and customer choice to flourish.

Together with raising standards, the FairLife Charity is encouraging companies, including those outside financial services, to make commitments in areas such as pension funding, financial education and the treatment of vulnerable customers. The criteria of these different marks can be interlinked to deliver outcomes for the public that are otherwise hard to achieve.

There are three types of FairLife Mark:

- Product and Service Marks highlight where companies have signed up to help establish fair trading in finance at the product level.
- Commitment Marks highlight where companies have made an organisational-level commitment to improve peoples' lives financially.
- Guidance & Education Marks are awarded in recognition of educating or directing the public in the responsible management of their financial affairs.

FairLife's Product and Service marks

The FairLife Mark is about putting the customer first and rebuilding the good reputation of the country's finance industry. The mark highlights firms willing to accept The FairLife Foundation as a body that will ultimately help to define minimum standards of sound practise for the finance industry. The Foundation is being gifted to the nation with a remit to represent the best interests of the public and to help grow a strong and profitable finance industry.

The criteria may be strengthened over time thereby increasing the scope and effectiveness of the mark. Firms adopting these early marks are demonstrating, in a highly visible manner, their commitment to putting the wellbeing of the public at the heart of their business.

More information is available on the charity's website at www.fairlifecharity.org.