

Chapter 1

Application and purpose and
guidance on financial difficulties

1.1 Application and purpose

Application

- 1.1.1 **G** (1) The Consumer Credit sourcebook (*CONC*) is the specialist sourcebook for *credit-related regulated activities*.
- (2) *CONC* applies as described in this chapter, unless the application of a chapter, section or a *rule* is described differently in the chapters, sections or *rules* in *CONC*.

Purpose

- 1.1.2 **G** The purpose of *CONC* is to set out the detailed obligations that are specific to *credit-related regulated activities* and activities connected to those activities carried on by *firms*. These build on and add to the high-level obligations, for example, in *PRIN*, *GEN* and *SYSC*, and the requirements in or under the *CCA*.

- 1.1.3 **G** *Firms* are reminded that other parts of the *FCA Handbook* and *PRA Handbook* also apply to *credit-related regulated activities*. For example, the arrangements for supervising *firms*, including applicable reporting obligations, are described in the *Supervision manual (SUP)* and the detailed requirements for handling complaints are set out in the *Dispute Resolution: Complaints sourcebook (DISP)*. The *Client Assets sourcebook (CASS)* also contains *rules* about client money that apply in certain circumstances.

The Principles for Businesses: a reminder

- 1.1.4 **G** The Principles for Businesses (*PRIN*) apply as a whole to *firms* with respect to *credit-related regulated activities* and *ancillary activities* in relation to *credit-related regulated activities* (see ■ **PRIN 3**). In carrying on their activities, *firms* should pay particular attention to their obligations under:
- (1) *Principle 1* (a *firm* must conduct its business with integrity);
 - (2) *Principle 2* (a *firm* must conduct its business with due skill, care and diligence);
 - (3) *Principle 3* (a *firm* must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems);
 - (4) *Principle 6* (a *firm* must pay due regard to the interests of its customers and treat them fairly);

- (5) *Principle 7* (a *firm* must pay due regard to the information needs of its *clients*, and communicate information to them in a way which is clear, fair and not misleading);
- (6) *Principle 9* (a *firm* must take reasonable care to ensure the suitability of its advice and discretionary decisions for any *customer* who is entitled to rely upon its judgment);
- (7) *Principle 10* (a *firm* must arrange adequate protection for clients' assets when it is responsible for them); and
- (8) *Principle 11* (a *firm* must deal with its regulators in an open and cooperative way, and must disclose to the *appropriate regulator* appropriately anything relating to the *firm* of which that regulator would reasonably expect notice).