

Chapter 1

Application and purpose and guidance on financial difficulties



1.1 Application and purpose

Application

- 1.1.1
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- (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
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- 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
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- 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
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- 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).