

Chapter 5

Responsible lending



5.4 Conduct of business: credit brokers

Application

5.4.1 R This section applies to a *firm* with respect to *credit broking*.

Conduct of business

- 5.4.2 R
- (1) In giving explanations or advice, or in making recommendations, a *firm* must pay due regard to the *customer's* needs and circumstances.
 - (2) In complying with (1) a *firm* must pay due regard to whether the *credit* product is affordable and whether there are any factors that the *firm* knows, or reasonably ought to know, that may make the product unsuitable for that *customer*.

[Note: paragraphs 4.32 to 4.36 of CBG]

5.4.3 R A *firm* which undertakes to search the product market or a part of it before effecting an introduction must, before doing so, search the product market to the extent stated to the *customer*.

[Note: paragraph 4.41j of CBG]