

Chapter 2

Conduct of business standards: general

2.5 Reliance on others

Purpose

2.5.1 **G** *Principle 2* requires a *firm* to conduct its business with due skill, care and diligence. ■ **MCOB 2.5** indicates the extent to which *firms* that carry on *home finance activities* and that *communicate* or *approve a financial promotion* can meet this requirement by relying on others.

When firms can rely on others

2.5.2 **R** A *firm* will be taken to be in compliance with any *rule* in *MCOB* that requires a *firm* to obtain information to the extent that the *firm* can show that it was reasonable for it to rely on information provided to it by another *person*.

2.5.3 **E**

- (1) In relying on ■ **MCOB 2.5.2 R**, a *firm* should take reasonable steps to establish that the other *person* providing the information is:
 - (a) not connected with the *firm*; and
 - (b) competent to provide the information.
- (2) Compliance with (1) may be relied on as tending to establish compliance with ■ **MCOB 2.5.2 R**.
- (3) Contravention of (1) may be relied on as tending to establish contravention of ■ **MCOB 2.5.2 R**.

2.5.4 **R**

- (1) Any information which a *rule* in *MCOB* requires to be sent to a *customer* may be sent to another *person* on the instruction of the *customer*, so long as the recipient is not connected with the *firm*.
- (2) There is no need for a *firm* to send information to a *customer* where it has taken reasonable steps to establish that this has been or will be supplied by another *person*.