

## 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*.