

PUBLIC

DERBY HOMES BOARD

DERBY ADVICE – CONSUMER DUTY UPDATE

24 JULY 2025

<p>ITEM NO. Enc. 16</p> <p>PRESENTER: Michael Kirk</p> <p>Please delete as appropriate: Finance</p> <p>Please delete as appropriate: Noting</p>

REPORT OF (OWNER) AND EMAIL
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1.	SUMMARY
1.1	<p>Derby Homes manages Derby Advice on behalf of Derby City Council. There are two teams within Derby Advice.</p> <p>A Money Advice team that provides free, confidential and independent money and debt advice to:</p> <ul style="list-style-type: none"> • Derby Homes tenants • Derby Homes and Derby City Council employees <p>A Welfare Rights team which provides free, confidential and independent advice on all welfare benefits to residents of Derby city.</p>
1.2	<p>Elements of the work undertaken by the Money Advice team, are regulated by the Financial Conduct Authority (FCA). This includes:</p> <ul style="list-style-type: none"> • Debt Adjusting - in relation to debts due under a credit agreement or consumer hire agreement. Specifically, negotiating with the lender or debt owner, on behalf of the borrower or hirer, terms for the discharge of a debt. • Debt Counselling - giving advice to a borrower / hirer about the liquidation of a debt due under a credit agreement. • Providing Credit Information Services - ascertaining whether a credit information agency holds information relevant to the financial standing of an individual or relevant recipient of credit

	Consequently, Derby Homes is required to annually self-assess and declare ongoing compliance of relevant FCA obligations.
1.3	<p>From 31 July 2023, there was a requirement for FCA regulated providers to comply with the “Consumer Duty” code issued by the FCA. This code aims to set higher and clearer standards of consumer protection across financial services, and which requires firms to put the needs of their customers first. It applies to both fee charging and non-fee charging (like Derby Advice) providers.</p> <p>The FCA’s rules require firms to consider the needs, characteristics and objectives of their customers – including customers in vulnerable circumstances – and how they behave, at every stage of the customer journey. As well as acting to deliver good customer outcomes, firms will need to understand and evidence whether those outcomes are being met.</p>

2.	RECOMMENDATIONS
2.1	To note the results from the June 2025 self-assessment against the Consumer Duty is that - Derby Homes continues to conform with the Consumer Duty.
2.2	To receive an annual report assessing ongoing compliance with the Consumer Duty.

3.	REASON FOR RECOMMENDATIONS
3.1	There is a requirement for FCA regulated firms to consider and assess compliance with this Consumer Duty on an annual basis from 31 July 2023.

4.	MATTERS FOR CONSIDERATION
4.1	<p>The FCA introduced a new Consumer Principle (Principle 12) stating: “A firm must act to deliver good outcomes for retail customers”, the implications of which were set out in the Finance Update to the board on 27 July 2023.</p> <p>In summary, the FCA requires firms to focus on supporting their customers (including those in vulnerable circumstances) to make good financial decisions, avoiding foreseeable harm and checking whether they are getting good outcomes. This includes providing information consumers can understand, products and services that are fit for purpose and offer fair value and helpful customer service.</p>
4.2	The self-assessment checklist (Appendix 1) evidencing how the Money Advice team complies with the Consumer Duty has been reviewed. Overall, the self-assessment shows that the Money Advice Team is well placed in being able to demonstrate compliance with the Consumer Duty.

4.3	<p>Declarations around Derby Homes' ongoing compliance with the Consumer Standards have been made to the FCA in the year:</p> <ul style="list-style-type: none"> • Consumer credit data- deadline 15/5/25, submitted on 12/5/25. • Disciplinary action- deadline 2/6/25, submitted on 9/4/25. • Attestation of firm details- deadline 27/6/25, submitted on 9/4/25.
4.4	<p>A report covering the period 1st April 2024 to 31st March 2025 has been created to identify the number of vulnerable customers referred to and advised by the Money Advice team.</p> <p>The following actions which were identified in last year's report are now embedded into ongoing procedures:</p> <ul style="list-style-type: none"> • Ensuring that in the new case management system (which is now in place), any customer vulnerabilities / requirements are appropriately recorded and that all advisors involved in the case are aware of such customer needs. • Continuing to improve monitoring of the impact of our work (for customers) and learn from the outcomes that we achieve – and don't achieve. • Monitoring responses to our customer feedback questionnaire with particular regard to the customers' responses on how information supplied to them was easy to understand and taking appropriate action as necessary. <p>Further action to be completed to ensure compliance:</p> <ul style="list-style-type: none"> • Any broadening of the communication options for customers (phone & web bot) are limited to general advice and signposting only. With all specific support managed by an Advisor.

5.	OTHER OPTIONS CONSIDERED
5.1	None.
6.	IMPLICATIONS
6.1	<p>Legal/Confidentiality</p> <p>There is a requirement for FCA regulated firms to comply with the FCA's Consumer Duty code and to formally declare such compliance to the FCA. This was completed as per section 4.3.</p> <p>Derby Homes is registered with the FCA – registration number 774308. Details on the Derby Homes registration is publicly available via the FCA website: https://register.fca.org.uk/s/firm?id=001b000003jKfJaAAK#what-can-this-firm-do-restrictions</p>
6.2	<p>Consultation</p> <p>There are no implications directly arising from this report.</p>
6.3	Equalities impact assessment

	A full EIA was not considered necessary. The introduction of this Consumer Duty does not place any additional requirements when assessing customers protected characteristics than is already in place when customer needs are considered. These are recorded via the Vulnerabilities Checklist already in place.
6.4	Financial and business plan There are no implications directly arising from this report.
6.5	Council There are no implications directly arising from this report.
6.6	Environmental There are no implications directly arising from this report.
6.7	Risk There are no implications directly arising from this report.
7.	Background information
7.1	None.
8.	Appendices
8.1	Appendix 1 - Money Advice Team – Self assessment against Consumer Duty key responsibilities
8.2	Appendix 2 – Money Advice Team- Report on the number of vulnerable customers. CMIS Only.

This report has been approved by:

Finance Director & Company Secretary	Michael Kirk	02.07.2025
Governance Services (checked)	Chloe Gaskell	14/07/2025

Reports have only been approved where dates have been applied.