



# The FairLife Charity

Fair trading in finance



## Debt Advice Organisations

### The FairLife Pledge

The fair trading mark represents a pledge to price honestly and trade fairly with your customers. Any product or service displaying the FairLife Mark must be fairly traded and honestly priced in a way that is business practical:

- a) The provider must follow the spirit as well as the letter of any regulator's rules and principles with an emphasis on treating customers fairly.
- b) The provider must adhere to agreed sources of profit as detailed in the PANA criteria below. Any extra fees or charges must be designed only to cover additional costs and not to generate additional profits.

In essence you agree to embrace good practice within the constraints of the market and to avoid poor practice which although legal is considered avoidable on a voluntary basis by your peers. Nothing in the FairLife initiative should put you at a commercial disadvantage.

### PANA criteria for debt advice organisations to display the FairLife Mark:

PANA stands for Peer Agreed and Nationally Approved meaning that the criteria have been agreed by a peer group of providers and approved by the FairLife Charity. The resulting standards combine fairness to the public with business practicality. PANA criteria evidence that FairLife-marked products and services meet the FairLife Pledge.

**1. The debt advice service must be free to the client.<sup>1,2</sup>**

This includes no cross-selling and no incentives to sell third-party products.

**2. Staff should be sufficiently trained.**

The advice organisation must ensure that staff members are sufficiently trained to provide suitable advice to customers. This requires that the provider is vouched for by a FairLife Agent.

**3. The debt advice organisation must act with integrity and in the customers' best interests at all times.**

**4. Non-FCA-regulated debt must be treated in the same manner as regulated debt.**

The Financial Conduct Authority (FCA) does not currently regulate all debt advice, thereby depriving some clients of the benefit. A FairLife debt advice organisation voluntarily follows the FCA handbook in its dealings with all clients, not just those who are subject to regulated advice.

If peer agreement can be secured in the future the charity will seek to introduce standardised terminology. This will build public trust and help FairLife Schools, colleges and universities to teach financial education.

Consumers struggling with debt often have multiple creditors and the experience of debts being passed onto other companies can be confusing, especially for people in particularly vulnerable circumstances. It is hoped that consumers will be reassured when all the companies they deal with display the FairLife Mark and that this will offer some consistency when they are contacted by an unfamiliar firm.

*The FairLife Mark is on your side*

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<sup>1</sup> Nothing in criterion 1 prevents a FairLife debt advice organisation from referring a client to a fee paying service, or a fee charging product, if this referral is considered to be in the client's best interests.

<sup>2</sup> Nothing in criterion 1 prevents organisations from applying for the mark if they are part of a commercial group provided that the debt advice is separated. The debt advice service must be free to the clients and the products of outside vendors must be considered equally with those from within the group. Any recommendation must reflect the client's best interest.