

Price & Value Assessment For Penguin Cars Limited

Credit Broking Service

Product name	Penguin Cars Limited Credit Broking Service
Date of assessment	21.07.23
Assessed/reviewed by	Nicola Preston
Approved by	Robert Preston
Product provides fair value?	Yes
If "NO" to the above, what immediate actions are being taken?	

Product/Service Type	Credit/Insurance Broking Service for consumer credit.
Product/Service details	<p>A credit broking service between the retail customer and our panel of lenders or brokers, that uses technology to facilitate consumer motor finance applications, by distributing financial products to a panel of lenders, across the credit spectrum.</p> <ul style="list-style-type: none">• Identify the customers requirements and needs meet the eligibility finance options.• Upon the customers request, provide a quotation for the customer based on the vehicle of interest and the amount of finance required.• Process the customer information to conform with pre-eligibility checks.• Process the customer application if instructed.• Support the signing and execution of the agreement.• Offer post sale support for any questions or concerns – communication is available via telephone, text, email or online chat via our website.

Product/Service features & benefits	<p>Provide regulated consumer credit agreements through a panel of lenders/brokers - including hire purchase, Personal Contract Purchase (PCP) and conditional sale). Introduce customers to insurance providers for eligible products.</p> <p>Our service is advertised on Auto trader and on our website www.penguincars.co.uk. An initial finance calculator is provided by our primary lender Santander, to provide an idea of the potential costs involved. There are also explanatory videos, with vocals, providing information on both hire purchase agreements and PCP agreements. Information on our service can also be supplied by staff over the telephone to customers – this often happens when a customer asks about finance options when making a vehicle enquiry.</p> <p>Upon enquiry we will advise customers of the interest rate of our main lender, Santander. It is Santander that are advertised on our website. If the customer, or the vehicle concerned, does not meet the criteria set by the finance provider, we are then able to access the broker Evolution Finance, these deals will then vary depending on the customers circumstances. Customers will receive email and/or text communication throughout the process from the lenders concerned updating them on the specifics of the products. Staff are also able to verbally communicate details of the product on offer.</p> <p>Customers receive information regarding the finance deal via email from both Penguin Cars and also the provider. Staff will also communicate information via the telephone, text, email and face to face. Customers are directed to information on www.penguincars.co.uk and also on the providers website.</p> <p>As a small company we do not have a specific customer services department. However, customers have access to staff contact numbers, email, face to face contact via our premises, online chat and enquiry channels. Our contact details can be found via our website www.penguincars.co.uk, Autotrader or Google. External support can be found via the Financial Ombudsman – 020 79641000, www.financial-ombudsman.org.uk or complaint.info@financial-ombudsman.org.uk</p>
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Are you a co-manufacturer of the Product/Service?	No
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Target market	<p>Our target market is focused on individuals from across the credit spectrum, who want to purchase a vehicle from us and who will be able to afford to make the repayments sustainably and who won't be harmed by the product.</p> <p>Our target market end consumer is:</p> <ul style="list-style-type: none"> • A private individual who is UK resident aged 18+ years. • All who have expressed interest in use and ownership of a used vehicle.
Suitability	<p>The service is suitable for customers where it meets their needs and affordability, they can understand and benefit from its features and the product is not likely to cause them harm.</p> <ul style="list-style-type: none"> • The consumer wants to spread the cost of a large purchase. • The customer is employed/self-employed or can prove a source of income. • Individuals or corporate consumers seeking to finance the purchase of a car, LCV, motorcycles or motorhome. • Consumers who want to keep consistent monthly payments, with (PCP) or without a lump sum payment at the end of the agreement. • The consumer wants to take title of the vehicle once all monthly instalments and the option to purchase fee has been paid. • Consumers who like to have an optional or low deposit requirement. • Consumers who like to have no mileage restrictions (HP and conditional sale only).
Quality of the product or service	<p>Penguin Cars Limited offers products from established and reputable companies, who are authorised by the Financial Conduct Authority. We are able to offer excellent customer service and support to consumers.</p>

Limitations/risks of the product or service	<ul style="list-style-type: none"> • Customers purchasing a vehicle within the known parameters of our lender panel (e.g. age and mileage). • Customers who have a credit profile within the risk appetite of the panel of lenders/brokers. • Limitations are higher where the customer is deemed a higher risk with a lower credit profile.
Any other factors relevant to the nature of the service, its benefits and risks?	<p>We are a growing, small, family run business that relies on positive feedback and satisfied customers. It is important, with growth, that we have resources and procedures in place that allow us to deliver on our commitments for fair customer outcomes.</p>

Offering Fair Value for Vulnerable Customers

Vulnerable customers in the target market	<p>We aim to treat vulnerable customers fairly.</p> <p>This includes:</p> <ul style="list-style-type: none"> • Customers with limited financial experience or a low capability in areas such as literacy and numeracy. • Customers whose first language is not English. • Customers who have a mental capacity limitation. • Those who may be more susceptible to not fully understanding the service offering and be able to make an informed decision. • A temporary change in their lives (loss of employment, incapacity, bereavement etc). • Low income. • Low financial resilience. • High cost of living pressures. • Lower levels of financial literacy. • More susceptible to financial-related stress and anxiety. • A condition or illness that affects the ability to carry out daily tasks.
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What mitigants are in place?	<p>Offer additional, tailored support to all customers when required.</p> <ul style="list-style-type: none"> • Request that an additional, appropriate adult be present while dealing with the customer. • Ask for the customers communication preferences and set clear expectations. • Ensure that you have adequate time to spend with customers who may need extra support – practice active listening and do not pass from one member of staff to the other. • Be able to sign post customers to additional support during dealings. • Ensure ongoing reviews and customer consent. • Encourage the customer takes more time and has access to relevant material to ensure they can make an informed decision when it is obvious that they require extra support. <p>All customers receive fair value through our service. This includes vulnerable customers, who through the mitigation, policies and processes we have in place, are appropriately managed and not materially likely to receive fair value. This is kept under review.</p>
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Costs

Standard financial costs	<p>Penguin Cars Limited does not charge an admin fee to customers.</p> <p>Our interest rates are set by the lenders that facilitate our consumer finance – we are unable to change these. Rates of interest are communicated to consumers upon their initial enquiry.</p>
Standard non-financial costs	<p>Consumers need to dedicate time for the application process and be available for and be able to facilitate additional queries or checks instigated by the lender.</p> <p>Credit searches can be time consuming and may leave a footprint on the customers credit file.</p>
Cost differences linked to distribution channel	<p>There is no cost differentiation between distance or face to face sales.</p>
Communication of costs	<p>Costs are communicated to customers both verbally, via email and in writing and are given to customers in good time.</p>

<p>Expected total price</p>	<p>Penguin Cars Limited does not charge customers for facilitating the purchase of vehicles using an affiliated lender, Santander or Evolution Finance.</p> <p>The individual finance companies set the terms of the agreement and the interest rates. This includes the cost to the customer of the finance borrowed by the customer. These costs are communicated to the customer in the outline of the deal.</p> <p>Penguin Cars receives a commission payment from the finance company – this is an amount set by the finance company and will vary from deal to deal. This amount is communicated to the customer upon request.</p>
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Overall Assessment Outcome

Based on the information set out above, we consider Penguin Cars Limited credit broking service to offer fair value to retail customers. We are a small, family run business that relies on positive feedback and excellent customer services. We will only work with reputable and established finance companies.

Reviewed on 01.08.23