



CODES OF CONDUCT

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Ethical standards in business are usually upheld via professional codes of conduct.

Most professional or trade bodies will have a code of conduct.

FCA Codes of Conduct

The FCA Principles for Business, Conduct Rules and Consumer Duty set out the FCA's high level code of conduct for all authorised firms and their staff.

The Principles are a general statement of the fundamental obligations of firms.

Conduct Rules

The FCA's Conduct Rules are the FCA's response to the unethical behaviour that led to the financial crash in 2008.

The conduct rules apply to almost all people working in financial services and are as follows:

- You must act with integrity
- You must act with due skill, care and diligence
- You must be open and cooperative with the FCA, PRA and other regulators
- You must pay due regard to the interests of customers and treat them fairly
- You must observe proper standards of market conduct
- You must act to deliver good outcomes for retail customers

Consumer Duty

The Consumer Duty includes an overarching standard of conduct. The FCA expects the Duty to be reflected in a firm's strategy, governance, leadership and people policies. Senior managers are accountable for delivering the outcomes required by the new duty.

The three cross cutting rules under Consumer Duty are:

- Firms must act in good faith towards retail customers
- Firms must avoid causing foreseeable harm to retail customers
- Firms must enable and support retail customer to pursue their financial objectives

Conflicts of Interest

A conflict of interest can arise when the firm's own interests conflict with those of the customer.

A conflict of interest can also arise where a firm is unable to act in the best interest of one customer without adversely affecting the interests of another.

Conflicts of Interest Audits and Register

Firms must address actual and potential conflict of interests arising within their business by completing a conflict of interest audit and maintaining a conflict of interests register.