



Manufacturer to Distributor Information on Evolution Funding Credit Broking Service

April 2023 - V2

LIMITED - EXTERNAL



EVOLUTION
FUNDING

This document is intended to help Evolution Fundings approved distributors support consumers in making an informed product selection when choosing a vehicle. The document is being provided to you to fulfil our responsibilities under PRIN 2A.4.15R and PRIN 2A.3.12 R (2).

It is designed to support you to comply with your responsibilities under PRIN 2A.3.16 R and PRIN 2A.4.16R.

Please note that you are ultimately responsible for meeting your obligations under 'The Consumer Duty'.



This information is intended for intermediary use only and should not be provided to consumers.

We have assessed that:

- Our Credit Broking Service continues to meet the needs, characteristics, and objectives of consumers in the identified target market.
- The intended distribution strategy remains appropriate for the target market.
- The service provides fair value to consumers in the target market (i.e. the total benefits are proportionate to total costs).

This assessment does not include any fees, charges or other costs you require the consumer to pay to you for any products and services you provide, that are separate or in addition to the product and services we provide. You are responsible under the Consumer Duty for assessing these products and services. If you believe that the consumer is not receiving fair value in respect of these products and services, you must inform us.

Product/service Owner/ Manufacturer	Evolution Funding Ltd
Product/Service Type	Credit Broking Service
Product/Service Name	Evolution Funding (including all trading styles)
Product Status	This service is an existing service. The service will continue to be open to new business post 31 July 2023 (Implementation Date)
Full product/service details	<p>An end-to-end credit broking service that uses technology to facilitate consumer motor finance applications, through a number of consumer journeys, by distributing financial products for over 30 lenders, across the credit spectrum. Elements include:</p> <ul style="list-style-type: none"> • Pre-eligibility checks. • Quotation. • Application. • Selecting the appropriate lender for each consumer. • Identification and verification checks. • Signing ceremony – including adequate explanations. • Liaising with lenders to execute the agreement. • Providing post completion support from consumer care and dedicated resolutions teams.
Purpose of (and need for) product/service in the market	Acting as a secondary broker between the retailer and the lender, this Credit Broking Service distributes products on behalf of its lending panel to retail consumers and is required to make sure the products and services which comprise the Credit Broking Service provide fair value to retail consumers in the target markets they are sold to.

Provided to (Distributor name)	All approved retailer brokers and distributors
Date provided	30/04/2023

INFORMATION & DETAILS FOR DISTRIBUTORS	
Identified target market	<ol style="list-style-type: none"> UK based FCA authorised introducers who meet the requirements of our set up and review process. These introducers want to provide us with applications that align to our lenders target market. Consumers who are looking to apply to Evolution for motor finance. <p>In both scenarios the target market the consumer would be:</p> <ul style="list-style-type: none"> A private individual who is UK resident aged 18+ years. Sole traders and partnerships with 3 partners or less which must be located in the UK. Limited company based in the UK. All who have expressed interest in use and ownership of a new, pre-registered or used vehicle.
Needs and characteristics of target market	<p>To provide finance to customers purchasing a vehicle through dealerships who want to offer lender products from across the market.</p> <p>Consumer needs/characteristics:</p> <p>Consumer wants to spread the cost of large purchases.</p> <p>Employed/self-employed or can prove a source of income.</p> <p>Individuals or corporate consumers seeking to finance the purchase of a car, LCV, motorcycles or motorhome.</p> <p>Consumers who want to keep consistent monthly payments, with (PCP) or without a lump sum payment at the end of the agreement.</p> <p>Consumer wants to take title of the vehicle once all monthly instalments and the option to purchase fee has been paid.</p> <p>Consumers who like to have an optional or low deposit requirement.</p> <p>Consumers who like to have no mileage restrictions (HP and conditional sale only).</p>
Characteristics of Vulnerability in target market	<p>Low income</p> <p>Low financial resilience</p> <p>High Cost of living pressures</p> <p>Lower levels of financial literacy</p> <p>More susceptible to financial-related stress and anxiety</p>

INFORMATION & DETAILS FOR DISTRIBUTORS

<p>Product Features & Benefits - applicable to target market</p>	<p>Available to consumers across the credit spectrum with range of credit profiles.</p> <p>Provide regulated consumer credit agreements through large panel of lenders (including hire purchase, Personal Contract Purchase (PCP) and conditional sale.</p> <p>End to end compliant credit broking service that supports the introducer to meet regulatory obligations and ensures the consumer journey meets Consumer Duty requirements across the 4 outcomes, including:</p> <ul style="list-style-type: none"> • Product and Services – Product explanation videos • Price and Value – bespoke quoting tool presenting all available options through the chosen introducer. • Consumer understanding – compliance module including adequate explanations video; clear consumer journeys signposting key information (such as IDD, privacy notice and complaints information), calls to consumers in rate for risk credit risk category or those deemed could be potentially vulnerable. • Consumer support – dedicated complaints team and consumer care team.
<p>Product/service limitations/exclusion</p>	<p>Introducers who are not FCA authorised and do not meet Evolution’s criteria to conduct business.</p> <p>Authorised businesses who do not operate in the motor finance industry (sell vehicles including leisure).</p>
<p>Outside target market/not suitable for</p>	<p>As per the exclusions above. Consumers through the introducer we cannot facilitate include:</p> <ul style="list-style-type: none"> • Under 18 years old. • Non-UK residents. • No income individuals.
<p>Product/service communication strategy</p>	<p>This product has associated consumer comms as follows:</p> <ul style="list-style-type: none"> • Evolution Funding’s IDD • Sales Procedure Guide • Sales Videos • Email communications to consumers in some journeys (Direct to Consumer and sub-prime consumers).
<p>Distribution Strategy, Arrangements & Channels</p>	<p>This product is distributed by pre-approved and contracted brokers only.</p> <p>Authorised distribution channels include: Telephone, Website and Web Applications only.</p> <p>Non-contracted brokers or sub-brokers are not permitted to distribute this product.</p>
<p>Applicable fees or charges</p>	<p>There are no fees for the service.</p>
<p>Commissions (if applicable)</p>	<p>As per the agreed contractual terms with the introducer.</p> <p>Evolution Funding do receive a commission from the lender and then pay a commission to the introducer, as detailed in the IDD:</p> <p>Initial Disclosure Document IDD Evolution Funding</p>

INFORMATION & DETAILS FOR DISTRIBUTORS

Total cost considerations	In line with our internal fair value assessment, commissions and profit percentages are deemed as fair value.
Complaints MI and Data	<p>Evolution receive a low number of complaints from consumers regarding our broking service.</p> <p>Complaints monitoring and MI data are produced regularly and we are satisfied that the features and benefits of the credit broking service are working for consumers as intended.</p>
Cancellation/Termination MI	If at any point we become aware of an underlying issue (through data and monitoring, distribution channels or interactions with consumers) these are addressed to mitigate any risk to the consumer.
Our final comments on fair value assessment	Evolution Funding are satisfied that the service offered is delivered to the intended target market and meets the needs and characteristics of the market. All relevant aspects of vulnerability have been addressed in delivering this product. Fair profit margins, coupled with low levels of complaints and cancellations evidences that the product is offering fair value to consumers using it.

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