You may be aware that we are making some key changes to the way we manage supplier assurance information and compliance with Darlington Building Society policies. To support our commitment to responsible business practices, this month we're introducing the Financial Supplier Qualification System (FSQS).

With the regulatory environment becoming more complex, it is important that we can demonstrate to our stakeholders that we are working responsibly with our suppliers to minimise risk and protect our customers. The introduction of the FSQS will improve the way we work together and make it easier for our suppliers to do business with us.

We're asking our suppliers to complete the qualification and compliance process. It's simple, straightforward and designed to help your organisation submit information annually, via one online system shared by members of the FSQS community. The system is used by us and many other well-known financial services organisations, both for managing requests for compliance and assurance data as well as sourcing pre-qualified suppliers for new business opportunities.

Benefits for You

Suppliers are often inundated with time-consuming and complex requests to submit due diligence information in order to comply with customer assurance procedures and internal policies.

DBS utilising FSQS brings a number of benefits, including:

- A single online process to submit assurance and compliance data on an annual basis - this is then available to all of your clients who are members of the FSQS community, saving your company time and effort of handling multiple requests.
- A fair, open and transparent process that is proportionate to the products and services provided.
- An online supplier profile which can be updated easily throughout the year to demonstrate ongoing compliance with our policies.
- Your company profile is accessible to all banks and financial services organisations using FSQS for any relevant sourcing opportunities they might have. Qualification also means you won't have to provide assurance information each time you bid for business with us.

Achieving FSQS Qualification

Darlington Building Society has partnered with an external company, Hellios Information Limited, who manage FSQS on our behalf. Hellios is a UK-based company and will support you in the journey to completing the qualification process.

There are two stages to qualification:

Stage 1 Qualification

- If your company doesn't already have an active profile on FSQS, Hellios will send you an email with a link to the Stage 1 online questionnaire which should take around one hour to complete.
- Depending on the products and services you provide to us, you will be granted Stage 1 Qualification or you may be asked to complete Stage 2 Qualification. For example, if a supplier deals directly with our customer data, they may be asked to demonstrate how they comply with the relevant regulatory requirements as part of Stage 2.

Stage 2 Qualification

- Stage 2 Qualification requires the completion of a more detailed compliance questionnaire aligned with our key policies and controls and, in some areas, may require the provision of supporting evidence. This stage typically covers your policies and practice in areas such as:

Anti-Bribery	Sanction	Remuneration	Customer Treatment	Products & Sales
Anti-Money Laundering	Health & Safety	Whistleblowing	Business Continuity	Information Security
Cyber Security	Records Management	Diversity & Inclusion	Environmental	Data Management
GDPR	Physical Security	Operational Resiliency	IT Asset Management	Conduct Risk

- To make the process as efficient as possible, most of the questions have selectable answer options rather than requiring lengthy written responses, and no proprietary, contractual or pricing information will be asked.
- Funding of FSQS is shared by Darlington Building Society and the other organisations which use the system, along with larger suppliers.
- For those organisations where Stage 2 of the process is required, an annual fee is payable directly to our external partner Hellios. Micro and small organisations are fully subsidised by the community with no fee payable. Medium sized organisations are partially subsidised. Please click here for more information.
- Following Stage 2 qualification, we may wish to conduct further assurance activities including an on-site audit. This will be conducted by our employees and will incur no additional fees.

Timelines for Qualification

Existing suppliers are given up to eight weeks to complete qualification for the first time, to allow sufficient time for familiarisation with the new questionnaires and process. However, we have found that most suppliers are able to complete qualification in significantly less time.

Suppliers bidding for new business with us may be required to complete qualification much more quickly in accordance with the procurement timescales. Hellios will advise of relevant deadlines, where applicable, via the FSQS email communications.

We hope that you have found this communication useful. Frequently asked questions can be found overleaf; meanwhile, if you have any questions, please contact your Darlington Building Society supplier manager or the Hellios Supplier Support team (*email* fsqs@hellios.com or *telephone* 01865 959120, 8.30am - 5.30pm Monday to Friday excluding Public Holidays).

If your company has already started or completed/renewed the FSQS process for another bank, you won't need to take any action other than to ensure you have completed the process, and checked your information is also relevant to Darlington Building Society. Please contact Hellios for any assistance required.

Thank you for your continued partnership with Darlington Building Society and for your support in this process.

Yours sincerely,

Christopher Hunter
Chief Operating Officer

Frequently Asked Questions

1. Why has Darlington Building Society introduced a Financial Supplier Qualification System?
Suppliers have told us that our process for collecting compliance and assurance information was complex and time consuming. The introduction of an online system simplifies the process for suppliers to submit information and prevents suppliers receiving multiple requests. It is important that we can demonstrate to our stakeholders that we are working together responsibly to minimise risk across our supply chain to protect our customers. As the regulatory environment we operate in becomes more complex, it is vital that we have a robust system in place to support the collection and maintenance of Supplier Assurance data and respond to regulatory change.

2. Who is Hellios?
Hellios Information Management Ltd is a UK based company. The team has extensive experience in collecting and maintaining supplier data on behalf of a number of global and UK companies.

3. What is the role of Hellios?
Darlington Building Society has appointed Hellios to collect and administer Supplier Assurance related data on our behalf. Hellios will collect and check the data provided by suppliers and ensure the data is maintained on the Financial Supplier Qualification System. Hellios is an approved supplier of Darlington Building Society and does not assess a supplier's suitability for qualification; that decision remains with Darlington Building Society.

4. How does Hellios protect the data we provide?
The FSQS application, infrastructure and data storage is hosted exclusively in the UK in data centres that are SSAE18 SOC2 and ISO27001 certified. Encryption to the latest industry standards is employed, along with cyber security measures such as weekly scans and penetration testing. Hellios ensures the limited amount of personal data collected is fully compliant with the GDPR and Data Protection Act 2018. Hellios is certified to ISO27001 and Cyber Essentials Plus, the National Cyber Security Centre standard backed by the UK Government.

5. Do we have to register each of our legal entities separately?
Yes, your organisation is required to register any legal entity that submits an invoice to Darlington Building Society.

6. Can any supplier apply for qualification?
No, qualification is by invitation only.

7. Will other suppliers have access to the information we provide?
No, other suppliers will not have access to the information you provide.

8. Will I be asked to provide pricing information on my company's products and services?
No, your organisation will not be asked to provide any commercial information of this nature.

9. If I'm required to apply for Stage 2 Qualification, how do I pay the fee to Hellios?
Hellios will provide full details of the payment options available, however we recommend suppliers make an online payment to Hellios for immediate access to the Stage 2 assessment.

10. How long is qualification valid for?
The renewal date is set at one year after Stage 1 Qualification has been granted. For suppliers that are required to also complete Stage 2 Qualification, the renewal date is set one year after your Stage 2 questionnaire has been issued. Hellios will issue reminders to suppliers several weeks in advance of their qualification expiry deadline.

11. How long does it take to complete qualification?
Typically, we find it takes less than one business day to enter the information in the system (if you're asked to complete both stages). However, the time required to collate the information varies dependent on the size of an organisation. Larger organisations often have to source the data from a number of internal departments and therefore we're giving existing suppliers approximately eight weeks to complete qualification.

12. As an existing supplier, what happens if I fail to apply for qualification within the assigned timelines?
Suppliers will be fully supported by Hellios throughout the qualification process. However, failure to complete qualification will result in a supplier being classified as non-compliant in our internal systems.