




# Consumer Duty

## The four outcomes

### Introduction

As part of the FCA's Consumer Duty requirements, the FCA expects firms to:

-  Identify and manage the risks which might impact its customers from getting good outcomes
-  Spot where customers are getting poor outcomes and understand the root cause
-  Have processes in place to adapt and change products and services, policies and practices to address any risks or issues as appropriate.

It is a firm's responsibility to identify the data they will need to assess whether the outcomes that customers are experiencing are consistent with their new Consumer Duty obligations. So where do you start? To help you start the process we have outlined some of the key questions under the four outcomes identified by the FCA which will help you to establish whether you are meeting your obligations or whether you need to implement changes.

### Products and Services

Senior management will be expected to ensure that the likely outcomes customers will receive from the products and services sold, are monitored, assessed and documented.

- Has your firm specified the target market of its products and services to the level of granularity necessary?
- Do you have all the information you need to support the sale of products and services to your target market?
- Do you have all of the information you need to support the sale of products and services to the target market?
- Are you satisfied that your products and services are well designed to meet the needs of consumers in the target market and do they perform as expected?
- Have you identified if the product or service has features that could harm groups of customers with characteristics of vulnerability?
- Do your products and services have any barriers or limitations that might prevent customers achieving their financial objectives?

### Price and Value

The FCA wants to see that the price of products and services represent fair value for customers and will expect that price/value assessments are carried out.

- Are you satisfied that your firm is considering all the relevant factors and available data as part of your fair value assessments and are you documenting these assessments?
- What insights has your firm gained by benchmarking the price and value of its products and services against similar ones in the market?
- Can you demonstrate that your products and services (including legacy products and services) are fair value for different groups of consumers?
- If your firm is charging different prices to separate groups of consumers for the same product or service, are you satisfied that the pricing is fair for each group?
- How are you monitoring the fair value of your products and services on an ongoing basis?

# Consumer understanding

Customer communications cut across all of the other outcomes and it is crucial that they are clear and transparent and fully disclose all key features, costs and fees.

- Are you satisfied that your firm is applying the same standards and testing capabilities to ensure that communications are delivering good customer outcomes, as they are to ensuring they generate sales and revenue?
- Do you test the clarity and effectiveness of your communications?
- Do you make sure that your communications are equally effective across all of the distribution channels you use and how do you test this?
- How do you adapt your communications to meet the needs of customers with characteristics of vulnerability?
- What data, MI and feedback do you use in ongoing monitoring of the impact of your communications on customer outcomes?
- Do you frequently review this data and take action as a result?

Our dedicated team, have unsurpassed **knowledge** and **experience** to support firms with all aspects of their compliance.

## Customer support

Providing customers with good and appropriate levels of service both pre and post-sale is a key requirement of the Consumer Duty.

- Are you satisfied that your customer support is effective at meeting customer needs regardless of the channel used?
- Do you test customer support levels and satisfaction rates across different channels?
- Are you satisfied that it is at least as easy to switch or leave products and services, as it is to buy them in the first place?
- How have you satisfied yourself that the quality of any post-sale support is as good as the pre-sale support?
- What data, MI and feedback are you using to monitor the impact your consumer support is having on customer outcomes (including outsourced support arrangements)? How often is this data monitored, and what action is being taken as a result?

## Why choose Cosegic?

### Our 360 degree perspective

Our wide range of financial sector experts come together on a regular basis to discuss their interactions with the FCA and the regulatory trends that they are seeing, providing us with a more informed understanding of the FCA than our competitors.

### Direct, proportionate advice

Our unique perspective means we really do have our fingers on the pulse of regulation, which helps us to ensure that the advice we offer is practical, helpful and directly proportionate to our clients' needs.

### Our understanding of compliance firms

We have watched the evolution of compliance over the past twenty years and understand that compliance must now become a core part of how financial services carry out their businesses in order for them to be successful.

### Compliance confidence for visionary growth

In recognising this, our services have been built in a way that can help you navigate regulation ensuring you will keep your vision and objectives intact. Our breadth of experience allows us to balance your business objectives with your compliance requirements.

