

Recently we have been approached by several clients seeking clarity on UK Consumer Duty. We have created the following document to illustrate what the regulation is and how we can help support our clients in meeting it.

What is UK Consumer Duty?

The FCA's new UK Consumer Duty will require firms to deliver higher standards of customer care, protection and communication. The regulation is so significant that even the FCA has said it will lead to a "major shift" in financial services.

Consumer Duty comprises of three measures:

1. Consumer Principle 12

Requiring firms "to act to deliver good outcomes for retail customers."

2. Cross-cutting Rules

A firm must:

- Act in good faith towards retail customers
- Avoid foreseeable harm to retail customers
- Enable and support retail customers to pursue their financial objective

3. Four Outcomes

A suite of rules and guidance setting more detailed expectations for a firm's conduct according to the four specific outcomes that represent the key elements of the firm and its consumer relationships:

1. Products and services
2. Price and value
3. Consumer understanding
4. Consumer support

When do you need to be ready?

Boards (or equivalent management body) have until 31st October to agree implementation plans. Firms with open products and services must action their plans by the end of July 2023. Those with closed books have until July 2024.

Who is affected?

The rules impact all firms which distribute or manufacture products and/or services to retail customers.

How can we help?

The rules now need to be met within a short timeframe and we are here to support you as you plan and implement your response to the new Consumer Duty.

1. PRODUCT AND SERVICES:

We can help you to understand and meet the needs, characteristics, and objectives of your target market.

We have been researching private investors and helping clients concept test new products and services for 10 years and can map our quantitative data and qualitative insights to your selected customer segments, providing quick, reliable input into understanding and documenting your target market.

How can we help? Contd.

2. PRICE AND VALUE

We can help you to ensure alignment between the price of your product or service and the value it offers.

We have a wealth of experience in assessing private investors' perception of value and can help you to understand and measure the relationship between price and the value you offer. We can then use that information to guide your product and service development.

3. CONSUMER UNDERSTANDING

We can help you to test your communications, assess how they are understood and recommend enhancements.

We have run multiple research projects over the years, testing various marketing and communication pieces on behalf of our clients to ensure suitability for all consumers. We look at consumer understanding of key documents, websites, factsheets, and communications and can provide consumer feedback, along with recommendations for enhancements. In 2023, the scope of our well-established [Retail Customer Interests Study](#) will expand to include a communications review community, enabling syndicate members to test and troubleshoot comms in draft or finalised form.

4. CONSUMER SUPPORT

We can help you to define good consumer support outcomes and benchmark your results.

We conduct customer satisfaction benchmarking studies across many of our clients' end investors to ensure that all client servicing is dealt with fairly and efficiently. We can help you to understand, quantify and benchmark good outcomes for your customers.

About Research in Finance

Research in Finance (RiF) is an award-winning market research, consultancy, publisher and data provider specialising in the financial services sector, covering both the UK and European markets. Our wide-ranging research capabilities, proprietary data and industry knowledge help leading asset management firms, life companies, insurers and industry bodies make critical business decisions and further their product development, marketing and communication strategies.

Contact Details

For more information on how we can help you with the Consumer Duty, industry data and reliable, actionable insights, please get in touch with [Mick Hrabe](#) or [Richard Ley](#). You can also call us on +44 (20) 7104 2235.