**Preparing for consumer duty: checklist and action plan**

This checklist is mainly based as based on the FCA’s non-Handbook guidance on the duty. Where gaps are identified, it is expected a firm’s executive will establish an action plan for implementation. This initial work should be done October 31 2022.

**Scope of this checklist**

 A note on the definition of “consumer” and customer in this checklist in the non-Handbook guidance, the FCA explains that it uses “consumer” when talking about the wider group of those who use financial services and “customer” when talking about an individual firm’s customers or potential customers.

The FCA wants to see a higher level of consumer protection in retail financial markets, where firms compete vigorously in the interests of consumers. To ensure firms do this, the FCA has consulted on a new consumer duty in a consultation paper, [*A new Consumer Duty: Feedback to CP21/13 and further consultation (CP21/36)*](https://www.fca.org.uk/publication/consultation/cp21-36.pdf) (CP21/36), which was published in December 2021.

This checklist sets out key issues for firms to consider when preparing for the consumer duty and also in their ongoing compliance with the duty once it is in force. It is mainly based on the draft *non-Handbook Guidance for firms on the Consumer Duty* in Appendix 2 to CP21/36, which includes examples of actions by firms that are likely to be consistent with the consumer duty. This checklist draws out aspects of these actions. Although it can be used as a starting point, firms are advised to read the guidance for a comprehensive list of all the issues that they need to consider.

There is an implementation period. This began on 1 August and concludes on 31 October 2023. Firms are expected to use the implementation period fully and to be able to demonstrate progress if asked by the FCA.

**Action plan colour coding:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No action needed – status quo is fine | Small action – quick and easy | Big action – lots of work | Critical – needs done quickly | Critical – big scheme of work | Done |

**Approach to preparing for consumer duty and applicability**

**Overseeing preparations for complying with consumer duty**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Issue** | **Actioned / In place (Yes / No)** | **If no, action needed in carried forward to planning** | **Due date** | **Completed on** |
|  | Are the firm’s senior management aware of the significance, and the potential resource involved, in ensuring compliance with the new consumer duty? | Yes | Action: ensure all SMFs in the DA firm, and CF1s in the Ars have read the briefing and watched the presentation, and have recorded it in their CPD logs | 31/12/22 | 31/12/22 |
|  | Has responsibility for overseeing implementation of the new consumer duty been allocated to someone sufficiently senior? | Yes: Rests with James Bond, SMF16. | Action: SoR to be updated  Outcome: done | 25/11/22 | 25/11/22 |
|  | Depending on the size of the firm, is there a project group in place? Are all relevant stakeholders involved? For example, legal, compliance, risk, IT, marketing | Firm is too small | None |  |  |

**Applicability of consumer duty**

 It is essential that firms establish which parts of the business the new consumer duty will apply to:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Issue** | **Actioned / In place (Yes / No)** | **If no, action needed in carried forward to planning** | **Due date** | **Completed on** |
|  | Has the firm determined which of its products/services the consumer duty will apply to? It is important to note that the requirements apply to closed products that may be in run-off, as well as current products. For advisers this means products it advises on (e.g., pre RDR insurance products). | Yes. All | None |  |  |
|  | If the consumer duty will not apply to all products/services, has the firm considered whether it wishes to extend its application to all of its products/services? The firm might decide that, for logistical reasons, it is preferable to do this.  If a firm has retail and non-retail customers, will it have a process in place for ensuring that it correctly identifies products/services that fall within the scope of the consumer duty? How will the process work? | All clients will fall into scope | None |  |  |
|  | Does the firm intend to embrace all retail clients? Note that even if firms do not have a direct contractual relationship with the client (e.g., not receiving ongoing fees / commissions) the consumer duty will still apply. | Yes: we have taken the view that those clients who received discrete, transactional advice are no longer clients, and we have no ongoing responsibility, nor is one expected. If these ex-clients approach us we will treat them as in scope at that time. | None |  |  |

**Achieving consumer duty’s four outcomes**

There are three elements to the consumer duty,

* Element 1: the “four outcomes”
* Element 2: the consumer principle, which requires firms to “act to deliver good outcomes for retail customers” and
* Element 3: the cross-cutting rules

Element 1: Four Outcomes

The four outcomes consist of a suite of rules and guidance setting more detailed expectations for firms’ conduct in the following areas:

1. Quality of products and services.
2. Price and value of products and services.
3. Consumer understanding.
4. Consumer support.

Element 2: Cross-cutting rules

The cross-cutting rules, which consist of firms acting in good faith, avoiding foreseeable harm and enabling and supporting retail customers to pursue their financial objectives, work together. Therefore, there is a significant degree of overlap when considering issues relating to the cross-cutting rules.

For example, with regard to the price and fair value outcome, customers experience harm when they do not get value for money. A lack of fair value therefore causes harm and is unlikely to be consistent with customers realising their financial objectives. Firms cannot act in good faith if they are knowingly selling poor value products or services.

The sections below set out some of the issues firms need to consider in relation to implementing the four outcomes when measured against each of the three cross-cutting rules in turn.

**Basis of the checklist:**

For ease of reference, and because the cross cutting rules impact each of the four outcomes, we have designed this checklist by dividing it into the each of the four outcomes, and applied the cross cutting rules to each.

**Outcome 1: Quality of products and services**

**Acting in good faith**

|  | **Issue** | **Actioned / In place (Yes / No)** | **If no, action needed in carried forward to planning** | **Due date** | **Completed on** |
| --- | --- | --- | --- | --- | --- |
|  | Has the firm determined which of its products/services the consumer duty will apply to? It is important to note that the requirements apply to closed products that may be in run-off, as well as current products. For advisers this means products it advises on (e.g., pre RDR insurance products). | Yes – we will assume all – our financial planning approach has always been to holistically assume all products are included for planning purposes | None |  |  |
|  | If the consumer duty will not apply to all products/services, has the firm considered whether it wishes to extend its application to all of its products/services? The firm might decide that, for logistical reasons, it is preferable to do this.  If a firm has retail and non-retail customers, will it have a process in place for ensuring that it correctly identifies products/services that fall within the scope of the consumer duty? How will the process work? | N/A | N/A |  |  |
|  | Does the firm intend to embrace all retail clients? Note that even if firms do not have a direct contractual relationship with the client (e.g., not receiving ongoing fees / commissions) the consumer duty will still apply. | See 6 above | None |  |  |
|  | Has the firm carried out (or is it intending to carry out) a gap analysis on all of its existing products/services (including closed products/services) comparing the current requirements to the proposed new requirements? | No - its current proposition includes reviews of all products in clients’ domain. The firm only has one service proposition so everyone gets the same – no need to adjust | None |  |  |
|  | Do any of the terms and conditions of current products/services need updating in light of the review? | We don’t know – we will review our current terms | Action: Firm will review its Terms of Business and ensure that it is delivering service standards that are appropriate to CD requirements  Outcome: we have reviewed our TOB and have amended some of the language | 28/02/23 | 28/02/23 |
|  | Has the firm reviewed (or is it intending to review) its product/service terms to ensure compliance with the fairness requirements of the [*Consumer Rights Act 2015*](http://uk.practicallaw.thomsonreuters.com/0-606-7466?originationContext=document&vr=3.0&rs=PLUK1.0&transitionType=PLDocumentLink&contextData=(sc.Default)) (CRA)? | The firm operates a fixed price consistent service across its clients. This allows it to service and price according to client needs. The firm’s view is that this is fit for purpose | None |  |  |

**Avoiding foreseeable harm**

|  | **Issue** | **Actioned / In place (Yes / No)** | **If no, action needed in carried forward to planning** | **Due date** | **Completed on** |
| --- | --- | --- | --- | --- | --- |
|  | What process has the firm in place for approving new products/services or significant changes to existing products/services? | The firm has a centralised investment proposition. Underlying funds, managers and products are reviewed annually. New products are assessed centrally before use. Where clients have products / funds outside the CIP, these a reviewed annually at a client level. The service proposition ensures the clients are similar in circumstance | None |  |  |
|  | For new products/services, does the firm test the product/service before launch to assess how it is likely to function in different conditions and whether it could lead to foreseeable harm? | No – this is a provider not adviser responsibility. However, we do assess whether the features / underlying investments in a product are likely to be appropriate for the client cohort | None |  |  |
|  | Has the firm identified a target market of customers, at a sufficiently granular level, for whom the product/service is designed? | Yes, the firm is very specific about its proposition, which leads to a consistent and similar client cohort | None |  |  |
|  | Has the firm ensured that |  |  |  |  |
|  | its products/services are designed to meet the needs of consumers within its target market; and | Yes – see13 through 15 above | None |  |  |
|  | its products/services remain consistent with the needs, characteristics and objectives of the target market | Yes – see 13 above | None |  |  |
|  | If they do not, what action does the firm take to mitigate the situation and prevent further harm? | N/A | None |  |  |
|  | Has the firm considered if there are any consumers with characteristics of vulnerability in the target market and taken account of any additional or different needs of those consumers? | Yes, The firm has specific procedures for vulnerable clients. Each client is assessed for the elements of vulnerability present and specific adaptations to procedures are made | None |  |  |
|  | Has the firm developed a distribution strategy appropriate for the target market and ensured the product will be distributed in accordance with the target market (e.g., VCTs, BR schemes etc)? | The firm has a process which is client not product focussed. This means that client circumstances are identified at a client level and then the appropriate product matched to the circumstance. | None |  |  |
|  | Do distributing firms understand the products they distribute? For example, do they have sufficient information from the manufacturer to understand the product, its target market and its intended distribution strategy (due diligence)? | Yes | None |  |  |
|  | Does the firm carry out regular reviews of its products/services or distribution arrangements (again, due diligence)? | Yes – see 13 above. | None |  |  |
|  | Has the firm proactively considered how consumers’ behavioural biases, such as inertia, might lead its products/services to cause foreseeable harm? | No, but annual client contact through annual reviews ensures this doesn’t happen | None |  |  |

**Enabling and supporting retail customers to pursue their financial objectives**

|  | **Issue** | **Actioned / In place (Yes / No)** | **If no, action needed in carried forward to planning** | **Due date** | **Completed on** |
| --- | --- | --- | --- | --- | --- |
|  | Does the firm design services with clear and straightforward features so they can be understood by consumers in the target market? | Yes | None |  |  |
|  | Does the firm charge reasonable exit fees so that consumers are not discouraged from leaving products/services that are not right for them, or getting better deals? | We don’t charge exit fees | None |  |  |

**Outcome 2: Price and value of products and services**

**Acting in good faith**

|  | **Issue** | **Actioned / In place (Yes / No)** | **If no, action needed in carried forward to planning** | **Due date** | **Completed on** |
| --- | --- | --- | --- | --- | --- |
|  | Has the firm carried out (or is it intending to carry out) a gap analysis on all of its existing products/services (including closed products/services) comparing the current requirements to the proposed new requirements? | We only have one main service. However, some clients get a lighter or heavier touch version. | Action: We will review our service proposition to ensure there are sufficient value separators and the price difference reflects those separators.  Outcome: Clients with lesser asset bases pay less so there is no need for action. | 31/07/2023 | 31/07/2023 |
|  | Does the firm, as part of its regular review of a product/service, proactively assess fair value and identify potential issues and take appropriate steps if it is found not to deliver fair value? | No. This is not necessary regularly. It is necessary periodically, which is what we intend to do in 25 above. We have client retention records already, which demonstrate that once in service, clients remain because we deliver value for money | Action: We will collect MI in the implementation period which will demonstrate that prospect approaches identify the right target market and that these prospects come on board.  Outcome: On reflection on new client acquisition is through referral and we have yet to have a prospect fail to engage on costs / services. | 31/07/2023 | 31/07/2023 |
|  | Has the distributing firm obtained sufficient, adequate and reliable information from the manufacturer on the outcome of the value assessment to enable it to understand that assessment and be satisfied that the product is providing fair value? Has the distributor considered the following: |  |  |  |  |
|  | the benefits the product is intended to provide to a retail customer; | Yes | None |  |  |
| b. | the characteristics, objectives and needs of the target market; | Yes – through our proposition | None |  |  |
|  | the interaction between the price paid by the retail customer and the extent and quality of any services provided by the distributor; and  whether any remuneration the distributor receives in relation to the product would result in the product ceasing to provide fair value to the retail customer? | We receive nothing for distributing the product. Clients pay for the product, investments and advice services. | None |  |  |

**Avoiding foreseeable harm**

|  | **Issue** | **Actioned / In place (Yes / No)** | **If no, action needed in carried forward to planning** | **Due date** | **Completed on** |
| --- | --- | --- | --- | --- | --- |
|  | Does the firm consider the reasonableness of its product/service range and whether each product/service provides fair value to the consumers in the target market? | Yes – we have reviewed the client life cycle and applied typical products against that. In turn our product (new and ongoing) due diligence considers the product features relative to the client cohort. | None |  |  |
|  | Has the firm carried out a value assessment of each of its products/services and does it have evidence of this? Does the firm’s value assessment include, for example and as applicable, the following: |  |  |  |  |
|  | the expected total price customers will pay, including all applicable fees and charges over the lifetime of the relationship between the customer and the firm; | Yes (we have to- it’s a regulatory requirement) | None |  |  |
|  | the costs firms incur to manufacture and/or distribute the product/service, including the cost of funding (for example, for loans). Firms also need to consider whether consumers will incur non-financial costs (for example, the time and effort it takes to access, assess and act to buy, amend, switch or cancel a product, or firms’ use of consumer data where consumers knowingly or unknowingly “pay” with their data, privacy or attention); | Our costs to consumers are commensurate with our profits, which pre-distribution amount to ±30%. This is reasonable and allow us to have an adequate regulatory capital buffer and still compensate our stakeholders adequately for the risks they are taking as stakeholders. We do not gear, which would indicate an inadequacy in our financial business model. We do however suffer non-financial costs on behalf of our clients, in respect of manufacturer barriers we cannot control | None |  |  |
|  | the market rates and charges for comparable products/services; | We operate within a broad sector-wide cartel in terms of pricing but our fixed pricing model serves to make charging at the top end of servicing more reasonable than a pure percentage based model. | None |  |  |
|  | possible savings from economies of scale that could be shared with customers; | We operate a premium service and charge premium prices within the caveat of c. above. This means we are a low volume high margin business. This type of business typically doesn’t create economies of scale, and we are no exception. | None |  |  |
|  | possible returns from investment products/services; | Our business model and investment philosophy is premised on efficient markets. Under these conditions we do not attempt to, nor believe there is a viable method of, acquiring non market related returns, either for ourselves, or a our clients | None |  |  |
|  | assumptions on credit or other risk the firm is exposed to; and | Not applicable for us | None |  |  |
|  | any limitations to the products/services? | Service limits exist but these are driven by our business model proposition. Potential clients are made aware of these limits before engaging. Products as indicated elsewhere, do have limitations, but these are pre-defined by before we go to market to select products for our client cohort | None |  |  |
|  | the benefits received by consumers and the usefulness of the product/service to them. Characteristics such as the quality of the product/service, level of customer service, potential pay-out or return, suitability for consumers’ needs, or other features that consumers find valuable, all determine the benefit in relation to which the price of the product/service should be assessed; | Our service is predicated on financial planning. This is a service which is very transparent to prospective clients because it is represented to them as our usp. Potential clients, and subsequently clients, find the existence of a financial track to run on in perpetuity very value enhancing. Adding efficiencies through tax and costs are also value adding, although potentially less seen by clients | Action It would be valuable for us to create a value-add map for clients (and us as service standards). This would help us with onboarding and also in ensuring we deliver to mandate.  Outcome: We have now done this | 31/07/2023 | 31/07/2023 |
|  | When carrying out a product/service value assessment, has the firm collected and analysed appropriate management information (MI)? Relevant MI could include data from consumer surveys and relevant complaints data. | We collect complaints data (which is statistically negligible). We don’t conduct client surveys. | Action: We don’t like the idea of client surveys because our PI insurers don’t either. Furthermore, we believe this is an inefficient and inaccurate assessment of quality / value for money. However, we do believe that on reflection, asking value add questions at annual review is good MI and we will roll this out through the implementation period.  Outcome: We will consider adding the question “what could we do better to our annual reviews” with immediate effect and collect that information.  We decided not to do this. | 28/2/23 | 28/2/23 |
|  | Has the firm considered if there are any characteristics of vulnerability in the target market for the product/service? | Not directly, but the due diligence process in introducing products to clients ensures, as far as possible, that systematic vulnerabilities do no find their way into our system | None |  |  |
|  | Does the firm consider whether changes to the benefits of the products/services have any significant impact on fair value to consumers in the target market? If they are poor value, does the firm withdraw or amend products/services? | Yes, through annual due diligence | None |  |  |

**Enabling and supporting retail customers to pursue their financial objectives**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Issue** | **Actioned / In place (Yes / No)** | **If no, action needed in carried forward to planning** | **Due date** | **Completed on** |
|  | Where the firm has different charges for different groups of customers, do customers in all groups receive fair value? Is there a reasonable relationship between the benefits customers are likely to receive and the price they pay for the product/service? | We don’t. this question doesn’t apply | None |  |  |

**Outcome 3: Consumer understanding**

**Acting in good faith**

|  | **Issue** | **Actioned / In place (Yes / No)** | **If no, action needed in carried forward to planning** | **Due date** | **Completed on** |
| --- | --- | --- | --- | --- | --- |
|  | Has the firm carried out (or is it intending to carry out) a gap analysis on all of its existing products/services (including closed products/services) comparing the current requirements to the proposed new requirements? | As indicated above, it is standard practice for us to ensure all products our clients have, are considered within the framework of the plan. We therefore already do this | None |  |  |
|  | In its communications and interactions with customers, has the firm presented information in an even-handed way that properly presents the benefits and the risks? For example, key terms should not be buried in documents the firm knows a customer is unlikely to read. | We are of the view that our client facing material and communications, while good, leaves something to be desired regarding clarity, value add and transparency | Action: We will conduct a route and branch review of all client-facing material under our control to ensure it does deliver on transparency and clarity.  Outcome: We feel our client facing material is clear, precise and transparent. | 31/7/23 | 31/7/23 |
|  | Has the firm adopted good practices that generally enhance the clarity of communications and, where possible, acted to make communications more effective? For example, by: |  |  |  |  |
|  | layering information. Is key information provided upfront with cross-references or links to further detail? This can be particularly effective online; | See 35 | See 35  Outcomes:   * TOB enhanced with more layering | 31/7/23 | 31/7/23 |
|  | making communications engaging. Is the key information easy to identify? For example, by means of headings and layout, bullet points, display and font attributes of text. Design devices such as tables, graphs, diagrams, graphics, audio-visuals and interactive media can also improve the effectiveness of communications by making them more engaging; | See 35 | See 35  Outcomes:   * TOB reviewed and found to be clear transparent. Some words changed to make even more so. | 31/7/23 | 31/7/23 |
|  | making communications relevant. Has the firm included the appropriate level of detail for each communication and avoided unnecessary disclaimers?; | See 35 | See 35 | 31/7/23 | 31/7/23 |
|  | making communications simple. Does the communication avoid using jargon or technical terms where possible? Where unavoidable, firms should explain the meaning of key terms in plain and intelligible language that consumers are likely to understand; and | See 35 | See 35 | 31/7/23 | 31/7/23 |
|  | making communications timely. Has the firm communicated with consumers in a timely manner and at appropriate touch points throughout the product lifecycle, giving them an appropriate opportunity to take in the information and, where relevant, assess their options? | Yes | None |  |  |
|  | Has the firm adopted an effective approach to the testing of communications, which provides assurance that significant communications can be understood by the target recipients? For example, are communications adapted, where appropriate, with the aim of improving consumer understanding to support good outcomes? | No and this doesn’t apply to us. This is a manufacturer thing | None |  |  |
|  | Does the firm draft, and regularly review, its contract terms to ensure compliance with the transparency requirements of the Consumer Rights Act? | No | Action: We will do this (see item 11 above too).  Outcome: We have reviewed our contract terms (see above) and found them to be fit for purpose. | 31/7/23 | 31/7/23 |

**Avoiding foreseeable harm**

|  | **Issue** | **Actioned / In place (Yes / No)** | **If no, action needed in carried forward to planning** | **Due date** | **Completed on** |
| --- | --- | --- | --- | --- | --- |
|  | Does the firm communicate product/service terms clearly and highlight key risks for consumers? For example, by prominently disclosing and adequately explaining significant risks. | Yes | None |  |  |
|  | Has the firm “put itself in its customers’ shoes” and considered whether its communications equip consumers with the right information, at the right time, to assess products and services and make effective decisions? In particular, has the firm considered its vulnerable customers when drafting communications? | It has always done this | None |  |  |
|  | Has the firm considered consumers’ information needs after the initial point of sale and throughout the lifecycle of the product? | Yes. As well as our standard clients, we are already focussing on vulnerable clients and their needs and have separate policies and procedures for them | None |  |  |
|  | How does the firm ensure consumers get the necessary calls to action to avoid something that would negatively impact them? | Through various communication channels including the website and emails | None |  |  |
|  | Is the firm collecting and making use of relevant MI to monitor the impact of communications and identify areas that warrant further investigation? For example, communication response rates, take-up rates of products where communications prompt consumers to switch or take them out, or complaints information. | Yes. Our main focus in this regard is rebalancing / fund switching and the need for clients to instruct us, in order for us to implement | None |  |  |

**Enabling and supporting retail customers to pursue their financial objectives**

|  | **Issue** | **Actioned / In place (Yes / No)** | **If no, action needed in carried forward to planning** | **Due date** | **Completed on** |
| --- | --- | --- | --- | --- | --- |
|  | Does the firm consider the characteristics of the consumers that its communications are aimed at and tailor communications accordingly so that they are likely to be understood? For example, does the firm aim to segment or target communications to make them more relevant to the intended recipients, rather than adopting a “one size fits all” approach? | We work hard to deliver all client communications in a transparent and understandable way | None |  |  |
|  | Does the firm help consumers navigate the information the firm provides, making it easy for consumers to identify the key information and their available options? | Client objective setting and delivery of them is the spine of our client facing financial planning process. Everything we do is predicated on the client understanding their planning roadmap, the dangers in its way and how to successfully implement | None |  |  |
|  | Does the firm have systems and processes in place to monitor the impact of communications on consumer understanding? | Yes, through file reviews. | Action: However, client response to rebalancing and fund switches needs monitoring for in-time responses, and we will look to improve this, if possible.  Outcome: We have had no adverse responses. Clients understand the re-balancing link to risk control and the fund switch link to performance. | 30/04/23 | 31/07/2023 |

**Outcome 4: Consumer support**

**Acting in good faith**

|  | **Issue** | **Actioned / In place (Yes / No)** | **If no, action needed in carried forward to planning** | **Due date** | **Completed on** |
| --- | --- | --- | --- | --- | --- |
|  | Has the firm carried out (or is it intending to carry out) a gap analysis on all of its existing products/services (including closed products/services) comparing the current requirements to the proposed new requirements? | See commentary elsewhere | None |  |  |
|  | The new requirements will be set out in a new chapter 2A.6 in [*PRIN*](https://www.handbook.fca.org.uk/handbook/PRIN/) in the Consumer Duty Instrument 2022, which is in Appendix 1 to [*CP21/36*](https://www.fca.org.uk/publication/consultation/cp21-36.pdf). This outcome sets overarching expectations relating to consumer support and firms may need to go beyond the existing rules covering specific aspects of servicing customers (such as complaints handling and providing information) to deliver good outcomes. | Noted. The rest of this analysis ensures that where relevant, this will be done | None |  |  |
|  | Has the firm used systems that are easy for customers to use? | We believe so. We have had no systematic feedback from customers to the contrary | None |  |  |
|  | Does the firm have processes that support consumers throughout the product/service lifecycle: |  |  |  |  |
|  | pre-sale; | Yes | None |  |  |
|  | during sale; and | Yes | None |  |  |
|  | after-sale? | Yes | None |  |  |
|  | Does the firm have effective consumer support processes and communication strategies to deal with unexpected surges in demand for support? | We have never had this. From time to time market conditions may make customers nervous but part of our client service is ongoing financial education preparing them for such events. Historic issues demonstrate this education process works | None |  |  |
|  | Does the firm design and deliver the support they provide to meet the needs of its customers? Does it adopt a flexible approach when dealing with customers in vulnerable circumstances and offer more than one channel of communication, so customers have a choice? | Yes, and yes | None |  |  |

**Avoiding foreseeable harm**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Issue** | **Actioned / In place (Yes / No)** | **If no, action needed in carried forward to planning** | **Due date** | **Completed on** |
|  | Does the firm regularly monitor its consumer support processes to ensure there are no systemic issues that create unreasonable barriers or costs for consumers when they want to take action? For example, is there consistently poor or excessively slow service, or are consumer helplines under-resourced? | We have a relatively small number of clients and historically this has not been an issue for us. We have from time to time (infrequently) had service related expressions of dissatisfaction, but these have been discrete as opposed to systematic and down to inevitable human error (because humans are error prone) – analysis indicates that the human error is not down to under staffing. | While we accept that these things happen they do not reflect “business as usual” – we will not therefore be implementing an action for this. The level of its incidence is within our risk management tolerances. |  |  |
|  | Has the firm ensured that consumers are not exposed to unreasonable additional costs (including non-financial costs) as a result of its services? | It just doesn’t happen | None |  |  |
|  | Has the firm considered the information available on customer behaviour and feedback to identify whether customers, or groups of customers, are encountering unreasonable barriers or unreasonable additional costs as part of firms’ customer service provision? | No, but see 53. | None |  |  |
|  | Is the firm accessible when customers have questions? | Yes | None |  |  |

**Enabling and supporting retail customers to pursue their financial objectives**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Issue** | **Actioned / In place (Yes / No)** | **If no, action needed in carried forward to planning** | **Due date** | **Completed on** |
|  | Does the firm design and deliver consumer support in a way that does not create unreasonable barriers to consumers achieving the benefits of products/services or acting in their interests? This includes avoiding “sludge” in the design of consumer journeys, which uses friction to prevent consumers from taking actions such as cancelling a product or amending terms. | From our side there is no incidence evidence. We are distributors however and as such are the conduits of manufacturer “sludge”, which odes occur from time to time. We are not in control of this but when it happens we are clear that we need to use best endeavours to resolve issues. | None |  |  |
|  | Does the firm make it mandatory for customers to communicate via a certain channel? If it does, has it considered whether this is appropriate for all of its customers, including its vulnerable customers? | Yes | None |  |  |
|  | Is it at least as easy to switch product, leave a service or make a change, as it is to buy a product/service in the first place? | It is neither easy to acquire or exit a product. However we are not of the view that the products we use require that kind of speed. An exception may be in-specie transfers, but again, that is a sector / industry issue over which we have no control | None |  |  |

**Monitoring compliance with consumer duty**

|  | **Issue** | **Actioned / In place (Yes / No)** | **If no, action needed in carried forward to planning** | **Due date** | **Completed on** |
| --- | --- | --- | --- | --- | --- |
|  | How does the firm: |  |  |  |  |
|  | identify and manage any risks to good outcomes for consumers; and | File reviews, CPD reviews, KPI reviews | None |  |  |
|  | identify where consumers are getting poor outcomes and understand the root cause? | Complaints procedures | None |  |  |
|  | Tied into the above, has the firm identified relevant sources of data to enable it to assess whether the outcomes that its customers are experiencing are consistent with its obligations under the consumer duty? The type of information firms use will vary depending on their size, client base and the types of products/services they offer. Does it include: |  |  |  |  |
|  | analysing customer retention records (for example, claims and cancellation rates and details of why customers leave); | No | Action: We will do this by collecting data.  Outcomes: We have had no client complaints. Some clients die, and one or two have left to other firms for a change in investment philosophy, but no one for charges. | 31/07/23 | 31/7/23 |
|  | reviewing customer files; | Yes | None |  |  |
|  | considering customer feedback, including complaints and root cause analysis of complaints; | Yes | None |  |  |
|  | considering honest feedback from staff; | We believe so – staff have open forums to discuss process failures and improvements | None |  |  |
|  | testing customers’ experiences; | Yes through complaints incidence | None |  |  |
|  | reviewing customer satisfaction surveys; and | No | Action; As above we will implement through annual reviews. Also link to item 30 above | 31/07/23 | 31/7/23 |
|  | reviewing whether processes and policies are effective in delivering good outcomes for customers? | We are a small firm and having effective procedure monitoring is beyond our capacity. We limit incidents and client detriment risk though independent file reviews. This is an outcomes based metric – that is, is there actual or potential client harm, rather than tick box base inputs, which runs the risk of missing the potential detriment | None |  |  |
|  | Is a process in place to ensure the relevant data is collected and regularly reviewed at an appropriate level? | Yes, through file reviews, and through the FCA monitoring (RMARS etc) | None |  |  |
|  | Does the firm have processes in place to adapt and change products/services or policies/practices to address any risks or issues as appropriate? | Once identified, yes | None |  |  |
|  | Has the firm established a record-keeping policy with regard to its obligations under the consumer duty? | Not yet | Action: We will see what data we currently collect and change it up where necessary to ensure consumer duty is effectively implemented and maintained.  Outcome: We compiled a consumer duty MI matrix and identified the following data sets (which we are now scraping) to demonstrate we are “doing” consumer duty: new business product spread, annual review completion, adviser CPD, vulnerable clients, clients in decumulation, complaints. | 31/07/23 | 31/7/23 |

**Governance and the consumer duty**

Annual report on firms’ compliance with consumer duty (This section applies once the consumer duty is in force.)

|  | **Issue** | **Actioned / In place (Yes / No)** | **If no, action needed in carried forward to planning** | **Due date** | **Completed on** |
| --- | --- | --- | --- | --- | --- |
|  | Has the firm a process in place whereby its board, or equivalent governing body, will review and approve an assessment of whether the firm is delivering good outcomes for its customers that are consistent with the consumer duty, at least annually? | Not yet | Action: We will put this in place at management level (compliance monitoring plan) and also at executive (governing body) level.  Outcome: See 64 above. This data set is escalated to Board through the annual compliance report | 31/05/23 | 31/7/23 |
|  | Does the assessment include the following: |  |  |  |  |
|  | the results of the monitoring that the firm has undertaken to assess whether its products/services are delivering expected outcomes in line with the consumer duty; | It will do | Will be implemented  Outcome: See 64 above. | 31/05/23 | 31/7/23 |
|  | new and emerging risks to good outcomes for consumers; | This will happen organically as a result of 66a. |  | 31/05/23 | 31/7/23 |
|  | any evidence of poor outcomes and an evaluation of the impact and the root cause? | As for b above |  | 31/05/23 | 31/7/23 |
|  | actions taken to address any risks or issues; and | As for b above |  | 31/05/23 | 31/7/23 |
|  | an explanation of how the firm’s future business strategy is consistent with acting to deliver good outcomes under the consumer duty? | As for b above |  | 31/05/23 | 31/7/23 |
|  | Outside of the annual report on firms’ compliance with the consumer duty, is the firm’s board/governing body regularly reviewing MI relating to the consumer duty? Are non-executive directors involved in reviewing the MI? As appropriate, is MI challenged? | Not yet, but it will do | Action: See item 65 | 31/05/23 | 31/7/23 |

**Interaction between consumer duty and SM&CR**

This section relates to the senior managers and certification regime (SM&CR), which is the individual accountability regime that applies to authorised firms.

|  | **Issue** | **Actioned / In place (Yes / No)** | **If no, action needed in carried forward to planning** | **Due date** | **Completed on** |
| --- | --- | --- | --- | --- | --- |
|  | Are senior managers aware of what their obligations under the consumer duty will be? | Yes – in effect they won’t change. Our senior managers are aware of their Duty of Care, and of their TCF responsibilities. These are reflected in their historic behaviours and conduct | None, however, our senior managers will conduct CPD annually to keep up to date with current best practice. Statements of Responsibility will be updated to reflect each SM’s corporate responsibility with consumer duty.  No further action required |  |  |
|  | In line with the above, will senior managers’ statements of responsibilities need updating? | Yes – see 2 | Done | 25/11/23 | 25/11/23 |
|  | Where relevant, will the firms’ management responsibilities map need updating? | N/A | None |  |  |
|  | Is conduct rules training, along with any other training, being updated to reflect any changes implementing the consumer duty will bring about? | Yes | Action: It will be done and rolled out as required CPD  Outcome: is now part of the CPD programme for 2023 | 28/02/23 | 22/02/23 |

Firms’ policies and manuals

|  | **Issue** | **Actioned / In place (Yes / No)** | **If no, action needed in carried forward to planning** | **Due date** | **Completed on** |
| --- | --- | --- | --- | --- | --- |
|  | If the firm has a compliance manual, does this need updating to reflect the new consumer duty? | We don’t have a manual but we do have relevant procedures | Action: We will implement a new consumer duty policy / procedure.  Outcome: Done | 31/03/23 | 31/7/23 |
|  | Does the firm have a vulnerable customer’s policy? If so, does it need updating to reflect the new consumer duty? If not, a firm may wish to consider implementing one. | Yes, no. | None |  |  |