

CONSUMER DUTY: A CLEAR WAY FORWARD

April 2023

A holistic solution for ensuring your business can not only meet, but exceed The Consumer Duty standards



The Consumer Duty sets higher standards of consumer protection across financial services, requiring firms to evidence and monitor whether their products and services are delivering good customer outcomes and how they plan to fix any issues unearthed.

Firms are required to evidence how their products and services perform against four outcomes:

- Products and services are fit for purpose
- Consumers are receiving a fair price and value
- Firms' communications support consumer understanding to enable them to make informed decisions
- Firms are providing support to meet the consumer's needs.

The FCA will be assessing progress on the above outcomes through two lenses:

- Culture Change: how corporate governance, business models and

company culture are focused on identifying and continually delivering good outcomes for consumers

- Consumer Testing: how firms continually review products, services and communications to deliver good outcomes for consumers.

To deliver against the Duty firms need to put in place robust plans to regularly monitor and assess their products and services against the outcomes and evidence steps taken to improve where appropriate.

The Ipsos offer

We can help you understand how you're performing against the Duty outcomes, establishing regular monitoring and reviews to ensure you know what's working, where to improve and the impact of those improvements.

Across the lenses of culture and consumer, we'll support you to:

- **Understand:** we've worked

closely with the FCA to create a set of diagnostic questions to indicate your performance on the four Duty outcomes. In combination with our Financial Research Survey (FRS) we'll tell you where you sit against your competitors, where to focus your efforts. We can also tell you how your external stakeholders view your Duty implementation.

- **Improve:** we'll provide a tailored service from our portfolio of products and expertise based on your identified needs to support you in taking corrective action where products or services fall short of the Duty outcomes or to future proof new products and services.

- **Monitor:** we'll bring together the reporting on your cultural and consumer focused activities, so you can holistically understand and assess your progress on delivering against the Duty.

Tracking & monitoring compliance with the Duty in three steps:

The FCA will assess progress through two lenses:

Company culture:

Ensuring culture, corporate governance and business models support delivery of good customer outcomes

Consumer focus:

Firms understand the performance of products and services against the Duty outcomes and make interventions

Understand:

Are consumers experiencing good outcomes?

A significant challenge faced by firms will be to robustly measure culture and demonstrate the impact this is having on customer outcomes. To help you build and maintain positive sentiment among external stakeholders we will help you:

- Measure and monitor internal and external opinion (consumers & employees).
- Understand expectations and your reputation with **external stakeholders**, the media, policymakers and regulators.

With the FCA Ipsos has developed Duty specific diagnostics. In combination with our industry-wide Financial Research Survey we will tell you:

- where you sit versus competitors in terms of duty compliance.
- what areas of focus to improve upon in your Duty compliance.

We then harness existing survey data to help pinpoint those products and services most in need of attention using AI.

Improve:

Identify and take corrective action where consumer outcomes are poor

Knowing what external stakeholders expect from you in meeting the Duty and embedding this cultural change will reveal clear pathways to follow in order to show tangible proof that these expectations are being met. We'll help you:

- Conduct cultural audits and develop impactful campaigns and interventions that drive sustainable change.
- Track the impact on your corporate reputation with MPs, and business and financial journalists.

Using Ipsos' vast expertise we help you take corrective action for products or services identified as falling short of the Duty objectives. For example:

- Digital products: User experience tests highlight pain points for consumers and user-centred solutions.
- Communications: Via a range of approaches, including semiotics and behavioural science, we evaluate the clarity of your comms for consumers.

This stage can also be used to ensure new products and services are Duty compliant.

Monitor:

Establish robust monitoring to evidence progress and improvements

This stage is about bringing together cultural and customer focused activities, so you can understand the big picture and assess progress on delivering against the Duty. Ipsos is highly experienced in this area and can help you:

- Develop the architecture necessary to bring all of your Duty market intelligence together
- Shape a consistent Duty monitoring framework to meet your firm's size and function
- Develop clear reporting mechanisms to highlight areas of improvement
- Effectively evidence progress against the Duty outcomes for the FCA.

Contact us to find out more:



Tim Francis

Head of Financial Services in
the UK, Ipsos

Tim.Francis@ipsos.com