



Consumer Duty Outcomes Key Questions

Consumer Duty Outcomes – Key Questions to Consider

The FCA has provided examples of the type of questions that firms can expect to be asked in respect of consumer duty.

These cover the four outcomes as well as culture, governance, and accountability. The FCA would also expect the consumer duty champion and the chair to use these types of questions to guide discussions by the firm's board.

Not every question will apply to every firm, but understanding how you might respond and what your current RAG status would be might be a good start.

Products and Services Outcomes

Aims to ensure products are designed with a target market in mind and that target customer’s needs, characteristics and objectives are documented.

Questions	Firm’s current position	Actions	RAG
Has the firm specified the target market of its products and services to the level of granularity necessary?			
How has the firm satisfied itself that its products and services are well-designed to meet the needs of consumers in the target market, performing as expected? What testing has been conducted?			
How has the firm identified whether the product or service has features that could risk harm for groups of customers with characteristics of vulnerability? What changes to the design of its products and services is it making as a result?			
Is the firm sharing all necessary information with other firms in the distribution chain and receiving all necessary information itself?			
How is the firm monitoring that the distribution strategies are being followed and that the products and services are being correctly distributed to the target market?			
What data and management information is the firm using to monitor whether the products and services continue to meet the needs of customers and contribute to good consumer outcomes? How regularly is it reviewing this data and what action is being taken as a result?			
Where the firm is planning to withdraw a product or service from the market, has the firm considered whether this could lead to foreseeable harm? What action is it taking to mitigate this risk?			

Price and Value Outcomes

This aims to ensure that customers pay a fair price for the product or service they receive and that the price paid is reasonable compared to the overall value and benefit they receive.

Questions	Firm's current position	Actions	RAG
Is the firm satisfied that it is considering all relevant factors and available data as part of its fair value assessments? Has it gathered relevant information from other firms in the distribution chain?			
What insight has the firm gained in its value assessments by benchmarking the price and value of its products and services against similar ones in the market? Have the price and value of its older products kept up with market developments?			
Can the firm demonstrate that its products and services are fair value for different groups of consumers, including those in vulnerable circumstances or with protected characteristics?			
If the firm is charging different prices to separate groups of consumers for the same product or service, is the firm satisfied that the pricing is fair for each group?			
What action has the firm taken as a result of its fair value assessments, and how is it ensuring this action is effective in improving consumer outcomes?			
What data, MI and other intelligence is the firm using to monitor the fair value of its products and services on an ongoing basis? How regularly is it reviewing this material and what action is it taking as a result?			

Consumer Understanding Outcomes

Aims to ensure that firms provide clear information so then customers can make informed decisions about their financial products and services.

Questions	Firm's current position	Actions	RAG
Is the firm satisfied that it is applying the same standards and testing capabilities to ensure that all communications are delivering good customer outcomes as they are to ensuring they generate sales and revenue?			
What insights is the firm using to decide how best to keep customers engaged in their customer journey, while also ensuring that its customers have the right information at the right time to make decisions?			
How is the firm testing the effectiveness of its communications? How is it acting on the results?			
How does the firm adapt its communications to meet the needs of customers with characteristics of vulnerability, and how does it know these adaptations are effective?			
How does the firm ensure that its communications are equally effective across all channels it uses? How does it test that?			
What data, MI and feedback does the firm use in its ongoing monitoring of the impact of its communications on customer outcomes? How often is this data reviewed and what action is taken as a result?			

Consumer Support Outcomes

Aims to ensure that the customers have sufficient support to meet their needs throughout their relationship with a firm.

Questions	Firm's current position	Actions	RAG
How has the firm satisfied itself that its customer support is effective at meeting customer needs regardless of the channel used? Does the firm test the outcomes across different channels?			
What assessment has the firm made about whether its customer support is meeting the needs of customers with characteristics of vulnerability? What data, MI and customer feedback is being used to support this assessment?			
How has the firm satisfied itself that it is at least as easy to switch or leave its products and services as it is to buy them in the first place?			
How has the firm satisfied itself that the quality of any post-sale support is as good as the pre-sale support?			
What data, MI and feedback is the firm using to monitor the impact its consumer support is having on customer outcomes? How often is this data monitored, and what action is being taken as a result?			
How effective is the firm's monitoring and oversight of outsourced or third-party service providers, and is it confident that these services meet the consumer support standards?			

Culture and Governance

Aims to ensure that the interests of customers are central to the culture and purpose of a firm and are embedded throughout.

Questions	Firm's current position	Actions	RAG
Does the firm's purpose (whether publicly articulated or not) align with its obligations under the duty? How is it embedded and understood throughout the organisation?			
How does the organisation's culture support the delivery of good outcomes for customers?			
How does the organisation ensure that individuals throughout the organisation – including those in control and support functions – understand their role in delivering the duty?			
Are staff empowered and feel safe to challenge and raise issues where they feel the firm might not be acting to deliver good outcomes for customers? Are those challenges listened to, and where necessary, acted on?			
Is the duty being considered in all relevant discussions such as strategy and remuneration? Are customers outcomes a key lens for risk and internal audits?			
How is the firm ensuring that its remuneration and incentive structures drive good outcomes for customers?			

Customer Outcomes

Aims to ensure a higher standard of care and protection for customers when pursuing their financial objectives.

Questions	Firm's current position	Actions	RAG
Is the organisation prioritising acting to deliver good outcomes for customers? Are there any areas of concern?			
How is the external environment changing, and how will that impact on the organisation's ability to deliver good outcomes for customers?			
Has the firm identified the key risks to its ability to deliver good outcomes to customers and put appropriate mitigants in place?			
How does the firm define good outcomes (over the short-, medium- and long-term) for customers using its products and services?			
What data does the firm have about its customers and how they use its products? Are there any gaps in the data? What steps is the firm taking to address them?			
What outcomes are customers getting? Are they getting good outcomes which align with their reasonable expectations?			
Are certain groups of consumers getting different outcomes, and if so, why? What's driving any adverse outcomes?			
What actions is the firm taking to improve outcomes? (Who's accountable for this work, what will improvement look like and when will it happen?)			

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