

QUICK GUIDE TO CONSUMER DUTY OUTCOMES

The new Principle behind the Consumer Duty is that **“a firm must act to deliver good outcomes for retail customers.”** This sounds sensible – after all, who would object to the idea of helping their clients achieve what they want? But its implications are far-reaching for adviser firms – particularly since the FCA require evidential proof that good outcomes have been achieved.

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CONSUMER SUPPORT



WHAT DOES CONSUMER SUPPORT MEAN?

The FCA wants firms to support clients “effectively”, so they benefit fully from products and services. This means making sure that your support meets clients’ needs. Support should be easy to access, available in the appropriate channels and must not raise “unreasonable barriers” to clients acting in their own best interests. The key to this is good communication, and so the Consumer Support outcome often overlaps with the Consumer Understanding outcome. But Consumer Support places a greater emphasis on the effective action that results, especially when action prevents financial harm happening.

WHAT DO YOU NEED TO DO?

You should ensure that your firm has effective support channels in place and monitor them to ensure they are working as required. A core mandate is you should dedicate **the same level of support to ensuring good outcomes for clients as you dedicate to converting sales** or increasing revenues



Your firm is required to:

- **Communicate with clients at key points in product lifecycles** such as when a product review or switch would benefit a customer.
- **Respond to changes in clients’ needs**, whether caused by life circumstances, or by economic or social stresses such as the Covid crisis.
- **Ensure that support is tailored for vulnerable customers**, as outlined in the FCA’s own study [here](#).
- **Monitor support channels for evidence of failure**, such as understaffed helplines, poor user experiences on websites or apps, or the poor placement of key information.
- **Adjust standards of support** if improvement is found to be necessary.

- **Apply appropriate standards of “friction”.** This means including positive friction to prevent hurried and ill-considered purchases, as well as avoiding negative friction which makes it hard for customers to claim, switch products, complain or even make enquiries.
- **Monitor standards of support from 3rd parties** such as providers recommended by your firm or outsourced support channels relied on by your firm.

Your firm is NOT required to:

- **Provide every support channel to every client**, but must be clear about what channels are available for each product or service.
- **Eradicate all wait times on client helplines**, but must ensure that helplines are properly resourced.



How do you achieve this?

Your firm should take every opportunity to monitor client feedback and patterns of usage in your firm’s webchats, helplines and other client-adviser contact points. Other sources of vital information include:

- Internal QA analyses
- Satisfaction surveys
- Client call listening exercises
- Root-cause analyses of complaints

Don’t forget to check our other Consumer Duty quick guides:

Products and Services, Price and Value and **Consumer Understanding**



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