# Consumer Duty Policy

This policy documents the requirements of the Consumer Principle, the Cross-Cutting Obligations and the Consumer Outcomes and the steps [Name of Firm] is taking to meet the requirements.

**Definitions: -**

Throughout this policy the following definitions apply: -

* Reference to a **PRODUCT** includes products & services.
* Reference to a **RETAIL CUSTOMER** includes policyholders & prospective policyholders *(referred to as customer throughout this policy)*
* Reference to **PROFESSIONAL CLIENTS** means large corporate entities and government bodies
* Reference to **CONSUMER** means the wider group of those who use financial services.
* **CUSTOMER** under the consumer duty refers to the firm’s individual customers. In this policy where we reference our own customers this is stated.

## Principle 12 – The Consumer Principle

**The Consumer Principle requires [Name of Firm] to act to deliver good outcomes for retail customers**

**[Name of Firm]** recognises that the emphasis is on consumer outcomes, and the firm’s obligation to be proactive in delivering good outcomes for customers. As a firm we look at the impact of our actions (or inactions) on consumers as a whole.

Principle 12 applies to our policyholders and prospective policyholders excluding professional clients and eligible counterparties.

The obligations under Principle 12 extend to activities carried out by a firm which determine or materially influence customer outcomes even where we may not be in a client relationship.

Obligations on **[Name of Firm]** will be interpreted reasonably, in a manner that reflects our role in the distribution chain and the degree to which we can determine or influence outcomes.

**[Name of Firm]** recognises that Principle 12 does not change the nature of our relationship with any given customer and, it does not create a fiduciary relationship where one would not otherwise exist nor, require us to provide advice or carry out any other regulated activity where we would not otherwise have done so.

However, **[Name of Firm]** must meet, if not exceed, the standard that could reasonably be expected of a prudent firm carrying on the same activity in relation to the same product.

To meet the FCA’s expectation under Principle 12, (PRIN 2A.1.8). we always conduct our business to a standard which ensures an appropriate level of protection for customers. We empower customers to make informed purchasing decisions, and enable them to take responsibility for their decisions, based on clear fair and not misleading information.

**[Name of Firm]** recognises that customers require an appropriate level of protection because they:- [PRIN 2A.1.9 G]: -

* Typically face a weaker bargaining position in their relationships with firms.
* Are susceptible to cognitive and behavioural biases.
* Lack experience or expertise in relation to the products and services we offer.
* Are frequently affected by information asymmetries. *[information asymmetry is an imbalance between two negotiating parties in their knowledge of relevant factors and details]*

Through the consumer understanding outcome [Name of Firm] does our utmost to mitigate the above four points and level the bargaining positions, ensure our customers are making decisions based on clear fair and not misleading information and we give customers the opportunity to ask questions and we provide advice tailored to their needs and characteristics.

Principle 12 imposes a higher and more exacting standard of conduct in comparison to Principle 6 and 7. It also has a broader application with a greater emphasis on consumer protection. Although guidance on Principles 6 and 7 remains relevant it is noted that there are inherent limits to such guidance. However, where we fall short of the existing guidance on Principles 6 and 7 and the behaviours would amount to a breach the behaviours is likely to amount to a breach of Principle 12.

By meeting the overarching conduct requirements of the Cross-Cutting rules and the obligations of the retail customer outcomes as documented in this policy we are complying with Principle 12 and providing the appropriate level of protection for customers.

## Cross Cutting Rules

The Cross-Cutting rules exhaust what is required under Principle 12 (PRIN 2A2.26R) and define the overarching conduct **[Name of Firm]** must demonstrate when we act to deliver good outcomes for retail customers.

The Cross-Cutting rules require three key behaviours: -

1. **Act in Good Faith –** **[Name of Firm]** must act in good faith towards our customers. Acting in good faith is a standard of conduct characterised by honesty, fair and open dealing and acting consistently within the reasonable expectations of customers.

To meet the obligation of acting in good faith we will: -

* Always take account of our customer interests in the way we present information and in the products we offer.
* Never exploit or manipulate our customers emotions or behavioural biases.
* Never take advantage of vulnerable customers. As a firm we take time to fully understand vulnerability and how to support someone who could potentially be vulnerable. As a firm we provide refresher courses for all staff and adhere to our Vulnerable Customer Policy.
* Ensure that our standard of advice or service is not influenced by how beneficial the activity is to our firm. We afford all customers the required standard of advice or service needed to meet their needs.

The above does not prevent us from pursuing legitimate commercial interests or seeking a profit, provided it is in a compliant, open, honest and fair manner.

1. **Avoid Causing Foreseeable Harm** – [Name of Firm] must avoid causing foreseeable harm to customers. Foreseeable harm may be caused by both act and omission in our direct relationship with a customer or through our role in the distribution chain (even where another firm in the distribution chain contributes to the harm) (PRIN2A.2.10)

To meet the obligation of avoiding causing foreseeable harm at any stage of the sales process, we will: -

* Proactively respond to a complaint, Professional Indemnity (PI) claim or Error or Omission (E&O) and as part of the process consider how the circumstances could impact other customers and take appropriate action rather than waiting for the harm to occur. We actively monitor complaints data, PI claims data, and our E&O log.
* Not unfairly exploit behavioural biases displayed or characteristics of vulnerability. Training will be provided and refreshed to ensure staff understanding of behavioural biases and characteristics of vulnerability.
* Always provide clear fair and not misleading information. Communications will be reviewed and tested as part of the consumer understanding outcome (see later in this policy).
* Consider the potential for harm that might arise if we withdraw a product, a product changes or our understanding about the product changes and the actions we need to take ahead of this happening.
* Respond to emerging trends that identify new sources of harm.
* Monitor the Press, the Financial Ombudsman Service and FCA thematic reviews for potential or actual foreseeable harms.
* Take appropriate action to mitigate the risk of an actual or foreseeable harm that is identified by:-
  + Updating or otherwise amending the design of the product or distribution strategy
  + Updating information about a product
  + Ensure that retail customers do not face unreasonable barriers when they want to switch products or providers or make a complaint
  + Help customers find suitable alternatives where a product is withdrawn or, we become aware that it no longer meets their demands and needs.

Our duty to avoid causing foreseeable harm to our customers with whom we have an ongoing relationship continues throughout the lifecycle of the product.

Where we have no ongoing relationship with a customer but provided a product or service at a point in time, we are not required to act to avoid causing harm which only later becomes foreseeable.

Where we know a product has inherent risks, we will do our best to ensure our customers understand and accept the inherent risks. We will not be in breach of the requirement to prevent foreseeable harm if the inherent risk occurs. Whether a customer understands the inherent risk will depend on the nature of the product, the adequacy of design, the clarity of our communications and our customer service amongst other considerations.

If **[Name of Firm]** identifies through complaints, internal monitoring or from any other source that a customer has suffered foreseeable harm as a result of what we have done or failed to do we will Act in Good Faith and take appropriate action to rectify the situation including providing redress where appropriate. (PRIN 2A.2.5 R). (See redress section later)

If the foreseeable harm has not occurred but has been identified, we will take proactive action to advise the customers of the foreseeable harm and take appropriate action to prevent it.

Where the harm identified was caused by risks inherent in a product and it can be evidenced that we have explained the risks in a way which is clear fair and not misleading and believed the customer understood and accepted the risks we will not be required to take remedial action. (PRIN 2A.2.6R)

1. **Enable and Support Retail Customers – [Name of Firm]** must enable and support retail customers to pursue their financial objectives. This will vary depending on the type of product we are distributing or service we are providing.

Where we are providing a non-advised sale, we can assume that the financial objective of the customer is to purchase, use and enjoy the full benefits of the product in question.

Where we offer an advised sale, we are entitled to rely on the objectives that our customers have disclosed unless we are aware that the information disclosed is manifestly out of date, inaccurate or incomplete.

It is important that we assist our commercial customers in providing a fair presentation of the risk to be insured and our personal lines customers in answering all question accurately and to the best of their ability.

Our understanding of our customers financial objectives must be documented in the demands and needs statement and given to the customer in a durable medium prior to conclusion of the contract.

In order to support our customers in achieving their financial objectives and empowering them to make good choices in their own interests we will: -

* Ensure that the proposed product best meets the financial objectives of our customers and does not frustrate their financial objectives. Where there are areas that do not meet our customers objectives these will be drawn to their attention and explained.
* Ensure that our customers have the information and support they need, when they need it, to make and act on informed decisions.
* Enable our customers to enjoy the use of their product and to switch or exit the product where they want to without unreasonable barriers or delay
* Take account of our customers behavioural biases and the impact of characteristics of vulnerability in all aspects of customer interaction.
* Provide information in a durable medium and in a clear fair and not misleading manner.

It is noted that we are not required to go beyond what a prudent firm carrying out the same activity in relation to the same products, taking into account the needs and characteristics of retail customers, would do.

The cross-cutting obligations apply at all stages of the customer journey and during the whole life cycle of a product. It is therefore important to keep products under regular review and consider the impact of any changes made to the products as dictated by the Product Intervention and Product Governance Rules (See separate Product Governance and Fair Value policies). We are required to act proactively and reactively as the context requires.

The cross-cutting rules apply at target market level and individual customer level. For example, where we are interacting with an individual customer or providing a bespoke service the obligations apply to those interactions and that service. However, if we are not interacting with an individual customer, for example in design of a product when making pricing decisions or designing communications the obligations apply.

## Consumer Outcomes

The Outcomes help to define what is required by Principle 12 but are not exhaustive.

1. **Products and Services Outcome**

**[Name of Firm]** has a separate Product Governance Policy which, ensures we meet the requirements under PROD 4. The Product and Services Outcome does not apply to any products that we [manufacture or] distribute that fall within the scope of the relevant PROD 4.

**[Name of Firm]** has assessed all the products we [manufacture and] distribute and they all fall within the Scope of PROD 4. (PRIN2A.3.24R).

Closed Product not already subject to PROD must follow the closed product rules and guidance under the Products and Services Outcome. However, we currently do not have any closed products that fall outside of the PROD Rules.

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1. **Price and Value Outcome**

Value is the relationship between the amount paid by a retail customer for the product and the benefits they can reasonably expect to get from the product.

The product provides Fair Value where the amount paid for the product is reasonable relative to the benefit of the product.

**[Name of Firm]** has a separate Fair Value Policy which, ensures we meet the requirements under PROD 4. The Price and Value Outcome does not apply to any products that we [manufacture or] distribute that fall within the scope of the relevant PROD 4.

**[Name of Firm]** has assessed all the products we [manufacture and] distribute and they all fall within the Scope of PROD 4. (PRIN2A.4.32.R).

Closed Product not already subject to PROD must follow the closed product rules and guidance under the Price and Value Outcome. However, we currently do not have any closed products that fall outside of the PROD Rules.

1. **Consumer Understanding Outcome**

The consumer understanding outcome applies where **[Name of Firm]** is involved in the production, approval or distribution of customer communications regardless of whether **[Name of Firm]** has a direct relationship with the customer. It applies to all our retail market business. It applies to all customers intended to receive the communication.

The outcome applies to all communications with customers including: -

* Before, during and after the sale of a product
* Interactions that do not relate to a specific product
* Verbal communications, visual or in writing.

Communications include but are not limited to: -

* Financial promotions
* Insurer documentation (third party communications) we distribute
* Websites & social media
* Sales-related communications (New business letters or reports) (Renewal letters or reports).
* Post-sale communications (Mid term adjustments, claims communications, complaints correspondence, cancellations)
* Firm documentation – Terms of Business agreements, Privacy Notice.

The Outcome applies irrespective of the channel used [or intended to be used] including electronic communications, such as on social media or our website.

**[Name of Firm]** has created a catalogue of all our firm’s communications with customers and these are reviewed and signed off by the [name of senior manager with responsibility for compliance] annually, when they are amended, or updated. A formal documented procedure is followed.

With third party documentation the review is more informal as the third party in the distribution chain will have complied with the consumer understanding outcome.

Communications to Retail customers

Through our review process we ensure our communications: -

1. Meet the information needs of customers
2. Are likely to be understood by customers and
3. Equip customers to make decisions that are effective, timely and properly informed. To provide information on a timely basis, we must communicate in good time for customers to make effective decisions, including:
   1. Before the purchase of a product and
   2. At suitable points throughout the lifecycle of the product.

**[Name of Firm]** must communicate information in a way which is clear fair and not misleading.

For product specific communications **[Name of Firm]** considers the target market as identified by the insurer (Manufacturer).

For non-product specific communications **[Name of Firm]** considers its customers and prospective customers.

When considering the methods of communications with customers we satisfy ourselves that the communication channel:

1. Enables the communication of relevant information which customers are likely to need in a way that supports effective decision making and
2. Provides an appropriate opportunity for customers to review the information and where relevant assess their options.

We will always:-

1. Explain or present information in a logical manner
2. Use plain and intelligible language and where use of jargon or technical terms is unavoidable, explain them as simply as possible.
3. Make key information prominent and easy to identify, including by means of headings and layout, display and font attributes of text and by use of design devices such as tables, bullet points, graphs, graphics, audio-visuals and interactive media.
4. Avoid unnecessary disclaimers
5. Provide relevant information with an appropriate level of detail. We will avoid providing too much irrelevant information as this may prevent customers making effective decisions.

In supporting customer understanding, **[Name of Firm]** will tailor communications taking into account: -

1. The characteristics of customers, including any characteristics of vulnerability
2. The complexity of the product
3. The communication channels used and
4. The role of **[Name of Firm]** including whether we are providing regulated advice or information only.

When interacting directly with a customer on a one-to-one basis, such as in a branch, on the telephone or other interactive dialogue we will take the additional step of asking the customer whether they understand the information and if they have any further questions particularly if the information is reasonably regarded as key information such as where it prompts the customer to make a decision.

One-to-one communications must be documented and retained for possible future reference.

Testing, monitoring and adapting communications (PRIN 2A.5.10 R)

To ensure **[Name of Firm]** is meeting the requirements of the Consumer Understanding Outcome we have tested all communications to ensure they are supporting good outcomes for customers. Communications are regularly monitored, version controlled with are given a review date.

Where we identify an issue with a communication we: -

1. Investigate the issue
2. Correct any deficiencies through
   1. Adapting communications and
   2. Adapting our products or processes, for example our sales processes, if we are aware or ought to reasonably be aware that adapting our communication would not be sufficient in isolation to support good outcomes for customers and
   3. Follow the requirements in relation to remedies and other action as documented later in this policy.

It is a priority for us to test communications where we are responsible for

1. The production of the communications or
2. Adapting the communications after testing.

It is a priority for us to monitor communications where we have direct interactions with customers, such as through the provision of customer services whether outsourced in whole or in part.

In determining whether we need to test a communication we consider: -

1. The purpose of the communication and if it is designed to prompt or inform a decision and the relative importance of that decision for example:-
   1. New business quotation letter / report or
   2. Renewal quotation letter / report
   3. Final summary resolution / Final response letter (Complaints)
   4. Claims settlement offer
   5. XXXXX
   6. XXXXX
2. The context of the communication, its timing and its frequency (e.g., it is more appropriate to test communications that could impact many customers)
3. The information needs of customers
4. The characteristics of vulnerability of customers
5. Whether the scope for harm to customers is likely to be significant including if the information being conveyed were misunderstood or overlooked and
6. Whether to support good outcomes for customers, it is more important to communicate information urgently, rather than carrying out testing beforehand.

**[Name of Firm]** will adapt our communications to support customer understanding where we identify that there are areas of common misunderstanding or, customers are not experiencing good outcomes in particular groups of customers with characteristics of vulnerability.

Where there is a lower response rate than we would expect or a different response rate than we would expect following a communication which prompted customers to take action this would suggest that the communication has not been understood therefore, we will look at adapting the communication.

Where we become aware of a communication by another firm in the distribution chain that is not delivering good outcomes for customers, we will promptly notify the issue to the relevant firm in the distribution chain such as the manufacturer. (This is not necessarily the firm that produced the communication.) (PRIN 2A.4.14R)

Providing Information to Other Firms

**[Name of Firm]** will provide information in good time to another firm in the same distribution chain where such information is: -

1. Requested and is reasonably required
2. Otherwise considered to be reasonably required by the firm

so that it can be communicated to customers.

1. **Consumer Support Outcome**

The consumer support outcome applies where **[Name of Firm]** interacts directly with, and provides support to, customers.

Even where we outsource our interactions with customers the Consumer Support outcome still applies.

**[Name of Firm]** recognises that the consumer support outcome applies regardless of the channel used or intended to be used when interacting with or providing support to customers. The consumer support outcome applies to ALL support provided to customers in connection with the firm providing customer services including: -

1. Before, during and after any sale of a product and
2. Support that does not relate to a specific product.

Design and delivery of customer support (PRIN 2A.6.2R)

**[Name of Firm]** designs and delivers support to customers to ensure that:-

1. It meets the needs of customers including those with characteristics of vulnerability.
2. Customers can use their product as reasonably anticipated
3. It includes appropriate friction in its customer journeys to mitigate the risk of harm and give customers sufficient opportunity to understand and assess their options including any risks and
4. Customers do not face unreasonable barriers (including unreasonable additional costs) during the lifecycle of a product for example when they want to: -
   1. Make general enquiries or requests to the firm
   2. Amend or switch the product
   3. Change to a new product provider
   4. Access a benefit which the product is intended to provide
   5. Submit a claim
   6. Make a complaint or
   7. Cancel a contract, agreement or arrangement or otherwise terminate their relationship with the firm.

**Unreasonable Barriers** are those which are likely to cause customers to take unreasonable additional steps to progress their objectives including: -

* Steps which are
  + Unreasonably onerous or time consuming
  + Complex for a retail customer to carry out or
  + Difficult for a retail customer to understand and
* Asking the customer for unnecessary information or evidence.

The FCA requires firms to include appropriate friction in its customer journeys and these would not be seen as unreasonable barriers. The intention behind the friction points is to cause the customer to stop and think before making a decision however, friction in our customer journey needs to be checked to ensure that it is not an unreasonable barrier.

Customer friction points that may be unreasonable are any obstacles that stand between the customer and what they want including but not limited to complicated phone menus, or any steps that feel extra and unnecessary.

**[Name of Firm]** do not cause customers to incur any **unreasonable additional costs,** we do not charge unreasonable exit fees or other unreasonable charges, we do not cause customers to incur unreasonable delays, distress or inconvenience.

**[Name of Firm]** does not: -

1. Prioritise prospective customers over existing customers and KPIs are set accordingly.
2. Cause unreasonable delays when customers attempt to engage with the firm. All call waiting times are equal regardless of the purpose of the call be it to cancel or make changes to an existing product or to purchase a new product or
3. Support unreasonable delays to any payments made to customers after they have been agreed
4. Request unnecessary information or evidence from customers or the firm processing information or evidence received from retail customers.

Dealing with representatives

Where a person is authorised by a customer or by law to assist in the conduct of the customer’s affairs (such as a power of attorney), **[Name of Firm]** provides the same level of support to that person that we would have provided to the customer.

We are not required to provide the same level of support when the person assisting in the conduct of the customers affairs is also a firm. (PRIN 2A.6.5R) However, where it is appropriate to do so we will.

Dealing with requests from other firms

We will deal with reasonable requests from another authorised firm in an effective way and in good time to enable the other firm to support customers. This requirement applies in respect of all our retail market business. (PRIN 2A.6.6R)

## Expected Standards: - General (PRIN2A.7)

**[Name of Firm]** recognises that the expected standards under Principle 12 must be interpreted in accordance with the standard that could reasonably be expected of a prudent firm carrying on the same activity in relation to the same products and taking appropriate account of the needs and characteristics of customers based on the needs and characteristics of customers in the relevant target market or of individual customers as the context requires.

Acting in a way that could reasonably be expected of a prudent firm requires **[Name of Firm]** to do more than adopt a single solution that is reasonable. It includes considering whether the preferred solution provides good outcomes for all customers affected or only some and if only some, why it does not work for all and how best to identify additional actions which might mitigate the outcomes for those adversely affected.

What is reasonable depends on all the relevant circumstances including: -

1. The nature of the product being offered or provided
2. The characteristics of the customer or customers
3. The firm’s role in relation to the product.

Protected Characteristics and Characteristics of Vulnerability – PRIN2A.7.4

**[Name of Firm]** is consistently aware of the needs and characteristics of vulnerable customers and we have a separate Vulnerable Customers Policy documenting our firm’s approach. As a firm we: -

1. Always pay appropriate attention to the nature and scale of characteristics of vulnerability in our client base and any relevant target market.
2. Always consider the impact the characteristics of vulnerability will have on the needs of our customers individually and in any target market and will deal with the individual customer / target market accordingly.
3. Provide training to staff on characteristics of vulnerability and assist frontline staff in understanding how to actively identify information that could indicate vulnerability and where relevant, seek information from customers with characteristics of vulnerability that will allow staff to respond to customers’ needs.
4. Have set up systems and process that support and enable customers with characteristics of vulnerability to disclose their needs.
5. Are aware that groups of customers with specific protected characteristics may have or be more likely to have characteristics of vulnerability. We are also aware that where health is a driver of vulnerability it will likely have a substantial overlap with the protected characteristics of disability (long-term mental or physical impairments, examples include Autism, Cancer, Multiple Sclerosis, and Cerebral Palsy to name a few).
6. Evaluate evidence that may emerge that customers with specific protected characteristics are more likely to have characteristics of vulnerability

**Governance and Culture** (PRIN 2A.8)

On an ongoing basis **[Name of Firm]** reviews our strategies, governance, leadership and policies, including incentives at all levels, to ensure they meet, and continue to meet the requirements of the Consumer Duty and this is documented at Board level.

**Staff incentives**

**[Name of Firm]** does not use staff incentives, performance management or remuneration structures in a way that conflicts with our obligations under the Consumer Duty. We are aware that remuneration structures are capable of causing harm to customers and we design our remuneration structures in a way that is consistent with ensuring good outcomes for customers. We have a separate remuneration policy that should be read in conjunction with this policy.

**Monitoring of Consumer Outcomes** (PRIN 2A9)

As a firm we are required to monitor the outcomes that customers experience from the products we distribute [and manufacture/co-manufacture] and services.

Through monitoring, we are able to identify where we are not meeting the requirements of the cross-cutting rules and the customer outcomes, and consequently whether we are not acting to deliver good outcomes for retail customers as required by the Consumer Principle.

The frequency of our monitoring and the information we collect is documented and proportionate to the size and complexity of our firm, our role in the distribution chain and our customers. A monitoring report is set up and submitted to the board for sign off (see below).

Our direct contact with customers means we are in a good position to monitor outcomes and where appropriate share our findings with others in the distribution chain.

We also have monitoring procedures and a fair value framework in place under the Product Intervention and Product Governance rules which we use to ensure we are meeting the Product Governance requirements in line with the Fair Value Outcome and Products and Services Outcome.

The Testing and monitoring we conduct in respect of the Consumer Understanding is specific and documented separately.

The monitoring we are required to do is in respect of: -

1. The products we manufacture /distribute
2. The communications we have with customers and
3. The customer support we provide to customers.

Monitoring enables us to determine whether: -

1. Customers are being or have been sold products that have been designed to meet their needs, characteristics and objectives
2. The products that customers purchased provide fair value.
3. Appropriate action has been taken to address products identified as not providing fair value. This is picked up in our in-house fair value assessments and the information we provide to manufacturers in response to their fair value assessments
4. Customers are equipped with the right information to make effective timely and properly informed decisions and
5. Customers receive the support they need.
6. We are complying with Principle 12 and the cross-cutting obligations
7. Any group of customers experience different outcomes compared to another group of customers of the same product and
8. Any retail customers have suffered harm as a result of our acts or omissions.

We have in place processes to identify the root causes of any failure to deliver the outcomes. Where it is identified that customers are not receiving the outcomes listed above or there is a risk that they will not receive the outcomes; or that any group of customers for a product are receiving worse outcomes than another group of customers for the same product, or the firm is not complying with Principle 12 and the cross-cutting obligations we must take appropriate action.

Any actual or potential failure to deliver a consumer duty outcome is immediately escalated to the board.

**Governing Body Report**

**[Name of Firm]** prepares a report which sets out the results of the firm’s monitoring under the Consumer Duty (PRIN 2A.9) and any actions required as a result of the monitoring.

Although the report does not need to be prepared by the senior management / board, to demonstrate senior management involvement , it is [prepared] reviewed and signed off by [the governing body / those holding Senior Management Functions] annually.

The governing body / those holding Senior Management

1. Reviews and approves the report on the outcomes being received by customers and subsequently agree any actions required to address any identified risk that customers may not receive good outcomes.
2. Confirms whether it is satisfied that the firm is complying with its obligations under Consumer Duty. Where the firm is not complying, agree any action required to address any identified instance where customers have not received good outcomes and
3. Assesses whether the future business strategy is consistent with its obligations under the Consumer Duty and subsequently agrees any amendments to the firm’s business strategy to ensure that it remains consistent with meeting the firm’s obligations under the Consumer Duty.

**Record Keeping**

There are no specific record keeping requirements under The Consumer Duty (PRIN 2A or Principle 12). **[Name of Firm]** is required to keep records in line with the high-level requirements in the FCA Handbook under Systems and Controls (chapter 3 and chapter 9)

3: **[Name of Firm]** must take reasonable care to make and retain adequate records of matters and dealings which are the subject of requirements and standards under the regulatory regime. Records should be retained for as long as is necessary for the purposes for which they were made. Records should be adequate and easily accessible.

9: **[Name of Firm]** must keep orderly records of our business and internal organisation, including all services and transactions undertaken. The records must be sufficient to enable the FCA to monitor our compliance with their requirements and in particular to evidence that we have complied with all obligations with respect to our clients.

**Redress or other appropriate Action** (PRIN 2A.10)

On receipt of a complaint it is important that **[Name of Firm]** deals with any regulatory complaints in line with the FCA rules on handling complaints. We have separate complaints procedures in place, template letters and a complaints log.

If a complaint has not been received, but foreseeable harm identified, the following rules and guidance apply: -

Once foreseeable harm has been identified **[Name of Firm]** will: -

1. Investigate the circumstances which led to the foreseeable harm competently, diligently and impartially, obtaining additional information as necessary
2. Assess fairly, consistently and promptly: -
   1. The subject matter of the foreseeable harm
   2. What remedial action or redress (or both) may be appropriate
   3. If appropriate, whether **[Name of Firm]** has reasonable grounds to be satisfied that another firm may be solely or jointly responsible for causing the foreseeable harm.

Taking into account all relevant factors **[Name of Firm]** will:-

1. Offer redress or remedial action as appropriate
2. Explain to the customer promptly and in a way that is fair, clear and not misleading that harm has been identified, the firm’s assessment, the firm’s decision as to what action is appropriate and the fact that the customer has the right to make a complaint if they are not satisfied with that decision
3. Comply promptly with any offer of remedial action or redress accepted by the customer.

We will use the following when assessing foreseeable harm: -

1. All evidence available and the particular circumstance of the foreseeable harm
2. Similarities with complaints received and with other instances in which foreseeable harm has been caused without complaint
3. Relevant guidance published by the FCA, other relevant regulators, the FOS or former schemes
4. Appropriate analysis of decisions by the FOS concerning complaints which were similar in their facts pattern or outcomes to the circumstances which led to the foreseeable harm in question.

**Sale or Purchase of product Books (Manufacturers)**

Where we sell a product book after, we must provide relevant information to the purchasing firm to enable the purchasing firm to comply with the Consumer Duty from the date of purchase.

Where we buy a product book we must carry out sufficient due diligence to ensure that we understand the following: -

1. Whether any group or groups of customers of the product have characteristics of vulnerability or as a group have in common specific protected characteristics in the same form e.g. customers of the same sex or race
2. The outcome of the selling firm’s product approval process of the product book and the outcome of any product reviews carried out by the selling firm.
3. The benefits the product is intended to provide and the costs the customer pays for the product and
4. The basis on which the product has been assessed as providing fair value under the Product Intervention and Product Governance Rules.

Our due diligence must be sufficient to enable us to comply with the Consumer Duty in respect of the product book.

<https://www.handbook.fca.org.uk/handbook/PRIN/2A/?date=2023-08-31&timeline=True&view=chapter> PRIN 2A.1.1