

CONSUMER DUTY IMPLEMENTATION PLAN

The FCA wanted to ensure firms made full use of the implementation period to embed the Consumer Duty effectively with details on how they were going to achieve this by 31 July 2023 and beyond this date. In doing so, they requested that all firms write an implementation plan and have boards (or equivalent management body) agree with these plans by the end of October 2022.

In January 2023, the FCA published their review of these plans having engaged with larger firms to be able to support firms understand their expectations and implement the Duty more effectively.

The review highlighted three key areas where firms should particularly focus their attention:

- **Effective prioritisation:** Firms should make sure they are prioritising appropriately, focusing on reducing the risk of poor consumer outcomes and assessing where they are likely to be furthest away from the requirements of the Duty.
- **Embedding the substantive requirements:** Firms should carefully consider the substantive requirements of the Duty, as set out in the final rules and guidance. Firms should ensure that, when they are reviewing their products and services, communications, and customer journeys, they identify and make the changes needed to meet the new standards.
- **Working with other firms:** To implement the Duty on time, many firms need to work and share information with other firms in the distribution chain. This needs to right amount of focus in the plans.

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CONSUMER DUTY - IMPLEMENTATION PLAN

Key Findings

1. Governance & oversight

Good Practice	Areas for improvement
Clear executive accountability for delivery and board oversight.	Detail on who is leading the overall implementation programme and is responsible for it.
Appointed a Consumer Duty board champion at an appropriate level.	Include timings for when progress updates on the implementation programme would be provided.
Clear arrangements for ongoing scrutiny of implementation work by the board, executive and their audit and risk functions or equivalent management.	Include a summary opinion from risk and compliance or internal audit teams on their implementation plan and its risks or chances of meeting the deadline.
Forums to drive consistency in interpreting the Duty across different business functions, or for coordinating required changes to systems and technology.	

2. Culture & People

Good Practice	Areas for improvement
A clear people and training approach to ensure all staff understand their responsibilities under the Duty. E.g. all-staff and role-tailored training and internal communications campaigns.	Include more information about how the Duty will be embedded in your culture and people approach.
Explain the business purpose and values in a way that aligns with delivering good consumer outcomes by updating internal cultural and training materials to reflect this.	Include tangible actions you need to take to evidence the importance of a culture focused on delivering good customer outcomes.
Review reward and incentive structures and performance management frameworks at all levels. Perhaps look to update the SM&CR regime documentation and training.	

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3. Deliverability

Good Practice	Areas for improvement
Effectively set out key workstreams, with some clearly mapping the milestones you need to meet to have a realistic prospect of meeting the implementation deadline.	More information on the approach to completing gap analysis and project requirements.
Workstreams were set up based on the Duty's four outcomes and closely related considerations like vulnerability.	Prioritise work based on an assessment of the potential for poor consumer outcomes.
Clearly identified the resource required to deliver the duty and where needed invested in support and advice from external experts.	Give further consideration to your resource planning and how this work will impact staff on top of their existing roles and could having dedicated resource support with implementing the Duty in time.
Alignment with other ongoing change initiatives or strategic programmes.	
Evidence of working in an agile or flexible way by progressing workstreams in parallel rather than sequentially.	

4. Third Parties

Good Practice	Areas for improvement
Clear details of how firms will work with third parties to deliver the Duty in time.	Identify third parties that are part of the distribution chain and engage with them on their plans to comply with the Duty.

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5. The four outcomes

Good Practice	Areas for improvement
<p>Products & Services – Clearly identified open and closed products and prioritised those for review. Also identified where existing product governance frameworks needed improving.</p>	<p>Ensure task-based description give an indication of how you have interpreted the Duty's requirements and considered the challenges of how you will apply them.</p>
<p>Price & Value – Consider what fair value means in the context of business models, products, services, and customers. Consider how any current approach needs to change to deliver good outcomes for consumers.</p>	<p>Ensure it is clear exactly what methodology or approach you will use in the reviews or gap analyses of products, services, communications and customer journeys against the Duty outcomes.</p>
<p>Consumer Understanding – Consider how to give customers the information they need, at the right time, and presented in a way they can understand to make effective decisions. Consider different communications channels, e.g. making improvements to call centre scripts. Evidence of developing a greater communications testing framework. Details of metrics used to monitor customer outcomes.</p>	

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Key Findings

5. The four outcomes continued...

Good Practice	Areas for improvement
<p>Consumer Support – Make commitments including ensuring call waiting times are not unreasonably long and the quality of support provided is monitored. Identify specific customer journeys that need to be improved to better support customers in vulnerable circumstances. Consider metrics to collect to monitor the delivery of the support to customers, including call waiting times, resolution times, first contact resolution rates, call transfer accuracy metrics and quality and complaints themes.</p>	

6. Data Strategies

Good Practice	Areas for improvement
<p>Carry out exploratory work to understand the data and metrics available and set out plans to bring these together, as well as any remaining gaps in data sources.</p>	<p>Make it clear the data required to monitor compliance with the Duty. Further detail listed within the final guidance.</p>
<p>Long and short term plans to make sure the Consumer Duty requirements are being met and customers are receiving good outcomes.</p>	

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