

Consumer Duty: Key information requirements



A key part of Consumer Duty is that firms assess, test, understand and are able to evidence the outcomes their customers are receiving. Without this, it will be impossible for firms to know that their products and services are working as they, and their customers, would have expected and in a way that is consistent with the Duty.

Category:
Regulation

The type of information firms use will vary depending on their size, client base and the types of products or services they offer. Firms should tailor the information to these factors, ensuring that they have sufficient information to be able to identify whether they are delivering good customer outcomes.

The types of data/information firms may want to collect include:

- **Business persistence:** analysis of customer retention records – e.g. claims and cancellation rates and details of why customers leave. This may flag where poor treatment is contributing to high customer turnover.
- **Distribution of products/pricing and fees and charges:** review of whether certain groups of customers are more likely to buy certain products, incur particular fees and charges, or appear to be receiving outcomes that are not as good as other groups of customers.
- **Behavioural insights:** customer interactions and drop off rates; use of different communications channels including digital; consumer testing of user interfaces and design such as websites and apps, and the results of such testing, e.g. whether consumers changed their behaviour as a result of the design. This would include consumer testing of any gamification elements in the user interface and design of apps. This may flag where firms need to improve policies, processes and systems (e.g. where there are barriers to consumer engagement or understanding).
- **Training and competence records:** analysis of records of staff training, including remedial actions where staff knowledge or actions were found to be below expectations.
- **File reviews:** reviewing customer files and monitoring calls to check for errors and assess if customers received good outcomes (this is particularly useful for sales processes).
- **Customer feedback:** using formal and informal feedback from customers to identify trends and areas for improvement (e.g. complaints and comments made to the firm but also comments and complaints on social media).
- **Numbers of complaints:** trends in numbers of complaints involving poor customer outcomes throughout the customer-firm relationship.
- **Complaints root cause analysis:** investigating complaints fully to understand the cause of customer complaints, not just dealing with the symptoms.
- **Results of the regular testing and monitoring required under the outcome rules:** many of the four outcome rules include requirements for firms to monitor and review over time. The results of these reviews, together with any action taken, would be relevant for consideration of whether the outcomes are being followed.
- **Feedback from other parties in the distribution chain** such as manufacturers and distributors sharing information about the

way in which products are sold and the extent to which actual sales matched the target market.

- **Compliance reports:** review compliance reports to check if standards are being met in terms of good outcomes for consumers.
- **Researching or testing customer experiences** through processes such as mystery shopping, auditing customer journeys, focus groups and deep dives, or working with consumer organisations to gain insight into the needs and experiences of consumers.
- **Allowing staff to feedback honestly** when they think products or services, or the processes used to deliver them, could be improved.
- **Reviewing whether processes and policies are effective** in delivering good outcomes for customers.
- **Drawing on external sources of data about consumer outcomes.** The [Financial Lives survey](#), for example, contains granular data about the financial lives of different groups.

Further/additional reading

- [FCA Final Guidance FG22/5: Final non-handbook Guidance for firms on the Consumer Duty](#)
- [FCA Final Guidance FG21/1. Guidance for firms on the fair treatment of vulnerable customers](#)
- [FCA Consultation Paper CP21/13: A new Consumer Duty](#)
- [FCA Consultation Paper CP21/36: A new Consumer Duty. Feedback to CP21/13 and further consultation](#)
- [FCA Policy Statement PS22/9: A new Consumer Duty. Feedback to CP21/36 and final rules](#)

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