



# Consumer Duty Through a T & C Lens

Thursday 28<sup>th</sup> April 2022



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# Presenters



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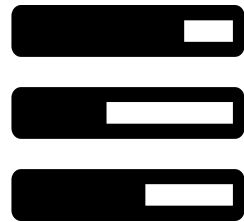


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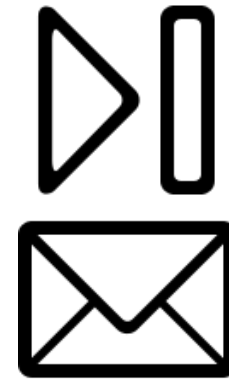
# Before we begin



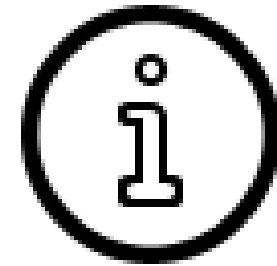
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# What we will be covering today



**Consumer Duty Update**

**The critical role of CPD and  
the employee lifecycle**

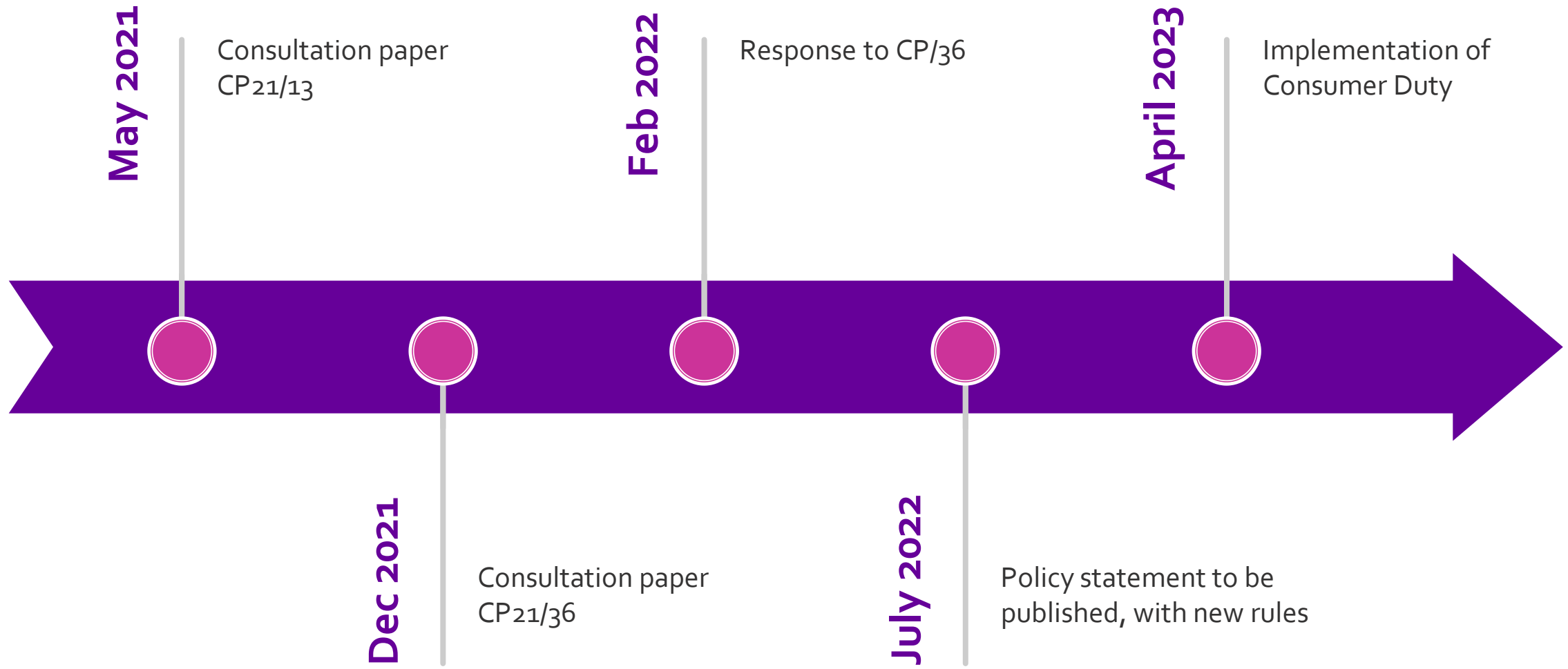
**The wider topic of Employee  
Competence**

**Panel Debate Chaired by Nic Dent**

## **Q1 - At what stage is your firm at with the implementation of the new Consumer Duty regulation?**

1. Strategic reflection - understanding, socialisation, education
2. Risk assessment - undertaking a gap analysis and prioritisation of design areas
3. Establishment of change programme - planning of activities and timeline
4. Solution design - design of activities

# Consumer Duty timeline



# Consumer Duty – A quick recap

A firm must act to deliver good outcomes for retail customers.

Consumer  
Principle

1. Act in good faith toward retail customers
2. Avoid foreseeable harm to retail customers
3. Enable and support retail customers to pursue their financial objectives

Cross-cutting rules

1. Products and services
2. Price and value
3. Consumer understanding
4. Consumer support

Four outcomes



## FCA Commentary on the Consumer Duty (CP 21/13)

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“Because of the additional clarity introduced by the Consumer Duty and its rules-based approach, we would be able to use it readily and effectively to hold firms to account.”

FCA - 2021

# Consumer Duty – Potential implications?



## SYSC 5.1.1 (R)

A *firm* must employ personnel with the skills, knowledge and expertise necessary for the discharge of the responsibilities allocated to them.

## SYSC 3.1.8 (G)

The Training and Competence sourcebook (TC) contains additional rules and guidance relating to specified retail activities undertaken by a firm.

## SYSC 3.1.9 (G)

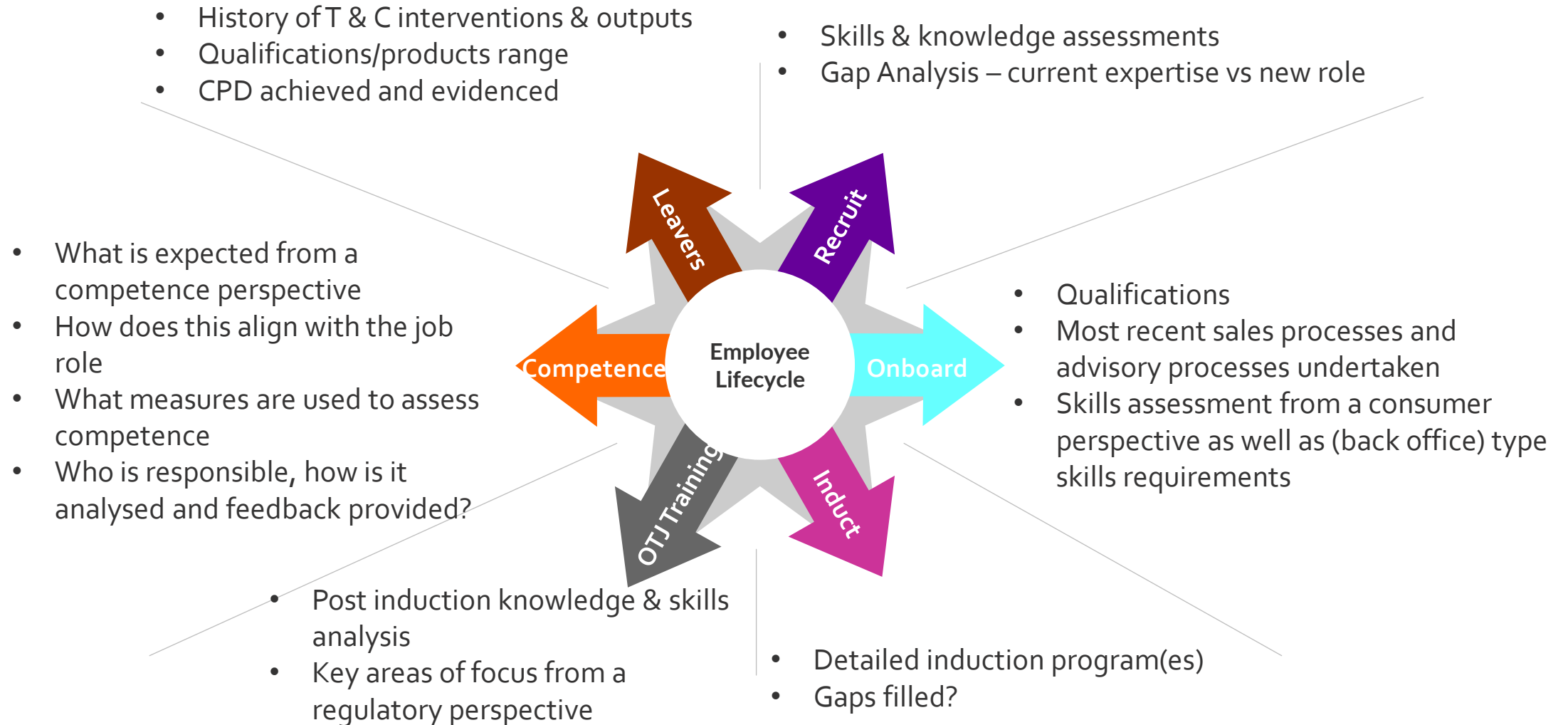
Firms which are carrying on activities that are not subject to TC may nevertheless wish to take TC into account in complying with the competence requirements in SYSC.

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### *Q2. To whom do you apply the TC rulebook in your organisation*

1. Individuals as defined in App 1 – TC rule book – from an advisory perspective (eg – mortgage advisers, investment advisers, pension specialists)
2. Individuals as defined in App1 – TC rule book – (eg – dealing, managing or overseeing investments)
3. Individuals as defined in App1 – TC rule book – (eg – MCD credit agreement activities and/or back office mortgage oversight roles)
4. Populations that are not required to have TC arrangements (please put notes in the chat)

# Employee Lifecycle



# Employee Centric Consumer Duty MI



Persistency

File Checks/  
Reviews

Product  
Range

Complaints

Observations

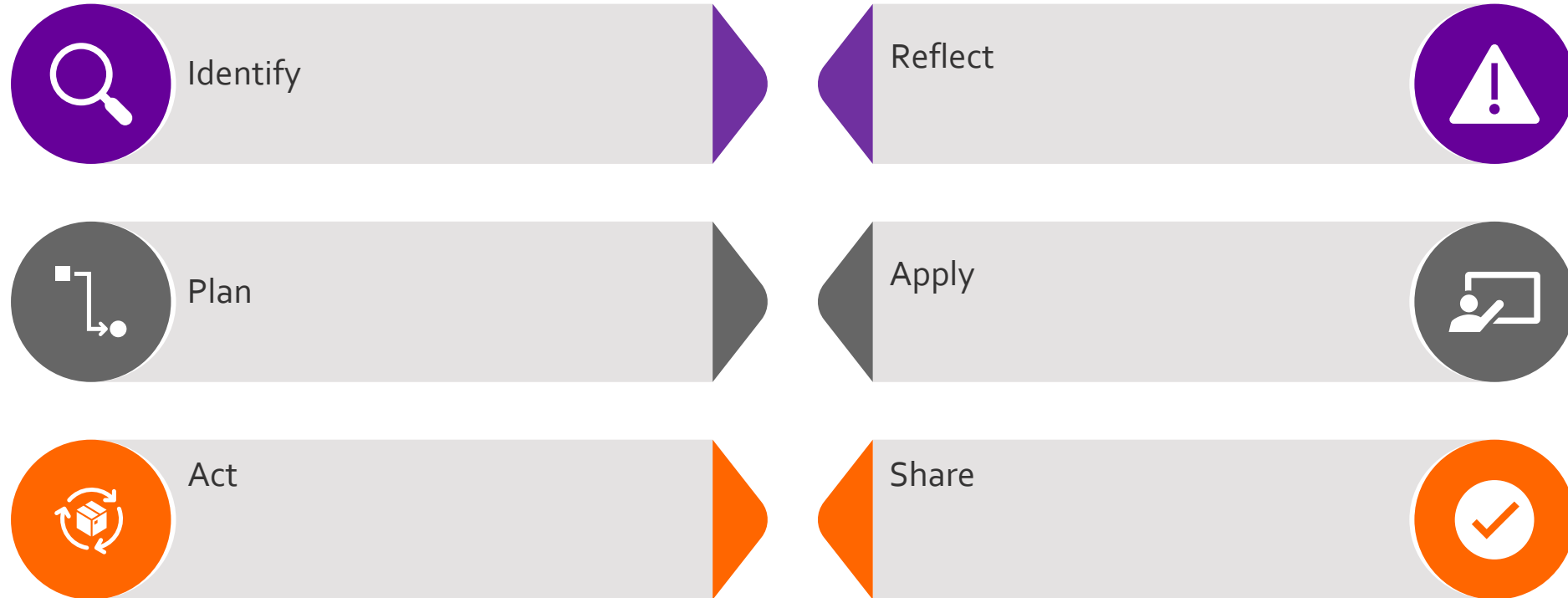
Customer  
Feedback

### *Q3 What are the drivers for CPD in your firm?*

1. T & C Scheme requirements
2. The imposition of an annual hours target (not TC driven)
3. Improving technical knowledge
4. Improving skills
5. Compliance/Regulatory requirements
6. Development for future role
7. A N Other – Please put notes in the chat



# CPD – We say it but do we really do it?



## **From an employee competence perspective how might the FCA enforce the Consumer Duty?**

1. Will expect firms to demonstrate the outcomes that consumers are getting via Data & MI
2. Remember: the FCA has made it clear it will be a “data-led” regulator. What evidence do you have about the competence of your people?
3. Burden will be on firms to prove compliance, rather than on the FCA proving non-compliance.
4. Linking action to data – Demonstration of what you do when you find issues
5. FCA will publish results of supervisory and multi-firm work.
6. Dear CEO letters, speeches and regulatory engagement.

# Polling Question Four



## **“Please indicate your interest in....” (tick all that apply)**

1. Request a demo of Tracsmart from Worksmart to manage all your employee competence requirements demanded by the new Consumer Duty
2. Request a demo of Accord from Worksmart to manage all the governance requirements arising from SM&CR that will need to be demonstrable via the new Consumer Duty
3. Seek support from 2be Development Consultancy and/or Clearstep Consulting to review your approach to T&C and your scheme arrangements
4. Access the range of papers, blogs, training workshops, podcasts and webinars on Consumer Duty from our panellists.

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