

A large, stylized teal magnifying glass graphic is centered on the page. The handle of the magnifying glass extends from the bottom right towards the center. The lens of the magnifying glass is a large circle that frames the text.

IQUW
— GROUP

**Introducing
Consumer Duty**

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Launch of Consumer Duty in July 2023

The FCA have introduced new rules and a new Consumer Principle 12 under “Consumer Duty”, which sets higher expectations for the standard of care that firms provide to consumers. The aim is for the Financial Services Market to demonstrate a shift in culture and behavior where they focus on good consumer outcomes and put customers in a position where they can act and make decisions in their own interests.

Firms must raise the standard of Consumer Protection by taking positive action in providing:

- Information that Consumers can understand.
- Helpful Customer Service.
- Products that are fit for purpose and offer fair value.

What is new?

To help focus on the Customer the FCA have introduced new rules including:

1. Consumer Principle 12 that requires firms to take action to deliver good outcomes for retail customers.
2. Rules relating to 4 key elements to help drive these good outcomes.
3. Cross cutting rules to clarify FCA expectations and help firms behave the right way to determine those outcomes.

The rules and guidance come into force on a phased basis starting on 31st July 2023 for new and existing insurance products or services that are open to sale or renewal.

Consumer Duty will give consumers confidence that the financial products and services they buy, are designed to deliver the benefits they expect and represent fair value.



The rules also require firms to consider the needs, characteristics and objectives of their customers – including those with vulnerabilities. This means that all customer facing staff will receive training on the business processes for identification and management of potential vulnerable customers within IQUW group to help embed the fair treatment of vulnerable customers across the workforce.

The FCA state a **Vulnerable Customer** is someone who, due to their personal circumstances, is especially susceptible to harm, particularly when a firm fails to act with appropriate levels of care. A vulnerability can include:

Health	Life Events	Resilience	Capability
Physical Disability	Retirement	Inadequate (outgoings exceed income) or erratic income	Low knowledge or confidence in managing finances
Severe or long-term illness	Bereavement	Over-indebtedness	Poor literacy or numeracy skills
Hearing or visual impairment	Income shock	Low savings	Poor English language skills
Mental health condition or disability	Relationship breakdown	Low emotional resilience	Poor or non-existent digital skills
Addiction	Domestic abuse (including economic control)	No or low access to help of support	Learning difficulties
Low mental capacity or cognitive disability	Caring responsibilities		
	Other circumstances that affect people's experience of financial services, e.g. leaving care, asylum seeking, human trafficking or modern slavery		

Further information

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