



Consumer Duty

What is the Consumer Duty?

The Consumer Duty requires us to focus on consumer outcomes, ensuring the customer's interests are at the heart of our activities.

Consumer Duty comprises of three key elements:

Consumer Principle

A firm must act to deliver good outcomes for retail clients', which reflects the overall standards of behaviour the FCA wants from firms, and which is developed by the other elements of the Consumer Duty.

Cross-cutting rules which develop overarching expectations that apply across all areas of a firms conduct, firms should:

- act in good faith toward retail customers
- avoid foreseeable harm to retail customers
- enable and support retail customers to pursue their financial objectives

Four outcomes that encompass the key elements of the firm-customer relationship

- Communication
- Products and Services
- Customer Service
- Price and Value

Communication

Communications equip consumers to make effective, timely and properly informed decisions about financial products and services.

Products and Services

Products and services are specifically designed to meet the needs of consumers, and sold to those whose needs they meet.

Customer Service

Customer service is designed and delivered to meet the needs of consumers including those who exhibit signs of vulnerability.

This guarantees that customers can utilise their products as expected, while also enabling them to minimize the risk of harm and thoroughly comprehend and evaluate their choices throughout their experience. Additionally, it ensures that customers encounter no unjustifiable obstacles during the lifespan of a product or service. Moreover, it necessitates that companies oversee the quality of the assistance provided and take swift action in the event of any problems

Price and value

Firms should assess their products and services to ensure that the price paid by the consumer represents fair value in relation to the benefit received

Delivery & Objectives

We believe that the 3 key elements of Consumer Duty including the four outcomes, align with the regulations implemented in recent years, such as the Insurance Distribution Directive (IDD), Value Measures, General Insurance Pricing, and Product Governance rules.

As a result, we are confident in our ability to fulfil the expectations set by the Financial Conduct Authority (FCA) under the Consumer Duty.

To ensure customers achieve fair value in line with their financial objectives and steer clear of foreseeable harm, it is imperative that products and services are specifically tailored to serve their intended purposes.

We create and deliver products and services in accordance with this objective, ensuring that the design of the product or service aligns with the requirements, characteristics, and objectives of customers within the specified target market.

We will additionally ensure that the chosen distribution strategy for the product or service is suitable for the target market and will conduct periodic assessments to ensure that the product and services consistently satisfies the needs, characteristics, and objectives of the target market.

Monitoring

A key element of the Consumer Duty is the requirement for us to assess, test, understand and evidence the outcomes our customers are receiving.

We will:

- Monitor and review the outcomes that customers are experiencing
- Ensure that the products and services we provide are delivering the outcomes that are expected in line with the Consumer Duty
- Identify where Products and services are leading to poor outcomes or harm to consumers
- We will adopt a data driven approach to measure our performance to ensure that we meet the requirements

Where issues are identified, they will be addressed appropriately. Potential interventions could include:

- discontinuing a product or service
- adapting the product design/fees/charges
- amendments to distribution strategy or withdrawal of facilities
- redress, where customers have suffered harm

Faversham Consumer Duty Statement

At a fundamental level, we will thoroughly examine and comprehend the obligations outlined in the Consumer Duty and its relevance to our business operations.

We firmly believe that the Consumer Duty will foster a competitive landscape, prompting firms to be innovative and create products and services that align with consumers' needs, characteristics and objectives within their target market.

It is crucial for firms to ensure that the distribution strategy is suitable for the target market, and we will diligently conduct periodic evaluations to ensure that consumer needs are consistently being fulfilled. Moreover, we are committed to ensuring that vulnerable customers are not subjected to any disadvantages.

The Consumer Duty will encompass all aspects of our operations, ranging from overarching strategic planning to individual customer/broker interactions. It necessitates a comprehensive review of internal processes and a potential reassessment of customer service protocols. Importantly, it should not be treated as a mere checklist to complete, but rather as a proactive approach to ensuring that our products and services are fit for purpose and provide fair value.

All individual communications will adhere to principles of fairness, clarity, and accuracy, ensuring they are devoid of any misleading elements. The objective of promoting consumer understanding extends throughout the entirety of the consumer journey. We will consistently evaluate our approach to communication across this journey, ensuring that we provide consumers with the necessary tools and information to make well-informed decisions in a timely and effective manner.

As a standard practice, we typically do not have a direct relationship with the end customer. Our interactions with them throughout their journey with us are often limited, with few touchpoints apart from claim events. However, it remains our objective to foster transparency, honesty, and openness in all our business practices and procedures. With this in mind, we have developed this document for our intermediaries and third-party suppliers. Its purpose is to outline our expectations regarding the support and assistance that should be provided to our customers throughout the entire lifespan of a product or service.