

Consumer Duty

Outcome 4: Consumer support

How should firms approach this outcome?

Assess: Consider the support the customer needs and make sure your customer service can clearly meet this.

Change: Put in place support which means customers can fully utilise products and services through their lifecycle.

Adapt: Provide an appropriate level of support for each product and service to customers so they do not face unreasonable barriers.

Review: Carry out monitoring on a regular basis to confirm whether an appropriate level of support is being provided to customers to identify and mitigate the risk of harm.

What do the rules mean in practice when assessing consumer support?

Act in good faith: Act in good faith: Ensure appropriate assessments are carried out which clearly demonstrate consideration has been given to the level of support that takes the customer's needs into account, which will enable them to realise the benefits of the products and services they buy.

Avoid foreseeable harm: Have all channels of support for the customer been clearly identified in relation to the product or service being offered? This support should be delivered through appropriate channels which allow flexible responses from the customer, which also carefully assesses the needs of vulnerable customers.

Enable and support retail customers to pursue their financial objectives: Put in place the right levels of support for the customer at all stages of the customer journey and lifecycle. This will enable the customer to pursue their financial objectives, act in their own interests and ensure particular groups of customers are not disadvantaged.

What you should be thinking about when planning your implementation plan

Accessible: Allow the customer to be able to fully utilise the products and services offered. This requires positive engagement and clear consideration in the design to understand what support is needed to make it successful.

Understandable: Clearly define the need to support customers without over-complicating the process, and remove barriers that hinder the customer from navigating and identifying the areas and the types of support required. This may involve non-standard interventions which require personal assistance, such as for customers with vulnerable characteristics.

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What you should be thinking about when planning your implementation plan (cont.)

Flexible: Where multiple channels are used to offer support to customers for their product and services, clear consideration should be given to how this will differ based on the channel used, and what standard requirements should be tailored to ensure it remain effective for all customers.

Testing and monitoring activities: Carry out a wide range of testing and monitoring activities to understand whether – from product launch through to full operationalisation – the support offered is sufficient and effective. Where inconsistencies are identified, a firm will need to demonstrate that the right actions are taken where it identifies a need to alter existing consumer support.

This is part of a series of guides designed to help your organisation better understand the requirements of the FCA's new Consumer Duty.

Hogan Lovells can help you at every stage of your Consumer Duty journey. We can implement the full toolkit and manage your project through to completion, or we can get involved in specific elements of your workstreams. Please contact one of the team members below to find out how we can advise you.

The Consumer Duty hub on the Hogan Lovells Engage Premium website brings together recent developments, insights, webinars and videos from our team on a range on Consumer Duty-related topics. Visit <https://engagepremium.hoganlovells.com/resources/consumer-duty> to find out more.

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