

Consumer Duty

The Consumer Duty is designed to set higher standards of care for firms across the financial services sector that provide consumers with retail financial products.

It aims to ensure that existing high levels of service required under Treating Customers Fairly (TCF) are applied consistently across the sector.

The Financial Conduct Authority (FCA) expects firms to put consumers at the heart of what they do. The duty is also designed to create an environment for healthy competition between firms, encouraging innovation, developing products and services that meet consumer's needs.

The consumer duty isn't replacing the existing principles of TCF and clear, fair and not misleading communications, it will merely add to the obligations of firms in the retail financial sector.

Underpinning the Consumer Duty will be three "cross-cutting" rules setting out how businesses should act to deliver good outcomes for customers. These say businesses must:

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

The good outcomes the FCA wants to see relate to four areas:

- Products and services.
- Price and value.
- Consumer understanding.
- Consumer support.