

**Speaker 0:** Hello and welcome to this consumer duty Master class on asset TV. I'm Rory Palmer. We're here today to discuss the latest consumer duty deadlines on what this means for advisors on their clients. I'm delighted to be joined in the studio by Alistair Black, Head of Servings Policy Abdeen Jimmy Jenkins, director of Policy of Royal London, on joining Me Down the Line Steven Cameron, Pensions Director Gone.

**Speaker 0:** I'll see if I could start with you. Could you set the scene for us here with consumer duty and what the latest deadline has meant for advisors and for their clients.

**Speaker 0:** Thanks, Rory. So the obviously the key deadline for advisors will be the end of July one when they have to have when they need to be compliant with continue duty, which is having had that plan in place, Kate of key actions and plan to follow up on anything else. The end April deadline is interesting because it was put in place by the government to ensure that manufacturers So it's manufacturers of products and services that the advisable Placer client where's

**Speaker 0:** published their statement of target markets Andre Price and value assessment on the key reason for that is not to create a lot of work for advisors, so it shouldn't be a big thing, and they shouldn't get overly distracted by it. But if they find that the provider has indicated a very narrow target market or has indicated issues in their price and value assessment,

**Speaker 0:** they don't need to duplicate the work. But if if that manufacturers indicated a potential issue, then that will help the advice of prioritised do they need to take action in a specific subset of their clients? So not a lot of work, but an important piece that advisors need to do and take action of the back of the recent announcement by everybody else. Jamie, welcome to the programme.

**Speaker 0:** These value assessments, what they really mean and is there any precedent for these kind of assessments? Well,

**Speaker 1:** we've already got assessment of value quite, you know, very prevalent within the asset management industry, and we've seen lots of focus on value for money, particularly in the world of pensions and with trustee boards on governance committees and what have you. So I think there's nothing new that we are focusing on value. I think it's a good thing I think what? What we've seen in April, though, is the

**Speaker 1:** the sort of huge production of these right across the industry and and many of them being being published. Fortunately, we're in a period where they're not all going through People's doors, rather than being published online, are available to download. But, I mean, I think I think this is an interesting time now in the lead up to

**Speaker 1:** July, and I think it's really there's a lot of companies, I think, looking and just making sure they fully understand their business, their clients, the services they provide on exactly what what they charge for that. I think it's a really kind of sort of soul searching time for companies to have a good look at that ahead of the deadline and Joy

**Speaker 0:** and Stephen, hello to you. This'll assessment of value was just a much needed update. Was the industry in need of something like this?

**Speaker 0:** We have done some research with advisors who said that in the run up to the consumers you

take, they were completely comfortable that they could identify all of the costs across the distribution chain.

**Speaker 0:** So maybe either that these outcomes of the value assessments will provide advisers with more insights, more information, hopefully all collected in the one place so that they can do their job even even better on be more streamlined and collecting the information they need from the provider community

**Speaker 0:** to be able to cheque that when they deliver around to their clients, the value across the distribution chain is all stock out, So not sure it was completely needed of a zoo. Others have said there's no revolutionary change, hope that will be helpful and streamlining that process of collaborating and trust the distribution she in

**Speaker 0:** so as to not revolutionary. But it changes the way in which we communicate and clients can communicate with their advisers.

**Speaker 0:** Yeah, I think so. I think this is a bit of a theme in consumer duty, which is

**Speaker 0:** within the long term savings industry. All parts of the distribution chain had to comply with certain regulations which were absolutely in the spirit of consumer duty on I think what consumer duty is. It's just forced

**Speaker 0:** all companies in long term savings and that's it at all parts of distribution chain, whether they're the adviser or fund manager or platform provider or long term savings provide are to take that step back and just uplift standards of it.

**Speaker 0:** So the is it. So is it is a revolution. No, I don't think it is. But it is. Ah, it's a chance for people to take a step back and document. I think that's the important point is by by encouraging people to go through a process to document out what they're doing or why they're doing it. It will really help bring to life to each

**Speaker 0:** each participant, including the adviser. By documenting their service and documenting the place and value on where they're placing their clients. It forces him to take that step back and think about the bigger picture and think,

**Speaker 0:** um, I doing the right thing Or actually, is there something that, having gone through the documentation process and need to do to move things forward? Was there a template in which to provide this documentation is everything that they could look at and go? Okay, this is how it should be done. What can we do?

**Speaker 1:** I mean, there's a lot of templates being produced in the industry providers, air producing all sorts of things now and actually having having looked at the main providers kind of websites. You you'll see that. I think the regulators sort of reluctant t be overly prescriptive and and how these things were communicated to clients and how advisers actually analyse that all the data they're getting. It may be that it gets to that point, but at the moment they're trying to

**Speaker 1:** keep it kind of principles based, you know, and let you know, find it, find a way a little bit with with what works best on what best practise

**Speaker 1:** looks like. I mean, I think Stephen Touchdown. Interesting point, I think. Which is

**Speaker 1:** been up to this point. Certainly, in the world of workplace pensions, you've you've got the charge cap on that sort of collective maximum price that could be charged. Tiu. Let's call it a retail customer the wording of the consumer duty. But I don't think that doesn't apply. And, you know, in most other aspects of financial planning, I suppose the interesting thing now is sort of looking out and seeing well, who charges what for which service and how does that come together in the round? And is that

**Speaker 1:** is that providing a good outcome ultimately to the client. In many cases it will be but making sure that, you know, we're all just looking at our own little silo of activity. And we started to look at things a bit more holistically, which again, I think, is an interesting and useful exercise and advisors so well placed to do

**Speaker 0:** that. It's a difficult line then, without being too prescriptive but also trying to give a strong framework as

**Speaker 1:** well. I think it is. And I do think, you know, I won't speak for I will not try to speak for the for the regulator. But my sense is that they want to see

**Speaker 1:** how the industry responds, what best practise and marriages from you know what, what everybody does and how they use the information that's available. And then I think, centre around that. I think they wanted to be industry led in terms of the detail of how we do things rather than being prescriptive, because the danger with prescriptive is it becomes

**Speaker 1:** the thing that people are most scared of, big box taking exercise with with limited value, so they don't want to do that. They wanted to be sort of led by those who know best on

**Speaker 0:** Stephen a box taking exercise. You think that's how some people may view not all corners of the industry, but perhaps a few? Well, I know that there are some some people who you see that you say this is really just treating customers fairly Reeve armed.

**Speaker 0:** I think that in a really important message to anyone watching today, is that the FC what they need really clearers that what will delay them most, as if any fun looks like they're not taking this seriously and hasn't really thought about how this will impact on all aspects of the business model. So while some thumbs we go through the process of assessing the business model and try it is against the GTO

**Speaker 0:** on May actually find that they had face process itself doesn't need to change much. I was really encouraged them to document that thought process Document the five that you have reviewed your processes on document. If you don't think you need to change why that was the case, because I think then when the SC, if the FCC comes in to speak to you and says, Can you show me that you've taken this seriously that you have not treated. This is a box second exercise.

**Speaker 0:** You wouldn't just need to say, Well, I didn't need to change much. You'd be able to say, I thoroughly reviewed my business model on having gone through that. Here is why I didn't need to change certain aspects. I equally think that every phone will have to have had to change something, whether it's the evidence that supports what why you complied, whether it's the way that you communicate, that will always be something that all of us can improve

**Speaker 0:** on again. I would encourage you have any fun to make sure we catch of those changes. So that, again is clearly not a work sucking exercising. You can show their see that on going back slightly. I want to just set the scene a bit more for people that might not be familiar, but the three cross cutting rules and the four pillars again, I'm sure most people be familiar, but if you just outlined those against even what are they and what did they do?

**Speaker 0:** Case It seems like it's so go since way with we first saw these, So the first cross cutting Gillis to act in good faith on one example Days you give recently on that was that if you do consider that one of your clients needs compensation, be pride to about that acting good fees on make good on on, on On on that second is to avoid causing foreseeable harm

**Speaker 0:** on. I think that the wonder if the freeze foreseeable harm is going to make its way all the way from the real book on the gains

**Speaker 0:** all the way through Advisor models to the end. Clyde A. To wonder if if advisers might as part of that advice process, start being clear with their clients what harms those clients might face and future and what they're doing to avoid those foreseeable harms actually occurring and tractors on. That will be an area where I'm sure there will be lots of change because with the pandemic, there are new foreseeable harms with the cost of living crisis that our new foreseeable harms.

**Speaker 0:** So I think that as a concept is when that we will see developed over time

**Speaker 0:** and the third cross cutting Israel have completely forgotten. But I'm here s oh, you're going to have to forgive me. This is terrible. I should know that cross cutting was off by her. It's enable customers to pursue the financial objectives. Thanks guys, for stepping in and helping with ever, you know, way as I see we've we've seen them for so long

**Speaker 0:** and again. I think this is where we're talking of the It comes here. It's a very, really understanding what declines actual objectives are on demonstrating that you've supported their meet those of Jake's. So, perhaps, is part of the the customer understanding the consumer. Understand? It's about checking that your client knows what their financial objectives are on that you've helped them capture. There was this part of going through the process,

**Speaker 0:** so I jumped to one of the Ford Outcomes. The first date comes on products and services.

**Speaker 0:** The key point I'd make here is when I frustrated the rule book. I got a bit confused as to when you were talking about product, which was one of a manufacturer of tight issue on when you were talking about service, which, to me was much more allies to the likes of Advisor Services.

**Speaker 0:** Where they see is made clear to us that you could be the manufacturing of a service. So if years are on advisor fund designs, your advice service, then you're a manufacturer, and you should look at the products and services they come. With that in mind,

**Speaker 0:** second day comes place, and Valium should will be talking a lot more about how advisers as well as the manufacturers will be demonstrating value. Consumer understand or customer communications is really weighed, ranging and, as I've already said, is one that I think we can all find ways of getting better at

**Speaker 0:** on the final on his consumer support or previously, maybe in regarded his customer service thing. And that's about how you continue to support those clients, including those with characters six of vulnerability, right through the journey that they have with you from the point of sail all the way through the lifetime with your product or service.

**Speaker 0:** So that's it. Quickly, Captain. Sorry for forgetting one of them, but there you go to go until the extra. I think that's an excellent point and announce that in terms of showing value demonstrating that could really begin to do, that's a tough concept to something hard to quantify. does your value in in the context of price and value. So s so I think the framework that the essay have given with the four pillars is actually really useful. Aziz, I've a certain we look through it to Aberdeen.

**Speaker 0:** If you go through those, I'm not sure you need to go to all of them in order. But if you think about the products and services one, the products and services is rating down in what your services. So in line with what he was just talked about for the advisor, that's their likely their advice service. But actually write down what? Write down what you're very services and who you're selling it to.

**Speaker 0:** Well, almost get your part way to demonstrating the value. Because if you can, because in terms of writing down that service, I would imagine most advisers will write down. We had a living advice service to achieve these outcomes for the for our clients. That's that's really the certain That's really the service on the value in the service because the value is achieving. Those is achieving those outcomes through the advice service, both up front, on on on going on about

**Speaker 0:** so Jamie talked only about things like kind of price caps in the workplace. In the workplace arena. We dont have place caps in the advice in the advice arena on. Actually, the said they don't want to be a price regulator because he recognised the benefit of innovation on people attempting to achieve good outcomes. And if it costs more to achieve the best outcome, then you know, by all means, as long as he genuinely does achieve a better outcome, a kind of good slash better outcome. So

**Speaker 0:** focus on the value focus on what is the value of advice, what to my client's. Why am I giving the advice to these clients? What do I expect to happen? What to expect the outcome to be and ultimately, for most in most advice services, that will be a combination of meeting lifestyle goals, saving tax, maximising investment returns, all of those things

**Speaker 0:** on others that I wouldn't have thought of but actually get those written down on then and then test. Actually, am I Am I achieving those outcomes because that's really the value. The value is no the price that you're charging. You need to look at that But the value is really one of the what is the benefit of those advisers are delivering for their clients on Jamie for an advisor. When you're unpacking that you're trying to demonstrate the value of even advice us again, it's a tough one to quantify

**Speaker 1:** it is. But I mean, certainly, you know, Royal London's done a lot of research on the value of advice, and I think it's very clear that that advise clients are, you know, by far receiving the best value in terms of their own financial circumstances, the decisions they're making and the support they're getting with think it's very, very clear that advise clients get get a good deal. I think

**Speaker 1:** the worry, actually is that there are so few clients, relatively speaking, so few people in the UK actually receiving advice and is quite limited market generally for those who have more money. And I think there is still are, you know, in parallel to the consumer duty, there's a question mark around the advice gap when we talk about the advice boundary and the role of guidance and so on and so forth. But

actually the first question is how do we try and solve the advice gap for some people that will be

**Speaker 1:** actually about more people seeking advice and realising that value for themselves. And we've seen in our research a lot. People don't understand that value don't don't know about. You know what kind of services and advisor will provide and so on. And how do we get more of those people actually seeking advice and then realising that value even for, you know, relatively modest kind of portfolios, if you like, And then on the other side we've got we've got guidance and we do need to do more with people who need help. And we seem to have framed

**Speaker 1:** most of our rules around warning people the dangers of doing the wrong thing rather than helping them to do the right thing. And I do think we need to kind of approach that review of advice and guidance in that spirit on that will help with with value. Ultimately,

**Speaker 0:** I mean, I won't ask you to lay out all the ways in which to do that. But how do you do that? How do you bridge the advice gap? Because you write a lot of people don't seek advice, and maybe those that do

**Speaker 0:** a lot of the advice is quite different to maybe understand. And that's why they have advisers to let

**Speaker 1:** up for. I mean, there's a lot in it to unpack, and I mean, I already searched. Sure that are, you know, five or six different reasons why people don't seek advice. They don't. They don't have the confidence. They don't feel it's for them. They don't feel they have enough money. They just don't understand that they don't know which start. There's all sorts of good, genuine reasons why people don't seek it, and for some of that population, they probably should and would merit having advice if somebody spoke to him and talked him through what the value is.

**Speaker 1:** But but equally, you know, I think we will benefit from having some or generally accepted rules of thumb about things that people should do. You know, it's one thing saying somebody terrible that you invest in cash, and if you're there for any length of time, you know you lose money relative to inflation.

**Speaker 1:** True thing, that's changing a little bit nowadays, but you know, we say that to people, but it's this able? Where should I invest? What I can tell you? You know, you have to go to advisor and is there. It's not about giving them the answer to that question, but we framed it in. Don't do that. Don't do this. Don't take time. Centre your pension. Can't tell you much you would take. Don't invest in cash. I can tell you where he should invest. You know, it's all very negatively framed. And I do think there is something about thinking.

**Speaker 1:** How do we frame it positively on encourage people to build wealth and ultimately taken face?

**Speaker 0:** Steven, do you think this new consumer duty will help with that, arguably putting consumers at the heart of it. I guess it will give more of, ah water boost to bridging the advice gap.

**Speaker 0:** We'll assume he said it could. It could go one of two ways. I think that the whole point of the lookout for more personalised form of gains that would be a great outcome from the consumer. Judea and Quinn films like Way cares. We're looking at the duty. One of the first things we realised was that

we were going encouraged to go that step further and to provide more support

**Speaker 0:** on lots of phones. Does he hang on a minute? Maybe crossed the advice boundary If we do that on the FC has said that there's nothing in the duty that requires you to provide a service and you were an advice service if you're not regulated to do so. But more recently, it's also said that don't be too reticent. If you think that your client needs more support, then you should be providing that and know you worry out there you're crossing the advice line now

**Speaker 0:** how the force with regard to how the sea which regard and trying to that, that that's another another Storey. But I do think that we should look at the consumer t t hand in hand with always, Yeah, because we're no of you because we're no longer governed by what we need to be governed by the method rules we've got in the UK government, working with the regulator about a new financial services regulatory framework.

**Speaker 0:** And I think many of us with Jamie, you support us to asses. Alistair Sort of good wasn't your wife, but I think you do. We also what I move to more personalised form of guidance. And if that could be the companion piece alongside the consumer, cheated that. I think that really read held the dame side as that. The FCC has made it quite clear that you

**Speaker 0:** need to be really careful that you're not providing advice or providing a product to someone where the charges we the benefits. And they've said that for some individuals with lower sums to own vase, you may need to exclude those from your target market. So that's where the advice guard could unfortunately get bigger. Before we get rains to thinking we's a religious thing again,

**Speaker 0:** What do you think? It's a personalised form of guidance, and we've just had a few of the nature's positive. But do you think it could work in principle? S. O. It is really topical. The whole advice games boundary because the Treasury and David have announced a joint review of it this year, and I genuinely think they are serious about reviewing it and making a difference. So we started on research Aberdeen on by have found.

**Speaker 0:** I think there's two issues to this. So one is for the mass market. Jamie and Steven of both touch on this. Actually, people don't understand and want to engage in advice. So I think there is something about. There's something about finding a way to help explaining to people the benefits. Personalised games might help with that, because personal guidance might start to indicate two people what they don't know

**Speaker 0:** and no in the negative way that Jamie's talking about the way that the industry operates at the moment. But in the way of actually little baby steps we can help you is I think there's an opportunity there with those little baby steps to get people to engage and recognise that they need help. Because certainly in the research that in some research we carried out, we spoke to mass market tumours weren't taking advice and ask them whether or not they'd be.

**Speaker 0:** Instead of asking whether or not they were willing to pay for advice, we asked whether they'd be willing to pay for on, then listed the types of things that advice could do, like peace of mind, helping them work out what they want to do with retirement help, helping to make their money last for the rest of their lives

**Speaker 0:** on saw massive, massive, much higher interest in paying substantially higher sums for that

kind of help, which is so there's a fundamental misunderstanding of what advice is fill in the UK on. Actually, I think one of the potential benefits out of the consumer duty make me by advisers rating down, confuse me by advisers. Rating down What is the value of their advice? If we can get that spread throughout the industry, I think we'll get MAWR.

**Speaker 0:** I think we'll get more consumers engaging in the need for advice that in itself is going to cause a problem

**Speaker 0:** that in itself is going to cause a problem because there aren't enough advisers to meet potential demand. So what we need is in this advice, guidance reviews two things we need a better and personalised guidance. We also need the FDA to find a way to make a face more streamlined so advisors can help to fill that gap and meet higher demand. So I think we need to create the higher demand, but then we need to find a way to meet that as well. So it's a bit of a supply and demand issue on Jamie you've touched on this before. But even just a change in the terminology could see a real boost. Engagement?

**Speaker 1:** Yeah, it can. I mean, you know, it feels like way need to treat this this whole kind of review with how do we really solve this problem once and for all, or get us on our road solving this problem once and for all. We've

**Speaker 1:** spent an awful lotta time sort of tweaking around the edges but being very focused on

**Speaker 1:** a Zeiss a sort of telling people about all the dangers of this, that and other when actually, we've almost lost sight of the real value of advice

**Speaker 1:** on fundamentally when he regulation by its own

**Speaker 1:** standards would suggest that you know, people even with, you know, 10 £20,000 in many cases would benefit from some form of limited advice on paying for that because of the benefit they get in return of making good decisions.

**Speaker 1:** I just think we you know, we were in a position now where

**Speaker 1:** you know, we're kind of heading towards 10 years since the pension freedoms.

**Speaker 1:** Andre, we haven't really solved the problem of how we support people in making those really big decisions, and we're still seeing a lot of people they can. Pretty poor decisions, I would say with neither guidance nor advice

**Speaker 1:** in many cases, certainly with the funds to merit paying for something, even if it's something in between. So it's it feels like we need to take that really seriously and try and solve this cat once and for all. And it won't be a singular answer. I think of a combination of things we need to do

**Speaker 0:** in terms of documentation, terms of evidence, Jimmy, what's been done already from from your perspective, what's what's already out there. What what have you got coming up

**Speaker 1:** in relation to contribute? UT



**Speaker 1:** Yeah, a zoo Say, I think we've seen, you know, plethora of things being issued and published, particularly in over the last few weeks, as we as we had the April deadline.

**Speaker 1:** I mean, you know, for advisors, there's some really good materials in terms of looking at what you need to do to prepare head of the July deadline, things you need to consider gaps that you might want to think about questions that you might want to ask challenges they might want to make of your, you know, the investment on asset managers you deal with and indeed the providers, the manufacturers, if you like. And I think when you look at you start looking at the fair value assessments that have been published.

**Speaker 1:** I think they're good. I think that a great first step, I think again they're probably open. Tiu change and challenge over time, and I think they wanted to do that. I think the whole industry needs to collaborate to sort of move that forward in a way that's all centred around. You know, the good outcomes that we all really want to achieve for clients. But the FCC is producing some good stuff as well. I mean, give it credit. I mean, you know, beyond the weighty tomes of the final rules and and response that they produced last year,

**Speaker 1:** they've produced quite a lot of follow up in the way of dear CEO letters to specific sectors in the industry. But also, you know, they've picked up on key topics that advisers or manufacturers, asset managers, etcetera. I've been asking about and produced specific information on some of those points. I mean, look at the CIA's website I would suggest everybody does that.

**Speaker 0:** That's Stephen. You think that's a fair assessment sum of the value assessments in terms of what else has come from them and sort of branching off and CEO letters and other things like that?

**Speaker 0:** Yeah, there's there's lots of new subject. Yes, he's produced so so much that something's there is a little hard to see the read for the trees. So I think, starting with some of the starting but refreshing your your pitch by looking at some of the most recent material. The portfolio letters were particularly helpful in that regard,

**Speaker 0:** and also even the Inside FC podcast, which are not really telling you anything. Brian's new, but you hear the FC talking any less formal language about whether expectations are so. If you've got half an hour to spare to listen to one of the's no again and a drink, you meant that

**Speaker 0:** the other source of the whole question of evidence and and am I is going to be huge, and it's another one of those areas that will evolve. I do. You remember back when we first produced a part for treating customers fairly the am I that we now use is very different from what we used in the early days. And in some ways that's to be expected, because until you start using your am I in earnest,

**Speaker 0:** you don't know what it's telling you, what else you might need to know. So she set aside journey, and rather than that I'd done a one and done take the exercise on There is ah, good section in the s's final guidance. I think it's 11.33

**Speaker 0:** on its brings together some suggestions as to the tapes of evidence that the all types of phones may may seek todo to pull together to evidence good incomes. So from an adviser point of view, that could be everything from is reviewing some climb fails. It could be about making sure that you've captured that you've checked the understanding of 1 to 1 communications as you've gone through

**Speaker 0:** it could be tasting any mass communications that yes, you know, advisor firms may nor was issue mass communications. But if you use some standard paragraphs and your suitability letters that you may be cutting paste on and pull together, you contest those for understanding to cheque that any communication that's going out to a range of clients is understandable. So that's another. We have evidence enough we took but come

**Speaker 0:** so as well as getting evidence from across the chain through they come of value assessments and sexual. You know, there's also important role to claim it. Evidence within your fun Elaine seat before outcomes, ideally so that you can again demonstrate that you've taken it seriously and you've got the back out to prove that you are actually live around those good and calls on Steven playing Devil's Advocate slightly. Is this not? This is not mean. Advice is going to be inundated with with paperwork and reports, and

**Speaker 0:** we already heard that there maybe there's not enough advisers to take the workload is just going to be really stretched them to their limits. So, specifically on the AM, I know that there was one worry that the Advisor Funds would suddenly get faced with a whole series of requests from manufacturers to see. We need you to provide us with all this new am I so that we can,

**Speaker 0:** he clears that you're selling product in line with the distribution strategies to the target markets that we have said,

**Speaker 0:** Certainly from a negan perspective, that's not going to happen because we already have information on that. We know who say, like what to whom. So we can already cheque that. So I don't think that from the manufacturers that we'll be demanding lots of new information from advisers.

**Speaker 0:** Also hopes that on baby going slightly off off, off your top Storey. But I also hope that more broadly around the A, my world, if every single firm our save the other firms for bespoke am I, the whole industry would collapse. So we do need to get better at working out the core information. And he's passed up and down the chain because it is strong

**Speaker 0:** fund managers to platforms, whether it's some advisers, t manufacturers and vice versa, let's try to extremely streamlined that on deed, sure that where they were doing and effectively, that brings a the key information we all need to know rather than as you see, just clear cottage industry of passing information all day change for the sake of all.

**Speaker 0:** So do you think some would be reluctant to streamline too much because they might feel there might be a bit liable if if all the information is not there.

**Speaker 0:** So Theo Essay has been pretty clear in the policy in the Games that they don't expect every element in the distribution chain to duplicate what everybody else has done in the distribution shape. Because that's that's not going to lead to a good outcome, because we'll all spend. We'll all spend all our time checking each other's work, and we're actually dealing with any customers anyway. So, yes, he doesn't expect that. I think it is a case of

**Speaker 0:** identify what you need from elsewhere and distribution chain and ask and ask of that. I have a clear reason why you need it. So go back to God about Steven's point. I'd be surprised if any platform a long term savings provider, would ask advisers for that kind of information, because why would they need it?

**Speaker 0:** What are you gonna do with it on? Do think, if you can a massive believe on on am I? If you can't work out, what you going to do with the M? I don't bother asking for it, so only ask you if you think I know if I ask this on it tells me this, I'll do something that's relevant. But if you ask you something and think, What am I going to do with? It seems it seems a bit pointless. So

**Speaker 0:** I would agree. I think there is some sensible information that will move up and down the value chain on. Actually, you've got a pretty good framework and long term seeming Zen away with proud, Am I? So when the Prod rolls came in, there were certain. Am I was required to be passed up, down, up and down the value chain that's in place already.

**Speaker 0:** That should probably be enough. I don't think we need to create any more work.

**Speaker 0:** But if But if, if I can think about to a bit to a previous question, I think from from an adviser's perspective, there is a Z has been touched on already. There's a lot of information out there. This podcast is Do you see? A letter? Is as gay Vince notes through every provider going, there's the actual games notes from the S. E. A. It could be daunting. There's there's almost too much

**Speaker 0:** anything go back to one of things that I said earlier, the essay want firms to take this seriously, but they don't expect them to do everything, particularly a small advice for him, which hasn't got the personnel.

**Speaker 0:** If they condemn a straight that they thought about it,

**Speaker 0:** take some time out to think about what the proposition is and think about areas that they want to investigate, demonstrate their prioritised and do a few things. But the few right things before the end of July, that's what the F they won't see the F c c this being principles based, they want to see firm to take it seriously. They want to see them get things started.

**Speaker 0:** But don't think you have to dot every I and cross every t that's that's missing the point. The point here is actually is given. This is principles, paste. Take the time out to think it was It was touched on a bit earlier by Jamie for me, which is through the

**Speaker 0:** this This will evolve. This will change over time. So actually this is not going to be one and done on the basis not gonna be one and done. It doesn't have to be perfect for the end of July, but if you've got started and have said right. I've picked two or three things which are really going to make a difference, and I'm going to I'm going to do them or get them done as far as possible, while I think we will see is we'll see additional games coming out from the FBI. S E. A. On good practise is really good example of that,

**Speaker 0:** which is The SUV came out with the multi firm review and implementation plans back in January. Which was exactly that Farms had to do the implantation plans by the end of October. Yes, he did. A review of them and then highlighted could practise for everybody. So I think there's a really good indicator of how this is going to evolve over time. So doesn't it's not going to be one and done is going to be an improvement over time, but equally that doesn't mean you have to get it perfect.

**Speaker 0:** Just get started. You think that's a fair assessment?

**Speaker 1:** Yeah, I mean, the regulator uses the word proportionate throughout it. Z. It's consultation

and it's its response in its final rules, and I think I think that's a good way of looking at me. Alice was absolutely right. We don't want everybody just checking each other's work and that that does create the box taking exercise that that won't add much valley. But equally we've got to find a balance because if I'm producing, I'm manufacturing a product

**Speaker 1:** that is being sold to the wrong people, and it's incumbent upon me to know that on the essay would expect me to find out. But equally if I'm advising on products on those products are poorly conceived or badly designed than eyes. An adviser would want to

**Speaker 1:** to know that, and it's incumbent upon the adviser team. Work that out, too. So it's like way to have a collective responsibility to make sure that we figure out a proportionate level of activity that that, you know, spots those problems, stops them in their tracks and corrects them,

**Speaker 1:** but equally just doesn't you know, because actually, if we create

**Speaker 1:** a complete kind of box taking exercise that just becomes all consuming for, all parties in the chain will probably just start to miss. Things will become complacent. Then we won't actually spot the problems that we've talked about. So

**Speaker 1:** yeah, proportionate is a really good word actually in this.

**Speaker 0:** Do you think there's a danger that complacency could creep in? No talks about evolving over time. But could that be one of the downsides of how it evolves over the next few years or

**Speaker 1:** so? Well, it is the I mean, I use the word box ticking. It's not. It's not my view of what this is intended to be. It certainly isn't. And I hope that it doesn't become that, I think, should we should make sure it doesn't.

**Speaker 1:** If it does, then that that is the danger is that we become complacent and it just becomes a sort of, you know, something that's on the on the file for everyone rather than something that's genuinely adding value. But at the end of the day, what what what do we try and do? We're trying to make sure that we

**Speaker 1:** evolve the regulation in a way that to date has been about being fair with customers and compliant. And that's right.

**Speaker 1:** We want to move beyond that into the space of actually knowing that not only was it fair and compliant, but they had a good outcome

**Speaker 1:** on Dunder Stand that

**Speaker 1:** and it should start to eradicate. You know, many of the kind of really difficult phases of this and she's gone through in terms of selling products, the wrong people selling poor value products. And it has happened. Nobody would sit here and deny that. So, you know. And if anybody thinks you know, the consumer juice is gonna cost, you know, whatever it costs,

**Speaker 1:** let's say in the small billions for the whole industry to implement an embed. That's nothing compared to what we paid in redress over the years for things that have gone wrong. And if we can

avoid it, least some of that. That's a good thing

**Speaker 0:** on Steven. We've moved now, having way from the treated unfairly here, too. Now treating them well.

**Speaker 0:** It's a good night, Shorty. Yeah, you know, I think the first time I heard that was from Jamie. I think you said something like was not just to treat them fairly. Have seen them Well, was to move away from being clear, fear and all, mostly down to clear field and positively helpful. So that's stuck in my minds. And so yeah, we have We have obviously round ramp things up can I just go back

**Speaker 0:** to the question you were asking about becoming just box ticking on gun complacent and just know we went forward. I think the other way, where the consumer duty will continue to evolve as that every time they see it produces any new policy statement or consultation paper on. We were already CMS the consumer to tears, always other hearts of every one of these. So whether that's about

**Speaker 0:** the consultation todo broadening access to mainstream investments, this is the one. This is the one about moving individuals from cash and stocks and shares. ISA is investing in mainstream investments. There were 30 such references to the consumer duty in that consultation.

**Speaker 0:** So every time something new comes from the FC, I think that they'll look at it through our consumer Chiti lanes. And I think that the consumer to two will evolve when dashboard provider's come on stream. Goodness knows when that's gonna be, but when that happens, they will need to think about whether consumer duty means means for them. So yeah,

**Speaker 0:** she sounded customers fairly. We will still need to treat customers fairly, but now it's about she signed off on by Well, we don't mean we're nice. The ground we mean that we are helping them. And I will remember my third cross cutting you all this time we are helping support long meet the financial objectives that that's what she signed them well means to me. That's an analysis of going back to the evolving nature of it. We've got a few months now till the July deadline.

**Speaker 0:** What needs to be in place, what advices need to do for the next couple of months or a few months and on what's on their to do list ahead of this,

**Speaker 0:** I think we will. I think we've all covered this.

**Speaker 0:** So take the time out and think, What is my proposition

**Speaker 0:** on documents? All of us have said no and absolutely proportionate, which the sec, throughout all everything right they talk about proportionate because they recognise our 1 to 5 man farm is not the same as a 5000 man firm is about. Just think about those four pillars which is your products and services price and value consumer understanding to the support and think. What is my service?

**Speaker 0:** How is that adding value? Can I cheque? How kind of cheque that people properly understand, aunt, importantly in the consumer understanding, take the right actions. So I think that's a really

**Speaker 0:** that was one of the ones that certainly we absolutely do out, which is on the consumer. Understanding is no, which is a step up from treating customers fairly, is not just where they understand

whether they understand and are likely to take action of the back of it on then consumer support again, which is, um, I helping them achieve things in A in a timely way. So just know over egg it but document what it is. What is my one or two key priorities against, or few priorities against those four pillars

**Speaker 0:** on take action on Go on. Git doesn't need to be perfect. So but have have a plan and move it forward. So go back to Stevens Point right at the beginning of this, which is

**Speaker 0:** yes, you're gonna be much more favourable to people that have taken it seriously and demonstrated they thought about it. And that's take it right back to beginning. This is principles based legislation. So if its principles based legislation, no, nobody's going to get it perfect. First time, So don't beat yourself up about it but engagement and try and do something. Do you think that's a fair? You know, prioritise what's important and don't overcomplicate It was, Yeah,

**Speaker 1:** I think so. And I think the CIA gave a bit of ah, shot across the bows. I think, towards the end of

**Speaker 1:** last year, beginning of this when they looked through the

**Speaker 1:** the various kind of implementation plans and business plans that people had in place and said, Look, generally firms taking this very seriously But some think are being a little bit complacent in in the review. I'm not talking about advice firms that was across, I think, the whole oil industry. I think it's fair to say there was a mixed bag of what they saw in terms of the levels of activity that we're under way. And I think

**Speaker 1:** you know, for me when I I kind of re read the rules fairly, recently again and kind of thought

**Speaker 1:** as you go through it and with time passing as well, you also think Well, there's something Have we thought about that? Do we need to do something on that? You continually I think spot things that needs to be done or that perhaps you want to look at differently. And I think most firms

**Speaker 1:** now manufacturers, providers, asset managers, anybody in the chain on advisers, if they do now again revisit or look through the rules for the first time will probably spot a few things that they think. Well, you know, do I feel 100% comfortable and think of it through the lens of the regulator, popped round the office tomorrow,

**Speaker 1:** Ask me what our business or me is a sole trader or me is the director of a larger business. Whatever it may be,

**Speaker 1:** you know what I'm doing on consumer duty, and I'm already would I be comfortable with my answer? That is quite a good way of looking at it, because they will ultimately be doing that. But again, I don't think the FDA is sort of out there to catch people out. But I think they will be.

**Speaker 1:** They'll beam or I mean, Alistair said it will. They will certainly have a lot more time for the companies that put the effort and but still need to do something rather than the companies who have done nothing and assume that everything is okay. I think that's a mistake. But this is the benefit

**Speaker 0:** of how it will evolve over the next year. Two years, three years

**Speaker 1:** it is on. I do think you know, the regulator has been reasonable about it. Said, Look, we do have a bedding in period and we will be proportionate in our response to what we see.

**Speaker 1:** But hey, I think I think there was much more favourite towards the companies that it really putting the effort and to make sure that they are

**Speaker 1:** up scratch on advice firms air really well placed to do this. I mean, the end of the day, who has a better understanding of client outcomes than advisors. There is nobody in the chain that has a better understanding. So I think for advisors, that shouldn't be too difficult. But I wouldn't just assume that you're doing everything you need to do. I would cheque

**Speaker 0:** on Stephen a bedding in times a billion times very important, but that complacency can't leak in too much.

**Speaker 0:** Yeah, Still, I think we would all be very surprised if they if they seek your own, started fining anyone you know within that paid unimpeded and Lacey. I completely ignored the rules. Another just a little tip that I would give to make sure that you are just remain oh, shoot to what? The FCC His intentions are

**Speaker 0:** again going all the way back to the final is gains throughout. These gave some examples of questions that they see the me ask of funds and that thumbs may ask of themselves and that a 39 of them go to the games

**Speaker 0:** on again as we read those recently because I wanted to cheque that they haven't got lost in the woods. That other one but lost within the trees that, you know, that could still remain myself us to the sorts of key themes of the sea are asking for funds to be able to answer. And when you know they did, that was first time laying by class to July.

**Speaker 0:** My phone could have answered them all. I don't think anyone's from could have answered them all because you couldn't answer them until you had actually started implementing what actually were well advanced with your implementation. But by the end of July, once the final jewels are in, please, you should be able to answer all that are relevant to, you know, all available until takes a phone. But

**Speaker 0:** that would todo to me again Good way of just the cheque out that you have not missed anything on that way through Have a look. It was 39 examples

**Speaker 0:** and at its own constant time and start of use all finished with you. If you could give us a sort of concluding thought, just one thing that you'd want people watching this to take away

**Speaker 0:** S o. I'm sure sure, every advisor will have completed a plan the end of October. I would suggest that they pull out, be proportionate ir ties on DS. Focus on delivering

**Speaker 0:** the few most important things to the end of July so you can get yourself started on that journey on Jerry that's throwing you under the bus or I'll see the same question.

**Speaker 1:** Yeah, Listen, I mean, providers who generally have much greater resources than advisers, have done quite a lot of work on this. I would suggest use that work where it's relevant to you. There's

plenty plenty there on on websites has been produced to help you prepare for July

**Speaker 0:** Well, perfect. Thank you very much in Steven. Thank you very much to you from joining down the line

**Speaker 0:** on. Thank you very much for watching along over. The discussions from today will be available to watch lots again. Thank people in the studio and joining down the line. And I'll see you here for the next one. Thank you very much.