

# CONSUMER DUTY

WE'RE HERE TO HELP WITH THE

# HEAVY LIFTING



## Consumer Duty Checklist

### Keeping on track with Consumer Duty

The Consumer Duty introduces the new Principle 12 (the Consumer Principle) which requires firms to 'act to deliver good outcomes for retail customers'.

The Duty sets out four customer 'outcomes' that cover key aspects of our business and our relationships with customers.

We've designed this checklist as a set of questions aligned to the Duty's four consumer outcomes. Our aim is to help you ask the right questions of yourself so you can ensure the necessary outcomes are being met at every step... **that's another tick on the list.**

### The four consumer outcomes



Products and services



Price and value



Consumer understanding



Consumer support

# Consumer Duty Checklist



## Products and services

Designed to meet the needs of consumers and distributed appropriately.

### Product information

- Do you have all the product information you need to distribute products?
- Do you fully understand the products – including the key features, exclusions and any excess?
- Are you clear on the target market?
- Are you clear on who the product is not suitable for?
- Are you clear on approach for any customers with characteristics of vulnerability?
- Do you require any additional information / training?

### Distribution strategy

- Are you clear on the methods of distribution e.g. advised sale, online?
- Has the Distribution Strategy been communicated to relevant persons?



## Price and value

Products should offer 'fair value' to consumers, i.e. balance between the price of products and services with their expected benefits.

### Distributor responsibilities

- Have you reviewed the value of remuneration including your commission and your fees to customers and any other remuneration?
- Are you comfortable your remuneration is providing value?
- Have you considered the potential for any duplicate cover?
- Does your review take into account the outputs of the insurers' fair value assessments?
- If applicable, have you reviewed the impact of Retail Premium Finance?
- If applicable, have you considered the impact of distributing the product as part of a package?
- Where relevant, do you have information on the services provided by all parties in the distribution chain?

This is not a final list of considerations. The purpose of this checklist is to provide general guidance and information only. The information provided is Hiscox response to Consumer Duty. We support and share our knowledge, however all firms are responsible for their own interpretation and compliance. Hiscox cannot accept any liability whatsoever for any inaccuracy contained within it, nor for any damage or loss, direct or indirect, which may be suffered as a result of any reliance placed upon the information provided, whether arising in contract, tort or in any other way.

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## Consumer understanding

Understanding through communications designed to enable consumers to make informed decisions.

### Clear communications

- Are your key communications clearly signposted, timely and accessible?
- Do communications clearly set out any calls to action?
- Do your communications cater for customers with characteristics of vulnerability?
- Are you testing your key communications to check customer understanding?
- Where appropriate, when speaking with customers one-to-one, do you check customers understanding and ask if they have any further questions?
- Do you feel comfortable about the quality of one-to-one communications?



## Consumer support

Designed to meet the needs of customers throughout their relationship with the firm, enabling them to realise the benefits of products and services.

### Design and deliver support that meets the needs of customers

- Have you ensured that your customer service meets the needs of customers?
- Have you considered the needs of customers with characteristics of vulnerability?
- Are your phone systems, menus or webchats easy to navigate?
- Do you provide comprehensive information to customers about how they can contact you e.g. email addresses, telephone numbers?
- Do you provide the same level of support for customers post-sale as you do when selling a product?
- Have you reviewed your customer journeys to ensure that there are no barriers to customers getting the service they can reasonably expect?

## HAVE YOU FAMILIARISED YOURSELF WITH OUR NOTIFICATION PROCESS?

[Find out more ►](#)

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