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Consumer Duty Documentation Guide

What the FCA Expects to Find on Examination at Any IFA Firm



Dutv Documentation Guide

Introduction

The Regulatory Position

Absence of Evidence

What gets firms into trouble isn't usually conduct. It's the absence of written evidence that the right conduct took place. Under Consumer Duty (PRIN 2A, effective for open book business from 31 July 2023 and for closed book from 31 July 2024), the FCA doesn't give the benefit of the doubt when documentation is missing.

The working assumption is adverse. Absence of evidence is treated as absence of outcome, and that position is stated plainly in the FCA's supervisory guidance.

The practical consequence is this: when an examiner visits, they'll ask to see documents. Not descriptions of processes. Not assurances from the compliance officer. Documents.

The Seven Documentary Areas

Consumer Duty requires IFA firms to maintain evidenced records across seven areas: Fair Value Assessment, Target Market Assessment, Outcomes Monitoring Framework, Vulnerable Customer Policy, Annual Board Consumer Duty Report, ongoing service delivery records, and consumer understanding evidence.

The first five are standalone documents that either exist in adequate written form or they don't. The last two aren't standalone documents in the same sense: ongoing service delivery records build up through normal business practice — review meeting notes, client communications, suitability report logs — and consumer understanding evidence lives inside communications review processes rather than in a named document. Those are areas of practice. The five core documents are what many firms are missing. That's what this guide addresses.

Defining 'Adequate'

A note on what 'adequate' means here. The FCA has now published enough thematic review material, Dear CEO letters and board report assessments to define the evidential standard with reasonable precision. That standard is applied in each of the five sections below.

At the end of the guide there's a 15-item checklist, mapped to all seven documentary areas. Work through it. If you can answer yes to all 15 items, your documentary position is sound. If you can't, the sections below will tell you exactly why.

KEY TAKEAWAY: *Under Consumer Duty, the FCA treats absence of documentation as absence of compliant outcome. Firms must hold evidenced written records across all seven documentary areas, with the five core documents being the most commonly deficient. An examiner will ask to see documents, not descriptions of processes.*

The Five Core Documents

These documents don't sit independently. The Outcomes Monitoring Framework is what gives the Annual Board Consumer Duty Report its evidential foundation; without functioning monitoring data, the board report is essentially narrative. The Vulnerable Customer Policy has to align with how the Outcomes Monitoring Framework actually treats vulnerable clients; If the Vulnerable Customer Policy references monitoring activities that the Outcomes Monitoring Framework doesn't actually specify or conduct, that's an evidential gap an examiner will find.

The Fair Value Assessment and Target Market Assessment together define what the firm owes to which client groups. Getting one right while the others are absent or internally contradictory isn't a defensible position.

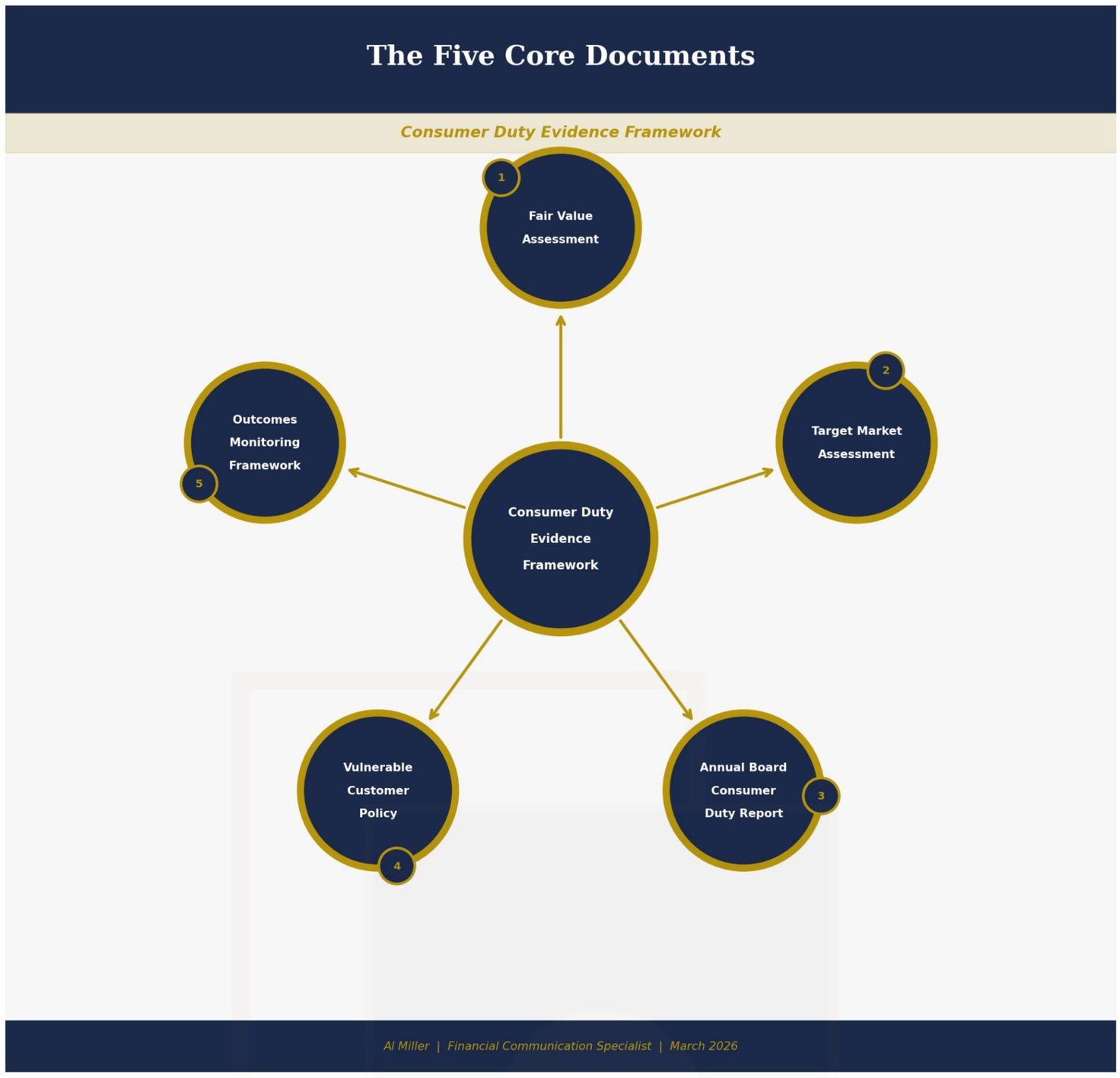

FIGURE 1: THE FIVE CORE DOCUMENTS — CONSUMER DUTY EVIDENCE FRAMEWORK

Fair Value Assessment

What the FCA Requires

Price alone doesn't determine whether a client is getting fair value, and a Fair Value Assessment that treats it as though it does will fail on examination. What the document must demonstrate, under PRIN 2A, is that the total charges levied across the full distribution chain bear a reasonable relationship to the overall benefit the client receives.

Not a broad assertion that the firm's fees are competitive. A reasoned, evidenced conclusion, produced separately for each product or service in scope.

The Distribution Chain Requirement

Every stage of the distribution chain needs to be covered: platform charges, product costs and the adviser charge, taken together rather than in isolation. The client base can't be treated as a single group either. The FCA doesn't accept an undifferentiated conclusion across the whole book.

Customers with characteristics of vulnerability must be assessed separately, with specific consideration of whether the charges they pay bear a fair relationship to the outcomes they receive. That's the requirement most commonly absent from assessments the FCA has reviewed.

Common Failure Modes

FCA thematic reviews since 2023 have found the same failure mode repeatedly: competitive benchmarking passed off as granular analysis. Stating that charges are in line with market rates isn't a Fair Value Assessment; it's an observation about market positioning, which isn't the same thing at all.

A firm charging 1% ongoing on a £300,000 portfolio and one charging 1% on a £45,000 portfolio may both cite the same market reference. Neither tells you whether either client is receiving value proportionate to what they're paying. Reproducing the manufacturer's assessment without checking whether it actually applies to the firm's client base and distribution arrangements falls into the same category.

The standard required is specific. If an examiner asks why the firm's charges are fair for a client in drawdown with health characteristics of vulnerability, the Fair Value Assessment must offer an evidenced answer.

The 2026 Consultation

There's one development worth flagging now. The FCA has announced a consultation in H1 2026 on how Consumer Duty obligations apply across multi-party distribution chains. The Fair Value Assessment's treatment of the distribution chain, already the area most scrutinised in FCA thematic reviews, is directly in scope of that consultation.

Review and document the distribution chain analysis before that standard shifts. An assessment that was adequate when written may need updating if the consultation produces new requirements on how charges at each stage are evidenced and justified.

KEY TAKEAWAY: A Fair Value Assessment must produce a reasoned, evidenced conclusion for each product or service — not a competitive benchmarking exercise. It must cover the full distribution chain and assess vulnerable customers as a distinct group. The FCA's forthcoming H1 2026 consultation on multi-party distribution chains makes early review of distribution chain analysis a priority.

Target Market Assessment

What the FCA Requires

Most distributor firms have a Target Market Assessment. Fewer of them have written it themselves — and the FCA can tell the difference. The PROD sourcebook requires a written TMA for each product or service distributed, defining the intended target market by reference to specific customer characteristics, needs, objectives and financial situation.

What it doesn't permit is simply adopting the manufacturer's TMA without independent analysis of whether the product is appropriate for the firm's actual client base.

The Dominant Failure Mode

That's the dominant failure mode among smaller adviser firms, identified consistently in FCA supervisory work under PS22/9. The manufacturer defines a broad target market. The distributor records it as its own. No one asks whether the firm's clients actually match that definition, or whether the distribution strategy is designed to reach only customers within it.

Most TMAs reviewed by the FCA are missing the same two things. The negative target market — defined as the customer group for whom the product is not suitable and precise enough to be operationally useful — is absent far more often than it should be. Describing it as 'customers for whom the product is not appropriate' isn't a definition.

The annual review is the other persistent gap. A TMA written 18 months ago may no longer be accurate if product terms, distribution arrangements or the composition of the client base have changed since.

What a Compliant TMA Looks Like

The document has to be the firm's own work. Apply the manufacturer's TMA to the firm's actual clients, identify any divergence from the intended target market, and document the conclusion reached. A TMA that would serve equally well for any other distributor of the same product hasn't done the job.

KEY TAKEAWAY: *The firm's TMA must be its own work — applying the manufacturer's definition to the firm's actual client base and documenting the conclusion. The negative target market must be defined with operational precision, and annual review must be evidenced. A replicated manufacturer TMA will not withstand FCA scrutiny.*

Outcomes Monitoring Framework

What the Framework Must Contain

Of the five core documents, this is the one where the gap between what firms think they have and what they actually have tends to be widest. An Outcomes Monitoring Framework isn't a record of outcomes already observed. It's a written architecture specifying what the firm will measure, how it will measure it, and how often, across all four Consumer Duty outcome areas: products and services, price and value, consumer understanding, and consumer support.

The monitoring obligation is set out in PRIN 2A.9, and what the firm's Annual Board Consumer Duty Report (required under PRIN 2A.8.3R) must present to the governing body is the findings gathered under that obligation. The board report draws on the framework. Without a functioning framework, the board report has nothing to draw on.

Data Sources and Assigned Roles

The framework has to name data sources — complaint volumes, client survey results, review meeting completion rates, suitability report quality logs — and assign each metric to a named individual or role. Monitoring frequency has to be written down, not left as a standing intention.

Crucially, there needs to be a documented escalation path: when poor outcomes are detected, the framework must specify who acts on them, within what timeframe, and how that action gets recorded.

What FCA multi-firm review work on outcomes monitoring has repeatedly found is that smaller firms tend to monitor at a level of generality that can't detect differential outcomes between customer groups. Tracking client satisfaction as a single aggregate metric tells you nothing about whether clients in vulnerable circumstances are achieving outcomes equivalent to everyone else. The monitoring architecture has to be capable

of making that distinction, not as an aspiration but as a floor requirement under the Duty.

The Feedback Loop Requirement

Monitoring that produces findings which don't change anything the firm actually does isn't monitoring in any meaningful sense. The framework has to show how findings feed into operations, and the firm needs a record that they have.

An Outcomes Monitoring Framework sitting in a folder, unread and unreferenced in board reporting, doesn't meet the standard

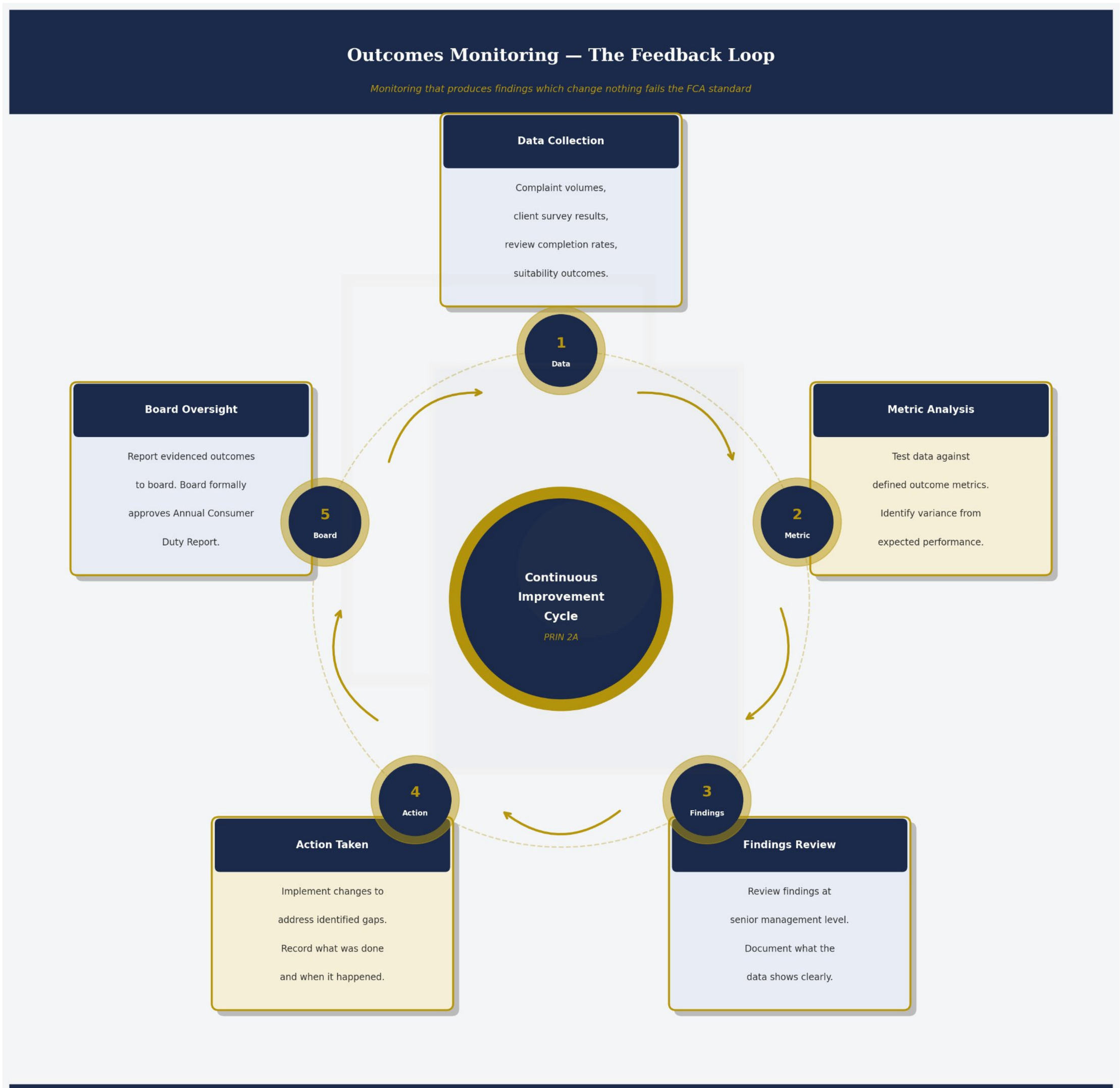

FIGURE 6: OUTCOMES MONITORING — THE CONTINUOUS IMPROVEMENT CYCLE

KEY TAKEAWAY: *The Outcomes Monitoring Framework must be a written operational architecture — naming data sources, assigning metrics to individuals, specifying monitoring frequency, and documenting escalation paths. It must be capable of detecting differential outcomes for vulnerable customer groups, and must demonstrably feed into operational decisions and board reporting.*

Vulnerable Customer Policy

Aspirational vs Operational

A lot of firms have this document. A lot of those documents are aspirational rather than operational, and that's the distinction the FCA is drawing in its review findings. FG21/1 defines vulnerability through four drivers — health, life events, financial resilience and capability — and Consumer Duty requires a written policy covering identification, adapted response and separate outcomes monitoring for each of them.

Writing it down adequately is one thing. Running a system that actually identifies and responds to vulnerable clients in day-to-day practice is quite another. The FCA confirmed in March 2025, following a detailed multi-firm review, that FG21/1 remains appropriate and operative alongside Consumer Duty. The evidential standard hasn't shifted. The gap between what firms document and what they actually do has been the central problem since the first supervisory visits, and it remains so now.

The Four Areas That Must Work Together

The policy has to work in practice across four areas, and the way they hang together matters. Identification is where most policies fail first: the system for spotting vulnerability has to reach beyond the clients who raise it themselves, because many won't.

It also has to catch circumstances that change during an ongoing relationship — health deteriorates, financial situations shift, bereavements happen — which means building a mechanism for periodic review, not just checking at onboarding. What gets recorded when vulnerability is identified, where it sits, and who in the firm can see it needs to be specified.

The adapted response that follows has to describe what actually changes in practice, not what the firm aspires to do. The FCA isn't looking for a perfect policy. It's looking for one a member of staff could actually follow.



FIGURE 5: VULNERABLE CUSTOMER POLICY FRAMEWORK — FOUR OPERATIONAL REQUIREMENTS

Outcomes Monitoring for Vulnerable Clients

Outcomes monitoring for vulnerable clients is the area most commonly left undone. Treating them as a distinct monitoring group requires the Outcomes Monitoring Framework to actually do that — not describe it in general terms, but assign specific metrics and review frequency to this group separately.

The two documents have to be consistent with each other. If the Vulnerable Customer Policy references monitoring activities that don't exist in the Outcomes Monitoring Framework, that inconsistency is an evidential gap waiting to be found.

Data Protection Developments

A data protection dimension has been added by the Data (Use and Access) Act 2025 (DUAA), which received Royal Assent on 19 June 2025 with main provisions in force from 5 February 2026. The DUAA amends the UK GDPR and the Data Protection Act 2018 without replacing them.

Two changes are directly relevant to vulnerability policy. First, it introduces a new 'recognised legitimate interests' lawful basis that applies without a balancing test for specified purposes, including safeguarding vulnerable people. Second, it rewrites the automated decision-making provisions under Schedule 8. Any firm that records vulnerability characteristics and uses data-driven or system-assisted processes to flag at-risk clients should review its data protection framework against both changes.

A joint FCA/ICO statement on the interaction between vulnerability obligations and data protection was expected in Q1 2026; review and reflect it in the policy when published. Separately, PECR penalty levels have been aligned with UK GDPR maximums following the DUAA amendments: the maximum fine has risen from £500,000 to the higher of £17.5 million or 4% of global annual turnover.

KEY TAKEAWAY: *A Vulnerable Customer Policy must be operational, not aspirational — staff must be able to follow it without further guidance. It must address all four FG21/1 drivers, include a mechanism for identifying vulnerability that doesn't rely on self-disclosure, and connect to the Outcomes Monitoring Framework with specific metrics for this group. The DUAA 2025, in force from February 2026, requires review of the data protection framework supporting vulnerability recording.*

Annual Board Consumer Duty Report

The Regulatory Requirement

Under PRIN 2A.8.3R, every FCA-authorised advice firm has to produce this document every year. Most firms produced their first in July 2024. The FCA reviewed a sample of 180 of them and published its findings in Consumer Duty board reports: good practice and areas for improvement (December 2024).

On 24 February 2026 it updated that publication with specific guidance for smaller firms, acknowledging that firms below a certain scale won't have dedicated compliance and audit functions. The guidance points to using a knowledgeable 'critical friend' for impartial feedback on the Consumer Duty approach, building feedback and pilot checks into client interactions, and making sure future business strategy reflects what the firm has learnt from different customer groups. For most IFA practices, this guidance is directly relevant and should inform how the annual board report is prepared and evidenced.

What the FCA Found

The results were not encouraging. The failure the FCA found most often, and the one that's genuinely difficult to defend: substituting process description for outcome analysis. Describing how the firm approaches Consumer Duty compliance isn't the same as evidencing whether clients are actually receiving good outcomes.

PRIN 2A.8.3–5R requires the board report to present evidenced analysis across all four outcome areas, identify poor outcomes found during the period, record what remedial action was taken or planned, and confirm that future business strategy sits within the Duty's requirements. Most first-generation reports did some of this. Very few did all of it.

Three Common Absences

Three things were absent from most first-generation reports. Outcome analysis for customers with characteristics of vulnerability, treated as a distinct group rather than dissolved into aggregate findings, was missing most often. So was the forward-looking statement on business strategy and Consumer Duty consistency, which is an explicit requirement under PRIN 2A.8.4–5R and was consistently overlooked.

And formal board approval — with conclusions and required actions recorded in board minutes — was absent more often than it should have been in a document of this regulatory weight.

Board Approval

That last point isn't a formality. Board approval is what distinguishes this document from a management information report. It places responsibility at board level, not compliance level. If the document was prepared by a compliance officer and filed without board discussion, it doesn't meet the standard.

Read the board report alongside the Outcomes Monitoring Framework. The framework is where data is gathered, tested against targets and reviewed during the year. The board report is where those findings go to the governing body to be assessed and acted on. One without the other

and the evidence trail has a gap in it, which is precisely what an examiner will look for first.

KEY TAKEAWAY: *The Annual Board Consumer Duty Report must contain evidenced outcome analysis — not process narrative — across all four Consumer Duty areas, with vulnerable customers treated separately. It requires a forward-looking business strategy statement under PRIN 2A.8.4–5R and formal board approval recorded in board minutes. A report prepared by compliance and filed without board discussion does not meet the regulatory standard.*

Areas 6 and 7

Areas 6 and 7 work differently from the five documents above. There's no single standalone file that either exists or doesn't. The question for both areas isn't whether a document exists but whether disciplined practice is producing a coherent evidence trail.

Ongoing Service Delivery Records

How Records Build

Ongoing service delivery records build through normal business: review meeting notes, client communications, suitability report logs, quarterly commentary. Consumer understanding evidence sits inside communications review processes, suitability report standards and client-facing document reviews rather than in a named document.

The five core documents are different. Either they exist or they don't. When the examiner asks to see them, a description of how the firm would approach writing them isn't a useful answer.

Durable Medium Changes

Two recent regulatory changes have a direct bearing on how the evidence in areas 6 and 7 is produced and retained. The amended durable medium definition (PS25/13 / Handbook Notice 134, October 2025) made electronic communications the default mode of communication with retail clients from 12 January 2026.

Note: 12 January 2026 is not 1 April 2026, which is the effective date of a separate, unrelated Definition of Capital for Investment Firms Instrument 2025 within the same Handbook Notice. This change is already in force.

It applies directly to the ongoing service correspondence, review meeting follow-up and suitability report delivery through which area 6 records accumulate. Check that communication processes and record-keeping arrangements reflect the new default, and that the consumer understanding review process accounts for how clients will actually receive key documents going forward.

KEY TAKEAWAY: *Area 6 records build through normal advisory practice — review notes, communications and suitability logs — but must now reflect the January 2026 durable medium changes under PS25/13. Electronic communications are the default for retail clients from 12 January 2026; communication and record-keeping processes must be updated to reflect this.*

Consumer Understanding Evidence

How Evidence Is Maintained

Consumer understanding evidence lives inside communications review processes, suitability report standards and client-facing document reviews rather than in a named document. The question is whether disciplined practice is producing a coherent evidence trail that can be examined.

CCI Disclosure Regime

The Consumer Composite Investments (CCI) disclosure regime (PS25/20, final rules published 8 December 2025) commences on 6 April 2026 and will ultimately replace both the PRIIPs/KID and UCITS KIID frameworks. The replacement isn't immediate or mandatory.

From 6 April 2026 until 8 June 2027, manufacturers can choose whether to produce a CCI product summary or to continue using the current PRIIPs KID. Full mandatory compliance with the CCI regime applies only from 8 June 2027.

During the transitional period, consumer understanding evidence maintained under area 7 should record which disclosure format is in use for each product and confirm that it meets the consumer understanding outcome under PRIN 2A.5. Communications reviews run against checklist items 5 and 6 should be updated to reflect whichever disclosure standard currently applies.

KEY TAKEAWAY: *Consumer understanding evidence is maintained through communications review processes, not in a named standalone document. From 6 April 2026, the CCI disclosure regime introduces a transitional period during which firms must record which disclosure format applies to each product. Communications reviews must be updated to track compliance with whichever disclosure standard is currently operative.*

Forthcoming Regulatory Developments

Advice Guidance Boundary Review

Targeted Support: Final Rules

The Advice Guidance Boundary Review has finally moved from consultation to output. On 26 February 2026 the FCA confirmed final rules for targeted support under PS25/22, a new specified activity under FSMA 2000, sitting between guidance and a full personal recommendation.

The distinction matters: targeted support requires FCA authorisation, and the authorisation gateway has been open since 2 March 2026. The regime goes live on 6 April 2026. Firms may offer it free of charge or for a fee. Joint statements from the FCA and FOS covering complaints handling, and from the FCA and ICO covering marketing requirements, are already published.

Implications for IFA Firms

For most IFA firms, the immediate question is whether their existing documentation can accommodate targeted support and full personal recommendations sitting alongside each other. In most cases the answer is probably not yet.

Target Market Assessments, Fair Value Assessments and consumer understanding evidence will all need to address how clients are directed to the appropriate service. That work is worth starting now rather than waiting for the regime to bed in.

KEY TAKEAWAY: *The targeted support regime under PS25/22 goes live on 6 April 2026. Existing TMAs, Fair Value Assessments and consumer understanding evidence will need to be reviewed and, in most cases, updated to reflect how the firm directs clients to the appropriate service — full personal recommendation or targeted support. Start that work now.*

Forthcoming Consultations

Multi-Party Distribution Chains

Two further consultations are expected before the end of H1 2026, both of which touch Consumer Duty documentation directly. One will address how Duty obligations apply across multi-party distribution chains, already the area that receives the closest scrutiny in Fair Value Assessment reviews.

Cross-Border Client Business and Strategic Direction

The other consultation will look at removing non-UK customer business from scope entirely. If the firm has any cross-border client relationships, both are worth tracking.

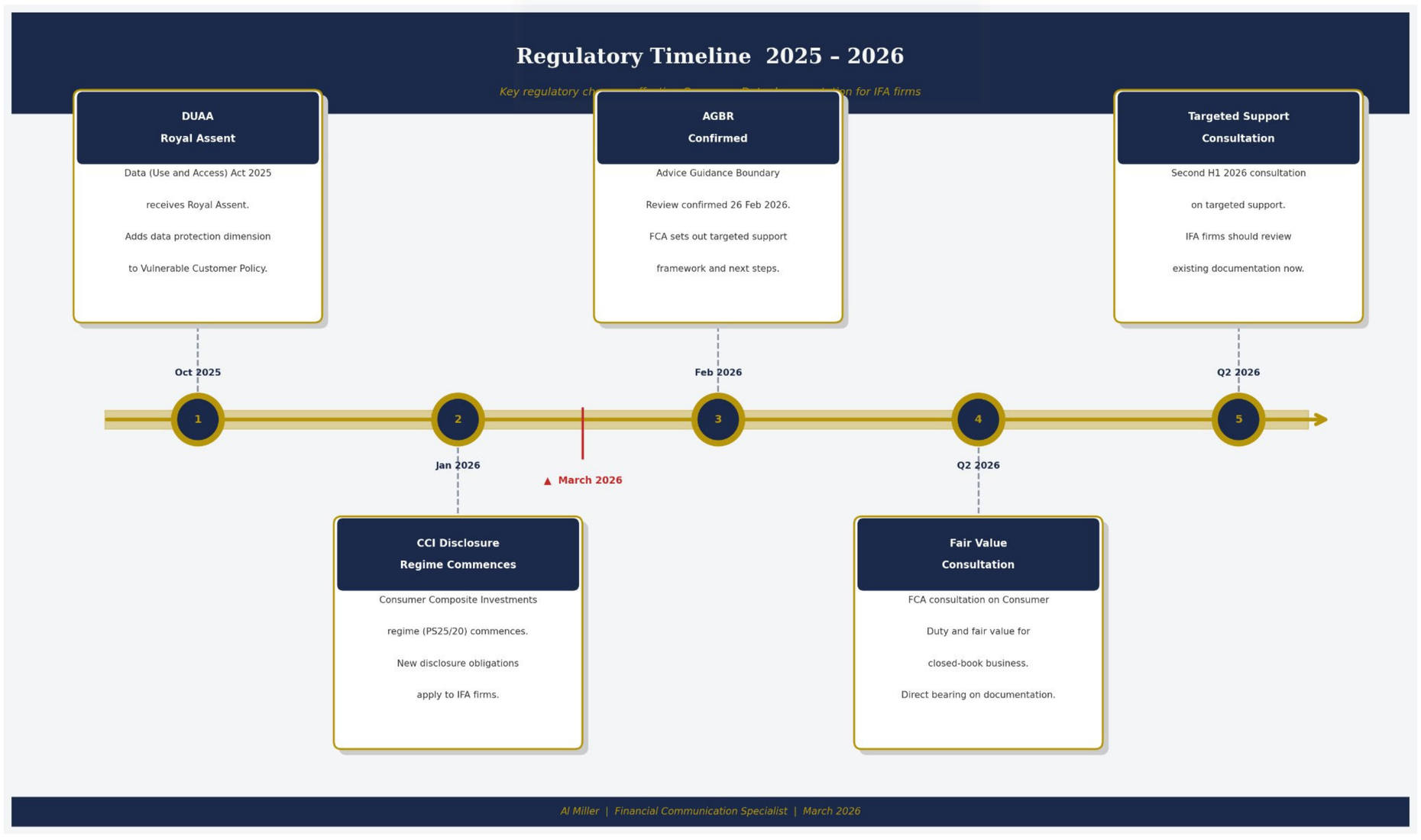

FIGURE 4: REGULATORY TIMELINE 2025–2026 — KEY DATES FOR IFA FIRMS

The FCA's Strategy 2025–2030 makes the direction clear enough: the Duty isn't going anywhere. Deeper embedding is the intention, not additional prescription. Work through the checklist below. It will tell you where you stand.

KEY TAKEAWAY: *Two further consultations arriving before end of H1 2026 will directly affect Fair Value Assessment obligations across distribution chains and the scope of the Duty for cross-border business. The FCA's 2025–2030 strategy confirms the Duty is becoming more deeply embedded, not scaled back. Track both consultations and assess their impact on existing documentation.*

Good Practice vs Common Gaps

The table below summarises, for each of the five core documents, the markers of a compliant approach, the most commonly observed deficiencies, and the specific documentary evidence an examiner would expect to find.

Document	Good Practice	Common Gap	Evidence Required
Fair Value Assessment	Separate written assessment for each product/service in scope. Distinct analysis for each customer segment including vulnerable customers. Full distribution chain assessed (platform + product + adviser charge).	Competitive benchmarking used as proxy for granular analysis. Manufacturer's assessment adopted without independent verification. Single undifferentiated conclusion covering entire client base. No separate vulnerable customer section.	Written assessment document, dated and version-controlled, for each product/service. Separate section evidencing vulnerable customer segment analysis. Distribution chain schedule.
Target Market Assessment	Firm's own analysis applied to actual client base, not manufacturer's TMA replicated verbatim. Negative target market defined with operational precision. Annual review documented.	Manufacturer's TMA recorded as firm's own without independent analysis. Negative target market absent or described in circular terms. No evidence of annual review.	Firm's own TMA document for each product/service distributed. Negative target market defined in operationally usable terms. Dated annual review record.
Outcomes Monitoring Framework	Named data sources and metrics for all four outcome areas. Monitoring frequency specified, assigned to named roles. Escalation and remediation process documented. Feedback loop between monitoring findings and operational decisions evidenced.	Monitoring described at level of generality that cannot detect differential outcomes. No named data sources. Monitoring frequency stated but not assigned to individuals. No documented escalation path.	Framework document naming data sources and metrics per outcome area. Role assignments for each metric with review frequency. Documented escalation and remediation procedure.
Vulnerable Customer Policy	Four FG21/1 drivers addressed individually. Operational procedure exists for identification, recording and referral. Staff can follow it without supplementary guidance. Outcomes monitoring for vulnerable clients assigned separately in framework.	Policy defines vulnerability adequately on paper but contains no operational procedure staff could follow. No mechanism for identifying customers who do not self-identify. No process for updating records during ongoing relationship.	Policy document covering all four FG21/1 drivers. Step-by-step operational procedure for identification, recording and referral. Evidence that the procedure is workable without supplementary guidance.
Annual Board Consumer Duty Report	Evidenced analysis of outcomes across all four areas, not narrative process description. Vulnerable customer outcomes treated as distinct group. Forward-looking business strategy statement included. Formal board approval recorded in minutes.	Process narrative substituted for evidenced outcomes analysis. Vulnerable customer outcomes absorbed into aggregate findings. Forward-looking business strategy statement absent. Document prepared by compliance and filed without board discussion.	Board report document with evidenced outcome analysis per PRIN 2A.8.3R. Separate section on vulnerable customer outcomes. Forward-looking business strategy statement per PRIN 2A.8.4–5R. Board minutes recording approval.

SOURCES: FCA, CONSUMER DUTY: FINDINGS FROM OUR REVIEW OF FAIR VALUE FRAMEWORKS (2023); FCA, PS22/9 (2022); FG22/5 (2022); FCA, FINDINGS FROM THE INSURANCE MULTI-FIRM REVIEW OF OUTCOMES MONITORING UNDER THE CONSUMER DUTY (2024); FCA, FG21/1 (2021); FCA, FIRMS' TREATMENT OF CUSTOMERS IN VULNERABLE CIRCUMSTANCES: MULTI-FIRM REVIEW (MARCH 2025); FCA, CONSUMER DUTY BOARD REPORTS: GOOD PRACTICE AND AREAS FOR IMPROVEMENT (DECEMBER 2024, UPDATED FEBRUARY 2026); FCA, CONSUMER DUTY REQUIREMENTS REVIEW AND PRIORITY FOCUS AREAS (SEPTEMBER 2025); FCA, PS25/22 TARGETED SUPPORT: FINAL RULES (FEBRUARY 2026); FCA HANDBOOK NOTICE 134 (OCTOBER 2025); DATA (USE AND ACCESS) ACT 2025; PRIN 2A.8.3–5R; PRIN 2A.9.

Good Practice vs Common Gaps

	Document	✓ Good Practice	✗ Common Gap Identified by FCA
1	**Fair Value Assessment**	✓ Segmented value analysis covering all distribution chain costs; firm-specific justification	✗ Competitive benchmarking presented as standalone fair value evidence
2	**Target Market Assessment**	✓ Firm's own written TMA applied to actual client base; negative market defined	✗ Manufacturer TMA copied verbatim; no negative market identified
3	**Outcomes Monitoring Framework**	✓ Named data sources; outcome metrics tested; documented feedback loop to action	✗ Activity monitoring only; no feedback loop; no corrective action record
4	**Vulnerable Customer Policy**	✓ Operational policy staff can follow; all 4 areas covered; outcomes monitored separately	✗ Aspirational policy only; identification process absent; no outcomes monitoring
5	**Annual Board Consumer Duty Report**	✓ Evidenced outcome analysis across all 4 outcomes; board-approved with resolution	✗ Process descriptions substituted for outcome evidence; no board approval

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FIGURE 2: GOOD PRACTICE VS COMMON GAPS — FCA THEMATIC REVIEW FINDINGS

15-Item Compliance Checklist

Answer each item yes or no. Any ‘no’ answer points directly to one of the five core documents or to areas 6 and 7 of the documentary framework.

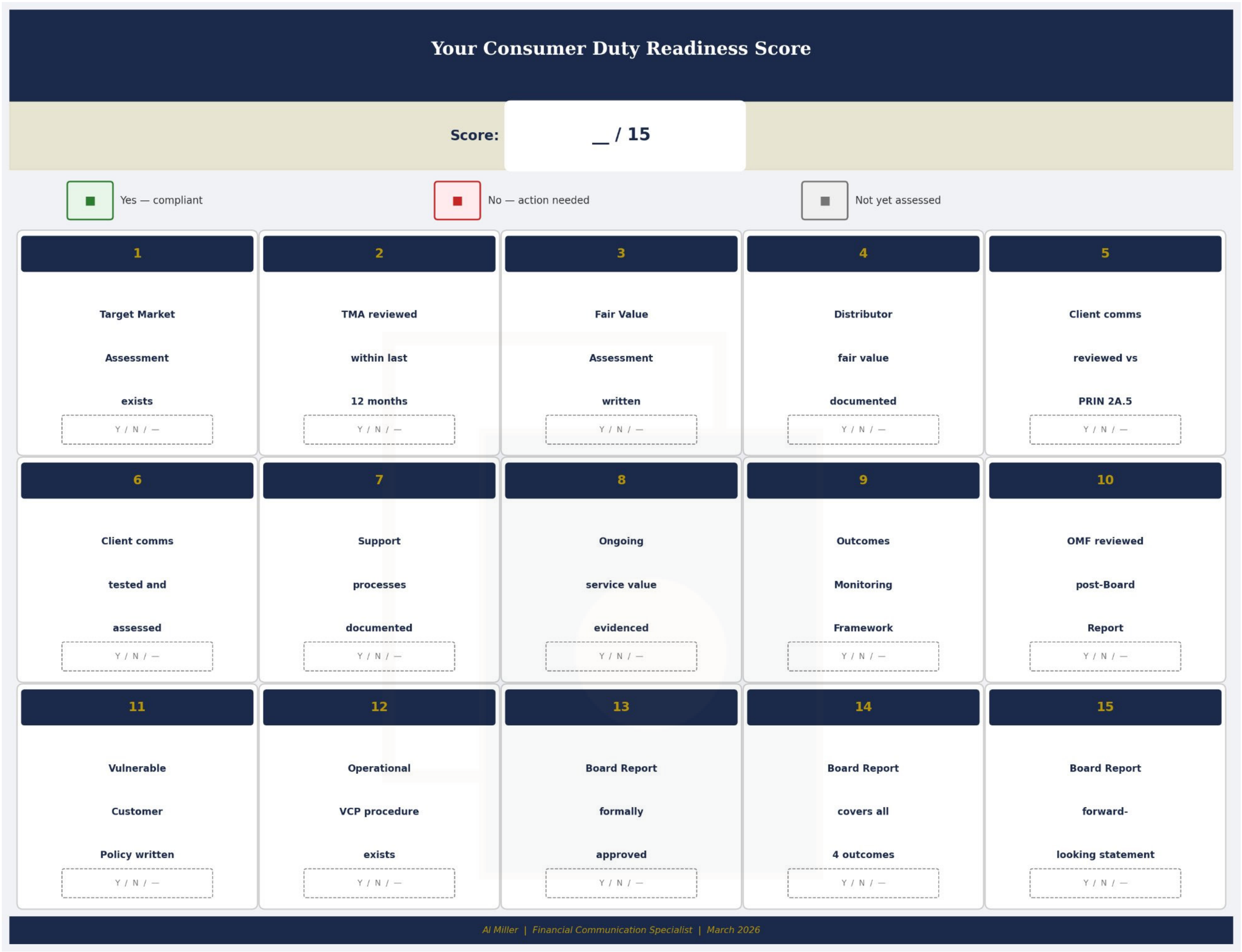

FIGURE 3: YOUR CONSUMER DUTY READINESS SCORE — 15-ITEM COMPLIANCE SCORECARD

No.	Compliance Questions	Yes / No	Notes
1	Does the firm hold a written Target Market Assessment for each product or service it distributes, setting out the characteristics, needs and objectives of the intended customer group and identifying the negative target market?		
2	The firm’s Target Market Assessment has been reviewed and updated within the past 12 months.		
3	Has a written Fair Value Assessment been completed for each product or service in scope, documenting why the price charged bears a reasonable relationship to the overall benefit customers receive?		
4	Where the firm acts as distributor rather than manufacturer, documented evidence confirms that fair value across the full distribution chain, including all charges levied at each stage, has been assessed.		

5	All key client-facing communications have been reviewed against the consumer understanding requirements in PRIN 2A.5 and the fair, clear and not misleading standard in COBS 4.2 within the past 12 months.		
6	Can the firm demonstrate that its key client communications have been tested or assessed to confirm they are likely to be understood by the customers who will receive them, including those with characteristics of vulnerability?		
7	Written evidence exists that the firm's client support processes, including complaint handling and ongoing service delivery, have been assessed against the consumer support outcome requirements under PRIN 2A.6.		
8	If the firm delivers ongoing services for which clients pay a recurring fee, documented evidence confirms that each such client is receiving the service for which they are charged.		
9	Does the firm have a documented Outcomes Monitoring Framework that identifies the data it collects, the metrics it uses and the frequency at which outcomes are assessed across all four Consumer Duty outcome areas?		
10	The Outcomes Monitoring Framework has been reviewed and updated since the firm's most recent Annual Consumer Duty Board Report, and any remedial actions identified through monitoring have been recorded.		
11	Does the firm have a written Vulnerable Customer Policy that sets out how it identifies, records and responds to customers with characteristics of vulnerability, using a framework consistent with FG21/1?		
12	A documented operational procedure exists for staff to follow when a customer in vulnerable circumstances is identified, covering referral, recording and ongoing monitoring of outcomes for that customer.		
13	The firm's most recent Annual Consumer Duty Board Report has been formally approved by the board or equivalent governing body, with approval and any required actions recorded in board minutes.		
14	The Annual Consumer Duty Board Report contains evidenced analysis of outcomes across all four Consumer Duty outcome areas, including a separate assessment of outcomes for customers with characteristics of vulnerability.		
15	The Annual Consumer Duty Board Report includes a forward-looking statement confirming that the firm's business strategy for the coming period is consistent with its obligations under Consumer Duty (PRIN 2A.8.4–5R).		

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