

6 steps to sustainable fair value



Under the FCA's Consumer Duty regulated firms must ensure fair value for money for their customers. It's important to address the challenges of what fair value looks like for your target markets to satisfy the regulator's expectations.

01 Overcome your biases

The FCA is taking an outcomes-focused, principles-based approach to supervising the Consumer Duty – meaning there's no set roadmap or rules for businesses to follow.

Instead, the regulator will be looking to firms to overcome their own biases – so you need to devise your own criteria and monitoring strategy to ensure fair consumer value within your business model.

02 Ask uncomfortable questions

The FCA is keen to move on from the previous 'treating customers fairly' standard. Now, firms are expected to embrace the initiative, and locate and remove any roadblocks that prevent customers from receiving value for money. It's important to recognise the significance in taking an analytical approach when putting a fair value framework into practice, rather than falling back on old assumptions surrounding compliance.

Some firms still rely on the status quo of 'we're in line with competitors' - whereas the Consumer Duty is about challenging yourself to demonstrate how your pricing is fair.

03 Reconsider your charging structure

Conduct internal research into your firm's charging structures to demonstrate your understanding of fair value prerequisites. You need to thoroughly analyse and evidence that your pricing model is fair for the entirety of your target market, in conjunction with identifying what situations may arise where your products would not offer fair value. Be mindful that the final cost to the consumer is an amalgam of all charges and fees that they may incur across a whole product lifecycle. Remember, these will also need to be justifiable under the Consumer Duty.

Is your fair value framework built for sustainable compliance?

TCC experts are ready to help address your Consumer Duty challenges and support you in achieving long-term success. Get in touch today.

04 Futureproof your framework

No two firms' paths to compliance will be the same, and that's why it's critical to take a holistic approach to your own requirements. Enlisting external support can be hugely beneficial for impartial, independent review. TCC's compliance specialists are experienced in supporting firms by:

Performing regulatory gap analysis: TCC can take stock of your existing processes to identify any remaining gaps in your regulatory framework

Introducing robust policies and procedures: Our experts can help align your processes with the regulator's guidance surrounding each of the four Consumer Duty outcomes

Monitoring and reporting across the product lifecycle: We can establish if your processes are working well with detailed insight dashboards that help you monitor and evidence compliance to the regulator

Supporting implementation: TCC's specialist guidance will help you implement the changes you need to ensure your strategy is fit for a sustainable compliant future

05 Ongoing compliance evidencing

Your Consumer Duty strategy is only as strong as its ability to properly showcase compliance to the regulator. That's why TCC's specialists ensure all your hard work can be evidenced in an efficient and consistent way.

- **Next-generation MI** goes beyond surface-level feedback to deliver actionable insights into your business processes to root out inefficiencies as they arise
- **Consumer Duty focused file reviews** now form a part of TCC's standard suitability and advice reviews, with Consumer Duty outcomes consideration as standard
- **AI RegTech** from our tech provider Recordsure brings 100% oversight to your customer conversations and AI-enhanced process adherence monitoring and evidencing

06 Periodic health checks

All businesses grow and change over time – and that means your Consumer Duty strategy will need to develop alongside it. Whether you need a thorough rethink of your fair value analysis or simply want independent assurance that your Price and Value framework still makes sense – our experts can give you the support you need to balance your commercial interests with delivering the best possible outcomes for customers.