

The Consumer Duty

Chapter 2A

The Consumer Duty

2A.6 Consumer Duty: retail customer outcome on consumer support

Application

2A.6.1

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- (1) Other than in ■ PRIN 2A.6.6R, this section applies:
- (a) to all *firms* to whom *Principle 12* and ■ PRIN 2A apply, who are responsible for interacting directly with, and providing support to, *retail customers*, such as through its customer services functions and including where the *firm* outsources its interactions with *retail customers* to a third party (in whole or part);
 - (b) regardless of the channel used or intended to be used when interacting with, or providing support to, *retail customers*, including via *electronic communications* such as on social media; and
 - (c) to all support provided by a *firm* to *retail customers*, such as in the course of or in connection with the *firm* providing customer services, including:
 - (i) before, during, and after any sale of a *product*; and
 - (ii) support that does not relate to a specific *product*.
- (2) ■ PRIN 2A.6.6R applies to all *firms* to whom *Principle 12* and ■ PRIN 2A apply.

Design and delivery of customer support

2A.6.2

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A *firm* must design and deliver support to *retail customers* such that it:

- (1) meets the needs of *retail customers*, including those with characteristics of vulnerability;
- (2) ensures that *retail customers* can use their *product* as reasonably anticipated;
- (3) ensures that it includes appropriate friction in its customer journeys to mitigate the risk of harm and give *retail customers* sufficient opportunity to understand and assess their options, including any risks; and
- (4) ensures that *retail customers* do not face unreasonable barriers (including unreasonable additional costs) during the lifecycle of a *product*, such as when they want to:
 - (a) make general enquiries or requests to the *firm*;

- (b) amend or switch the *product*;
- (c) transfer to a new *product* provider;
- (d) access a benefit which the *product* is intended to provide;
- (e) submit a claim;
- (f) make a *complaint*; or
- (g) cancel a contract, agreement or arrangement or otherwise terminate their relationship with the *firm*.

2A.6.3

G For the purposes of ■ PRIN 2A.6.2R(4):

- (1) unreasonable barriers are those which are likely to cause *retail customers* to take unreasonable additional steps to progress their objectives, including:
 - (a) steps which are:
 - (i) unreasonably onerous or time consuming;
 - (ii) complex for a *retail customer* to carry out; or
 - (iii) difficult for a retail customer to understand; and
 - (b) asking *retail customers* for unnecessary information or evidence;
- (2) where a firm has included appropriate friction in its customer journeys to comply with ■ PRIN 2A.6.2R(3), this would not amount to an unreasonable barrier; and
- (3) unreasonable additional costs includes where *retail customers* incur unreasonable exit fees or other charges, delays, distress or inconvenience.

2A.6.4

G A *firm* would be unlikely to meet its obligations in ■ PRIN 2A.6.2R if its support to *retail customers* causes or would be likely to cause:

- (1) prospective *retail customers* to be prioritised over existing retail customers;
- (2) unreasonable delays when *retail customers* attempt to engage with the *firm*, including disproportionately longer call waiting times to cancel or make changes to an existing *product* than to purchase a new *product*; or
- (3) unreasonable delays to:
 - (a) any payments due to *retail customers* after they have been agreed;
 - (b) the firm requesting necessary information or evidence from *retail customers*; or
 - (c) the *firm* processing information or evidence received from retail customers.

2A.6.5

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Dealing with representatives

- (1) Where a *person* is authorised by a *retail customer* or by law to assist in the conduct of the *retail customer's* affairs (such as a power of attorney), the *firm* must provide the same level of support to that *person* that they would have provided to the *retail customer*.
- (2) ■ PRIN 2A.6.5R(1) does not apply where the *person* assisting in the conduct of the *retail customer's* affairs is also a *firm*.

2A.6.6

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Dealing with requests from other firms

A *firm* must deal with reasonable requests from another *firm* in an effective way and in good time to enable the other *firm* to support *retail customers*.