

How the new Consumer Duty affects T&C schemes

Questions

- (1) Which of the following is false?
 - TCF and Customer Satisfaction are different
 - TCF and Customer Satisfaction are the same
 - A satisfied customer may have been treated unfairly
 - TCF requires 6 outcomes to be satisfied
- (2) What key element connects TCF and T&C?
 - The consumer outcomes
 - The company culture
 - Behaviours
 - Customer feedback
- (3) The new Consumer Duty comprises
 - A new principle, 4 cross cutting rules and 3 outcomes
 - A new principle, 3 cross cutting rules and 3 outcomes
 - A new principle, 3 cross cutting rules and 5 outcomes
 - A new principle, 3 cross cutting rules and 4 outcomes
- (4) Principle 12 states
 - A firm must pay due regard to customers and achieve good outcomes
 - A firm must act to deliver good outcomes for all clients
 - A firm must pay due regard to retail customers and achieve good outcomes
 - A firm must act to deliver good outcomes for retail clients
- (5) In behavioural economics what category would you use to describe 'a rule of thumb' used in a decision-making process?
 - Asymmetries
 - Heuristics
 - Herd Mentality
 - Confirmation Bias
- (6) Which of the following is NOT a cross cutting rule?
 - A firm must act in good faith towards retail customers
 - A firm must act with due care, skill and diligence
 - A firm must avoid foreseeable harm to retail customers
 - A firm must enable and support retail customers to pursue their financial objectives
- (7) Which code of conduct rule is affected by the changes introduced by the new consumer duty?
 - 1
 - 2

3
4
5

- (8) Firms that currently comply with one of the following sourcebooks can rely on this to satisfy the Products & Services and Price and Values outcomes of the consumer duty for that part of their business

PROD 3
PROD 7
PROD 5
COLL 6.6

- (9) Which of the following statements is incorrect when referring to customer touchpoints?
A touchpoint represents where previous, current or potential customers interact with a business

Touchpoints can encourage repeat business. A lot depends of the customer's experience in dealing with the firm

Product pages, company web site, company premises are examples of before the initial purchase

Feedback surveys, help centres and billing documents are examples of post purchase touchpoints

- (10) Why is SYSC 3.1.9 of particular relevance to satisfying the new consumer duty requirements?

It states that all employees must have the skills, knowledge and expertise to do their job

It recommends that firm should consider T&C requirements for all activities

It defines the record keeping requirements to generate Management Information

It states that firms must have a clearly defined culture and set of underpinning values

- (11) Which elements of your T&C Scheme might be impacted by behavioural economics?

Standards used for Competence

The design of observation aids

The skills required by our supervisors

All of the above

- (12) How frequently will the FCA require a report from your firm confirming achievement of good consumer outcomes?

It will not

Every year

As part of your Retail Mediation Activities Return

Every 2 years

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Answers

- (1) Which of the following is false?
TCF and Customer Satisfaction are different
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