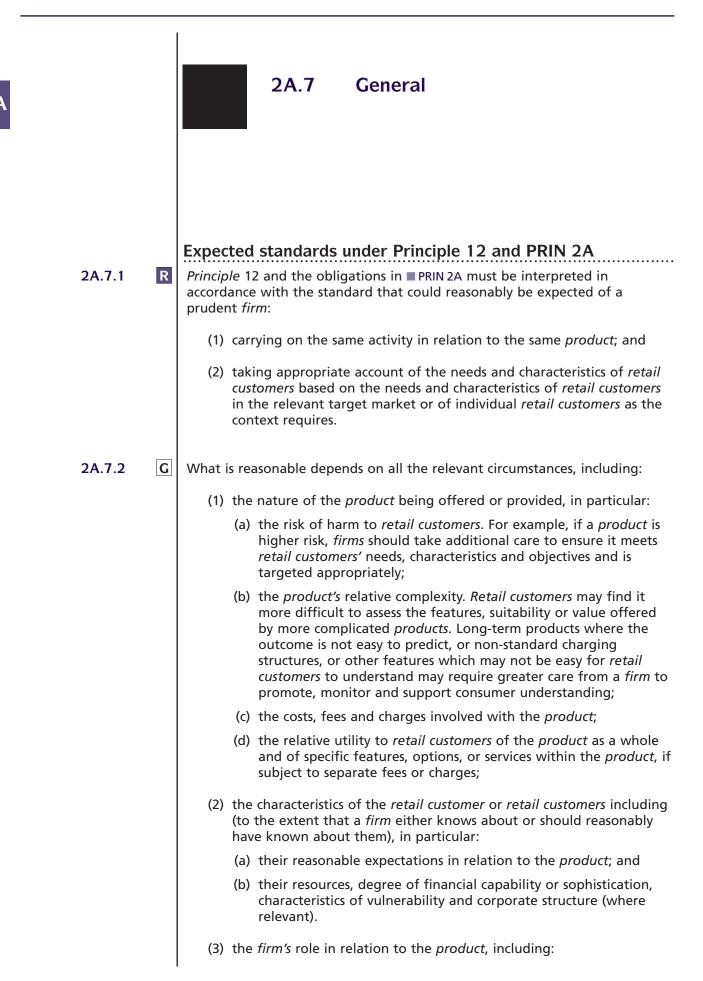
The Consumer Duty

## Chapter 2A

## The Consumer Duty

## **PRIN 2A : The Consumer Duty**



		<ul> <li>(a) the <i>firm's</i> relationship with the <i>retail customer</i>. Acting reasonably does not require a <i>firm</i> to assume a fiduciary duty or require an advisory service where it does not already exist;</li> </ul>
		<ul> <li>(b) whether the <i>firm</i> has provided or will provide advice to the <i>retail</i> <i>customer</i>. What is reasonable may be different where advice is being provided;</li> </ul>
		(c) the <i>firm's</i> role in the <i>product's</i> distribution chain, in particular its role in determining or materially influencing outcomes for <i>retail</i> <i>customers</i> in relation to the <i>product</i> ;
		(d) the stage in the <i>firm's</i> relationship with the <i>retail customer</i> . There will be times when retail customers are particularly exposed to harm, for example when they fall into arrears or are considering long-term investment decisions. The actions a <i>firm</i> needs to take to be acting reasonably in such circumstances may be greater than when a <i>retail customer</i> is making decisions which carry a lesser risk of adverse outcomes.
2A.7.3	G	Acting in a way that could reasonably be expected of a prudent <i>firm</i> requires more than adopting a single solution that is reasonable. It includes (among other things) considering whether the preferred solution provides good outcomes for all <i>retail customers</i> affected or only some; and if only some, why it does not work for all, and how best to identify additional actions which might mitigate the outcome for those adversely affected.
		Protected characteristics and characteristics of vulnerability
2A.7.4	G	In relation to the needs and characteristics of <i>retail customers</i> , a <i>firm</i> should, among other things:
		(1) pay appropriate regard to the nature and scale of characteristics of vulnerability that exist in any relevant <i>target market</i> ;
		(2) pay appropriate regard to the impact of characteristics of vulnerability on the needs of <i>retail customers</i> in any relevant <i>target market</i> ;
		(3) when dealing with a particular retail customer pay appropriate regard to the needs and characteristics of that retail customer, such as characteristics of vulnerability;
		(4) assist frontline staff to understand how to actively identify information that could indicate vulnerability and, where relevant, seek information from <i>retail customers</i> with characteristics of vulnerability that will allow staff to respond to their needs; and
		(5) set up systems and processes in a way that supports and enables <i>retail customers</i> with characteristics of vulnerability to disclose their needs.
2A.7.5	G	(1) <i>Firms</i> should be aware that groups of <i>retail customers</i> with specific protected characteristics may have, or be more likely to have, characteristics of vulnerability, for example older customers. In addition, where health is a driver of vulnerability it will likely have substantial overlap with the protected characteristic of 'disability' under the Equality Act 2010. <i>Firms</i> should be mindful of this when

considering whether they are compliant with *Principle* 12 and ■ PRIN 2A and their obligations under the Equality Act 2010 or equivalent legislation.

(2) Firms should keep themselves appraised of any evidence that may emerge that retail customers with specific protected characteristics are more likely to have characteristics of vulnerability. Firms should take account of any such evidence when considering whether they are compliant with Principle 12 and ■ PRIN 2A and their obligations under the Equality Act 2010 or equivalent legislation.