

# CTP.

The  
Training  
Environment

# Compliance Monitoring

## *The impact of the Consumer Duty*

### Course outline and objectives

The Consumer Duty formally imposes an actionable duty on regulated firms to deliver good outcomes for retail customers with a focus on products and services, price and value, consumer understanding and consumer support. These build on previous FCA initiatives such as Treating Customers Fairly and the Conduct Risk Framework.

The Duty is inextricably linked to these non-rules-based obligations which rely on subjective tests of "fairness" rather than objective legal tests. This means compliance will always be subjected to a test of hindsight if the FCA decides to take action.

This practical course provides a safe environment in which to look at your approach to assessing the impact of the Consumer Duty on your monitoring activities and the underlying risk assessment so that your firm and its management can be confident that the monitoring is providing a true picture of the Consumer Duty risk within your firm, using a number of examples with delegate input.

### Training approach

The course programme will comprise a blend of trainer presentations, group discussion, practical examples and case studies. There will be ample opportunity for questions, experience sharing and networking. All course materials (and at face-to-face events, refreshments) will be provided.

### Who will benefit?

This focused course will be of value to anyone responsible for risk assessment, creating or implementing monitoring programmes. This is likely to include **Senior Management**, as well as heads of **Risk, Compliance** and **Audit**, and individuals who compile reports for the senior management team.

### Dates and Fees

#### Live Online

30 April 2024

09:30 to 12:45

£445 + VAT

*Savings available for  
multiple registrations*

### To book

Visit:

[www.ctp.uk.com](http://www.ctp.uk.com)

Email:

[emmabond@ctp.uk.com](mailto:emmabond@ctp.uk.com)

Call:

**0330 303 9779**

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## Attending will help you:

- Understand **what the Consumer Duty expects firms to deliver** and the pitfalls it creates
- **How this affects risk assessments and management information**, the changes you may need to consider while minimising bureaucracy
- **How to create or identify auditable Consumer Duty outcomes** that are relevant for your firm, ensuring this is embedded within the strategic plan and linked to your firm's culture and values
- **The conclusions your monitoring needs to draw** which will provide an evidential basis for any assessment of the extent of compliance/non-compliance. The balanced scorecard.
- **What techniques might be most helpful** - identifying which monitoring techniques will be most appropriate in a resource-constrained environment
- **Leveraging existing information/monitoring infrastructure** - the importance of not reinventing the wheel - if existing business MI can be repurposed for the Consumer Duty monitoring, then it will be more useful to the business

## Course Leader

**Gary Pitts** has over 25 years of compliance experience in the UK and overseas, including spells in regulation, asset management, investment banking and as managing partner of a boutique financial services house. A FSA/FCA registered person in Controlled Functions 10 and/or 11 since 2001, he now runs his own governance and regulatory consultancy: Tetractys Partners LLP.

Gary is a regular conference speaker and author of technical articles on compliance related topics and sits on the regulatory advisory group of the Journal of Securities Operations and Custody. He brings a combination of compliance and commercial experience, in terms of both practical implementation and Board level oversight, to the training he delivers.

## Course Programme

Session	Objective	Content
<p><b>What the Consumer Duty expects firms to deliver</b></p>	<p><i>The Duty is Principle- based but breach can lead to regulatory action. We look at how this fits together and what might be triggers for disciplinary action. We start to consider how we define the Consumer Duty outcomes in relation to our own firms and begin to use a worked example. We also consider the issue of Board ownership of the Consumer Duty</i></p>	<ul style="list-style-type: none"> <li>• What is the Duty?</li> <li>• What might trigger a “breach” of the Duty leading to discipline?</li> <li>• What might that look like to us?</li> <li>• The importance of robust ownership and governance</li> <li>• How this links to monitoring</li> </ul>
<p><b>How this affects risk assessment and mi</b></p>	<p><i>The risks arising are those of failing to meet the requirements of the Duty – we examine (with the aid of the worked example) how the firm-specific definitions relating to the Duty will affect the risk assessment and how we can use this to identify relevant MI and metrics, and how this plugs in to the firm’s governance processes</i></p>	<ul style="list-style-type: none"> <li>• The key questions you need to ask yourselves</li> <li>• Defining good outcomes for customers in the context of the strategic plan and the evidence of governance</li> <li>• Would our customers agree with this definition?</li> <li>• How this links to risk, controls and metrics</li> <li>• Embedding Consumer Duty MI in the Board's commercial discussions</li> </ul>
<p><b>Creating relevant auditable outcomes for your firm</b></p>	<p><i>Auditable outcomes only arise where there is something that can be measured. We examine through the worked example how these auditable outcomes can be identified and used.</i></p>	<ul style="list-style-type: none"> <li>• How risks, mapped to impact on outcomes can identify appropriate controls and measurable metrics</li> <li>• Identifying the contribution of all areas of the business to “good outcomes” and drawing auditable outcomes out from this.</li> </ul>
<p><b>The conclusions you need to draw</b></p>	<p><i>FCA has made numerous statements about the conclusions that should be drawn from monitoring activity as a validation of the Firm’s compliant conduct. Here we look at how we build on these to create a series of qualitative high level questions that the Board can stand behind based on the results of your compliance monitoring.</i></p>	<ul style="list-style-type: none"> <li>• What has the FCA said previously about the questions firms should ask themselves?</li> <li>• What does this imply for the conclusions we need to evidence from Consumer Duty monitoring?</li> <li>• What might these look like (worked example)</li> <li>• Developing a balanced scorecard</li> </ul>

<p><b>Helpful techniques</b></p>	<p><i>Compliance monitoring is often resource constrained and it is essential that Compliance uses existing and agreed processes and controls to support its monitoring. We use the worked example to understand whether thematic reviews of Consumer Duty compliance are more effective than embedding the Consumer Duty in every aspect of monitoring</i></p>	<ul style="list-style-type: none"> <li>• TCF</li> <li>• Conduct Risk – how to make the mapping work effectively</li> <li>• Risk assessment identifying relevant MI which can form the basis for a desk-based monitoring approach</li> <li>• Contributions of Risk and Internal Audit</li> </ul>
<p><b>Leveraging existing monitoring / infrastructure</b></p>	<p><i>The Consumer Duty builds on the existing TCF and Conduct Risk frameworks. This section looks at how we might assess if we are doing enough in these areas to leverage the information they provide in order to build our Consumer Duty monitoring approach, rather than creating a whole new programme.</i></p>	<ul style="list-style-type: none"> <li>• Link TCF and Consumer Duty outcomes</li> <li>• What can our Conduct Risk mapping tell us?</li> <li>• How can we leverage the PROD process and product stress testing</li> <li>• Vulnerable customers processes and what they contribute</li> <li>• The policy ecosystem</li> </ul>