



# Consumer Duty:

## A Global Shift in Consumer Protection





# Executive Summary:

The introduction of the Consumer Duty by the UK's Financial Conduct Authority (FCA) represents a significant evolution in the regulation of retail financial services. More than just a new compliance obligation, it signals a shift in the relationship between firms and their customers.

## Origins of Consumer Duty:

The Duty stems from many years of conduct failings and public distrust in financial institutions. Scandals ranging from endowment mortgages and payment protection insurance to unfair pricing models. These incidents highlighted that firms were meeting the letter of regulation, but not the spirit of customer protection.

The UK regulator responded by introducing:

- Treating Customers Fairly in the early 2000s and its six outcomes
- Conduct risk principles post-2008
- Consumer Duty consulted upon in 2021-22 and launched in 2023.

The Duty introduces a higher standard of care through three core components:

**A**

### **A new Consumer Duty Principle (Principle 12):**

Act to deliver good outcomes for retail customers

**B**

### **Three Cross-Cutting Rules:**

Firms must act in good faith, avoid foreseeable harm, and enable customers to pursue their financial objectives

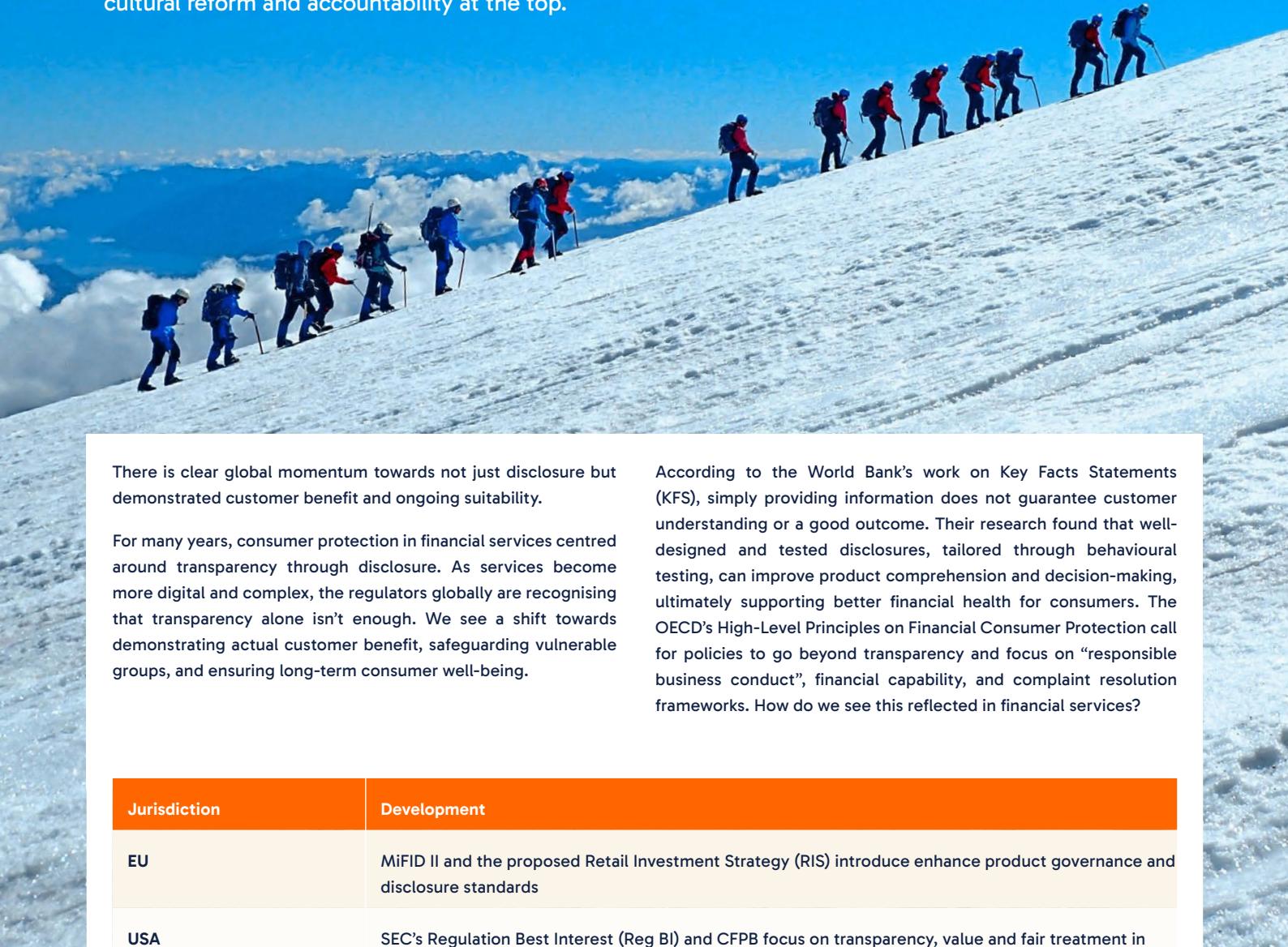
**C**

### **Four outcomes:**

Governance of products and services, price and value, consumer understanding, and consumer support

# Global Alignment: A shift in regulatory philosophy

The FCA is not alone in its endeavours to protect consumers. Many global regulators have a similar objective to protect consumers, and we see a convergence towards the principles of consumer-centricity, cultural reform and accountability at the top.



There is clear global momentum towards not just disclosure but demonstrated customer benefit and ongoing suitability.

For many years, consumer protection in financial services centred around transparency through disclosure. As services become more digital and complex, the regulators globally are recognising that transparency alone isn't enough. We see a shift towards demonstrating actual customer benefit, safeguarding vulnerable groups, and ensuring long-term consumer well-being.

According to the World Bank's work on Key Facts Statements (KFS), simply providing information does not guarantee customer understanding or a good outcome. Their research found that well-designed and tested disclosures, tailored through behavioural testing, can improve product comprehension and decision-making, ultimately supporting better financial health for consumers. The OECD's High-Level Principles on Financial Consumer Protection call for policies to go beyond transparency and focus on "responsible business conduct", financial capability, and complaint resolution frameworks. How do we see this reflected in financial services?

Jurisdiction	Development
EU	MiFID II and the proposed Retail Investment Strategy (RIS) introduce enhanced product governance and disclosure standards
USA	SEC's Regulation Best Interest (Reg BI) and CFPB focus on transparency, value and fair treatment in lending and advisory services
Australia	The Banking Royal Commission led to ASIC's Design and Distribution Obligations (DDO) and stronger enforcement powers
Singapore & Hong Kong	MAS & SFC are tightening rules on mis-selling, suitability and ESG-related disclosures
South Africa	The twin-peaks model and Treating Customers Fairly framework mirror the UK's risk-based conduct supervision

# Individual Accountability & Cultural Expectations

The FCA explicitly links the Duty with the Senior Managers & Certification Regime (SM&CR). Under the Duty:

- Senior managers are required to oversee and evidence the delivery of good outcomes
- Personal accountability may arise from cultural failures, poor governance, or repeated harms

This mirrors trends in Australia (BEAR/FAR), the EU (CRD V), and Singapore's Individual Accountability & Conduct framework. These requirements are all designed to make culture and conduct core responsibilities of leadership. Regulators globally seek evidence of the following from regulated firms:

- Customer centric product design
- Clear data on value, usage and harm
- Empowered staff to challenge poor practices
- Incentive frameworks aligned with customer outcomes

We also see the Central Bank of Ireland updating its Consumer Protection Code (due to be fully implemented in March 2026), placing consumer outcomes at the centre of day-to-day supervision. The Code requires firms to not only prevent consumer harm, but also proactively secure customers' interests, with a new Securing Customers' Interests Standard.

## Compliant by Culture

The UK's Consumer Duty exemplifies this shift. Firms must prove they're acting to deliver 'good outcomes' across the customer lifecycle.

The Consumer Duty moves firms beyond box-ticking into a realm of corporate ethics and organisational purpose. It's about continuous assurance and evidence of real benefit to the customer.

To meet regulators' expectations, firms need to ensure cultural transformation which includes:

- Embedding the Duty into the product life cycle
- Reframing complaints as feedback loops instead of threats
- Challenging legacy pricing models that harm vulnerable consumers
- Upskilling teams to interpret outcome data and act on insights



# Ongoing Assessment: What does good look like?

The FCA expects firms to assess, test and evidence outcomes on an ongoing basis. A suggested approach might include an Outcome Testing Framework, Management Information (MI) Dashboards, and Governance Oversight.

## Outcome testing framework

- Define desired outcomes per customer segment
- Use analytics to identify gaps, harms or friction points
- Run customer journey simulations

## Management information (MI) dashboards

- Root cause analysis of complaints
- Pricing vs benefit heat maps
- Customer vulnerability tracking
- Support journey duration and effectiveness

## Governance Oversight

- Monthly product reviews at Executive level
- Quarterly outcomes reporting to Board and Consumer Duty Champion
- Cross-functional outcome review committees (Risk, Operations, Legal, Product)



## Implications for Strategy and Innovation

Firms must now innovate within the boundaries of purpose and fairness. This requires firms to:

- Use AI to detect friction in customer support and nudging better outcomes
- Simplify terms and disclosures using behavioural economics
- Apply the ESG lens to value and harm (eg access for underserved groups)
- Develop new customer scorecards that prioritise financial health, not just retention.

Whilst the direction is clear, the operational burden is significant.

In terms of data collection & governance, firms need robust systems to track customer outcomes over time. Existing offerings may need major overhauls to align with new expectations, and frontline staff, compliance teams and executives must all understand and apply customer-centric principles.

# Reshaping Financial Services

The Consumer Duty isn't simply a regulation. It is a blueprint for rebuilding customer trust, evolving culture and realigning financial institutions with their public purpose. As global regulators converge on similar standards, the Consumer Duty becomes a model for conduct regulation which requires proactive leadership, smarter data, and redefining what 'good business' means.

Firms must prove they are creating value and stability for customers. This is a long-term transformation requiring investment in technology, governance, and culture.

Firms that invest early in cultural maturity, governance, innovation and customer outcome frameworks will not only reduce risk but win competitive advantage in the long term.

## Consumer Duty vs Global Consumer Protection and Conduct Standards

Jurisdiction	Regulation/ Initiative	Core Focus	Key similarities to the UK's Consumer Duty	Notable differences
UK	FCA Consumer Duty (2023-)	Customer outcomes Fairness Governnance Accountability	Principle 12 Cross cutting rules Four outcomes Linked to SM&CR accountability	Unique 'outcomes-focused' testing regime Proactive board-level accountability (Duty Champion)
EU	MiFID II & Retail Investment Strategy (RIS, 2024 -)	Suitability Product governance Transparency	Product governance Suitability appropriateness testing Disclosure of costs & risks	Greater emphasis on disclosure than outcomes Less culture-focused Evolving to align more closely across the EU
USA	SEC Regulation Best Interest (Reg BI) & CFPB oversight	Best interest standard for brokers Financial fairness	Act in client's best interest Enhanced disclosures and care obligations	Focused on intermediaries (brokers) Less expansive than the Duty Limited cultural & governance expectations
Australia	Design and Distribution Obligations (DDO) & ASIC conduct focus	Product design Distribution Suitability	Requires target market assessments Product monitoring & remediation ASIC cultural expectations via Royal Commission outcomes	More product focused Less emphasis on holistic customer journey & accountability
Singapore	MAS individual accountability & Conduct guidelines	Senior manager conduct Fair dealing Tone from the top	Accountability aligned to senior managers Fair dealing outcomes and governance culture	Not product-focused Focused is broader on behaviour and culture rather than customer outcomes testing
Hong Kong	SFC Product Governance and suitability rules	Product governance Client suitability	Governance across product lifecycle Client risk profiling and suitability	Heavy emphasis on investment product distribution Less broad than the FCA's Duty
South Africa	Treating Customers Fairly (TCF) Twin Peaks model	Fairness Customer-centricity Conduct supervision	Six TCF outcomes Focus on fair product design marketing & support	Earlier iteration Lacks ongoing outcomes testing or strong accountability links like UK's Duty

# Key Considerations for firms:

There are 10 key questions for firms to consider:

1. Are you satisfied your products and services are well designed to meet the needs of consumers in the target market, and perform as expected? What testing has been conducted?
2. Do your products or services have features that could risk harm for groups of customers with characteristics of vulnerability? If so, what changes to the design of your products and services are you making?
3. What action have you taken as a result of your fair value assessments, and how are you ensuring this action is effective in improving consumer outcomes?
4. What data, MI and other intelligence are you using to monitor the fair value of your products and services on an ongoing basis?
5. How are you testing the effectiveness of your communications? How are you acting on these results?
6. How do you adapt your communications to meet the needs of customers with characteristics of vulnerability, and how do you know these adaptions are effective?
7. What assessment have you made about whether your customer support is meeting the needs of customers with characteristics of vulnerability? What data, MI and customer feedback is being used to support this assessment?
8. How have you satisfied yourself that the quality and availability of any post-sale support you have is as good as your pre-sale support?
9. Do individuals throughout your firm – including those in control and support functions – understand their role and responsibility in delivering the Duty?
10. Have you identified the key risks to your ability to deliver good outcomes to customers and put appropriate mitigants in place?

The regulators have indicated that these questions should help firms to reflect on their implementation of the Consumer Duty, identify areas for improvement, and crucially, help them to respond to regulators enquiries.



## Ruleguard's Consumer Duty Solution:

Ruleguard's Consumer Duty platform is a configurable workflow and collaboration solution designed to assist firms with automating product governance processes, managing customer complaints, client file reviews and financial promotions as well as other oversight and due diligence processes. Combined together to generate the appropriate MI and evidence of compliance.

# Why Ruleguard?

Ruleguard is an industry-leading software platform designed to help regulated firms manage the burden of evidencing and monitoring compliance. It has a range of tools to help firms fulfil their obligations across the UK, Europe and APAC regions.

Ruleguard is designed to help regulated firms manage the burden of evidencing and monitoring compliance. The solution is made up of several core modules which can be deployed to provide:

- automation and reduction of compliance risk at different points in the compliance journey
- a holistic platform which delivers end-to-end benefits at every level of a regulated financial services firm.

With Ruleguard, key areas of compliance can be automated and put under direct review by appropriate individuals across the business. This means that monitoring can be embedded directly into business-as-usual processes, vastly simplifying the process and significantly reducing the overhead required to carry it out.

Evidence and approvals are gathered in real time, with responsible individuals signing off attestations within a framework designed for your firm. Documentation reviews and updates are managed automatically. Key compliance workflows can be designed directly within the solution, ensuring that MI outputs are available which directly provide stakeholders with an up-to-the minute overview of compliance results.

## About Ruleguard:

Ruleguard started out in 2013 as a software 'design and build' agency that specialised in financial services projects, particularly those with a unique requirement for data and functionality that was far from being available 'off the shelf'.

Fast-forward to 2025 and we have established Ruleguard as one of the foremost offerings in the RegTech space, providing genuine compliance oversight to some of the largest and most complex financial institutions globally.

Ruleguard now serves over 50 clients, with recurring revenues over £2.7M and high double-digit growth year-on-year. Our client list includes leading asset managers, wealth managers, brokers, insurance firms and banks such as Computershare, Cazenove Capital, FNZ, Link Fund Solutions, Quilter Cheviot, Santander, True Potential, Rathbones and Royal London.

Most importantly, we continue to work closely with our clients to identify the most painful aspects of compliance oversight and strive to build our platform to improve that governance with increased efficiency and reduced cost.

# Discover how Ruleguard supports Consumer Duty compliance

Contact the Ruleguard team on

 **0800 408 3845**

 **hello@ruleguard.com**

Visit our website to find out more about how Ruleguard can help:

 **<https://www.ruleguard.com/consumer-duty-compliance>**

We've got Consumer Duty compliance covered. To learn more about how Ruleguard's powerful GRC platform can help you gain a competitive advantage, get in touch and we'll show you our software's transformative benefits.

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#### Data sources:

[World Bank's work on Key Facts Statements \(KFS\)](#)

OECD (2022), G20/OECD High-Level Principles on Financial Consumer Protection 2022, OECD Publishing, Paris, <https://doi.org/10.1787/48cc3df0-en>.

Central Bank of Ireland: Guidance on Securing Customers Interest <https://www.centralbank.ie/docs/default-source/regulation/consumer-protection/other-codes-of-conduct/consumer-protection-code-review/securing-customers-interests-guidance.pdf>

FCA: [PS22/9 A New Consumer Duty. FG225: Finalised Guidance on Consumer Duty](#), SM&CR handbook rules and guidance

ESMA [guidelines on MiFID II Product Governance Requirements](#)

EC's [Retail Investment Strategy Proposal](#) (2023)



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