

“A well-functioning market needs informed and engaged consumers. It requires consumers to have access to high quality, appropriate information to help them understand the product or service they have or plan to buy. This is especially true in the financial services sector, where it is important that the information helps empower consumers to make informed decisions about their finances.

We recognise, however, that information itself does not necessarily empower the consumer. Our work on behavioural economics has clearly shown it can overwhelm, confuse, distract or even deter people from making effective choices if presented in a way people struggle to engage with.”
(‘Smarter Consumer Communications’, Financial Conduct Authority, 2015)

Traditionally, a major way in which firms have managed risk during the customer take-on process is through documentation and providing information.

- Initial Disclosure Documents (IDD)
- Terms and Conditions
- Product KFDs
- Suitability letters and reports
- ‘How to Complain’ information
- FOS rights
- Application forms



However, there is widespread recognition that these do not put customers in a ‘position of informed choice’ and often confuse them and increase the risk of poor outcomes for customers and firms.

Simplifying Customer Take-on

We have been helping our clients review their customer take-on approaches and simplifying the procedures and documentation. Our experience is that most firms can reduce documentation and the time and costs of customer take on by at least 30%.

Innovative ways of providing information to customers are also available and approved by regulators such as online sites, videos and audio.

Streamlined statements and renewals

Annual statements or renewals can also be simplified with clearer pricing information and data about product performance, again reducing the risk of poor decisions and reducing cost.

Behavioural Economics Workshops

Our practical workshops on **Behavioural Economics** explain the latest research on how banking and insurance services customers think and make financial decisions.

1. *Understanding Behavioural Economics and why the FCA is interested.*
2. *How the customer experience can drive poor decision-making.*
3. *Reviewing product literature and disclosure.*
4. *Simplifying your processes*
5. *Providing information in different ways*

Contact us to discuss our experience and share our learnings.



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