

Learning and Development Events

Compliance Update – Round 1

April – June 2025

Forward financial thinking

REGULATORY
EXPERTISE

BUSINESS
SUPPORT

FINANCIAL
TECHNOLOGY



Learning Objectives

01

Summarise the findings from the FCA ongoing financial advice services review



02

Describe next steps for firms and the FCA



03

Identify good and poor practice ahead of the latest Consumer Duty Board Report deadline





Ongoing Service Delivery

Multi-firm review findings

An open and honest review of the FCA publication

- Senior Management responsibility as business owners
- Adviser-level responsibility to demonstrate ongoing FIT
- Around 4 million clients receive ongoing service
- Advisers deliver good outcomes **AND prevent bad ones**
- FCA objective is to protect consumers but also deliver growth





FCA findings – 22 largest advice firms

No systemic issues but will monitor

Highlighted it was not a representative sample

Require firms to review its findings

Firms to look back to remedy any harm

FCA to check on firms' progress later in 2025

Will review existing ongoing service rule requirements



Review of past provision of ongoing services

Data from the 22 largest advice firms

- 83%** - reviews were delivered
- 15%** - clients declined or did not respond to offer
- 2%** - firm had not attempted to conduct a review

* A small subset of these firms were not readily able to provide data for all of the years the FCA requested.

Next steps for all firms



- Identify harm
- Consider a remedy
- Have evidence of a review



- Consider design
- Focus on delivery
- Have data available



LOOK BACK – MESSAGE FROM FCA



Firms should review our findings and consider whether:

- They have delivered all the services they were required to deliver.
- A remedy is required.

Consideration should include whether it would be appropriate for them to proactively contact customers to assess if any harm was caused as a result of any identified problems or failings.

We believe firms carrying out proactive reviews should look back to 2018.

We will monitor complaint numbers and intend to conduct further work later in 2025, to assess how firms have responded to the issues we have identified and review actions that they have taken. This will include considering whether appropriate remedies are being applied.



What do firms need to do?

Past review - Ongoing Service Delivery

Adviser Name:

You can either carry out a ‘full review’ or ‘dip test’.

IMPORTANT NOTE: ‘A’ should equal ‘B + C + D’

	A	B	C	D	E	
Year	Number of reviews due	Number of reviews delivered	Review Declined / No response	Review not attempted	Number of cases where harm identified	Action taken
2024	50	45	4	1	2	
2023						
2022						
2021						
2020						
2019						
2018						





What is harm? Not defined by the FCA

The FCA has not put in writing a clear definition of 'harm'. Verbally they have confirmed the following would be examples:

- Client paid for the service, but the firm did not attempt the review.
- Offered and declined over consecutive years - continuing with the service was not in the client's best interests.
- Offered and declined - but the client wasn't aware that charges were being deducted from their product.
- Failure to conduct a review had a materially negative impact on consumer.



Full review vs Dip Test

Full review	Sample test
<p>Gold standard - Peace of mind</p> <p>Robust evidence for FCA if needed</p> <p>Due diligence ready</p> <p>No hidden liabilities</p> 	<p>Select a % of files per adviser</p> <p>A proportionate risk-based approach</p> <p>Larger client banks – increased risk</p> <p>Outcome could drive more activity</p> 



Question and Answer

Is suitability of the advice in scope?

No, the FCA are focusing on delivery in line with contract and rules.

Do I need to speak to PII?

You must notify PII prior to contacting the client, even though under the terms of the policy this is unlikely to be covered.

Do I need to review service delivery from when I was at a previous firm/network?

You only need to consider reviews for which your current firm is responsible.

What are the consequences of doing nothing?

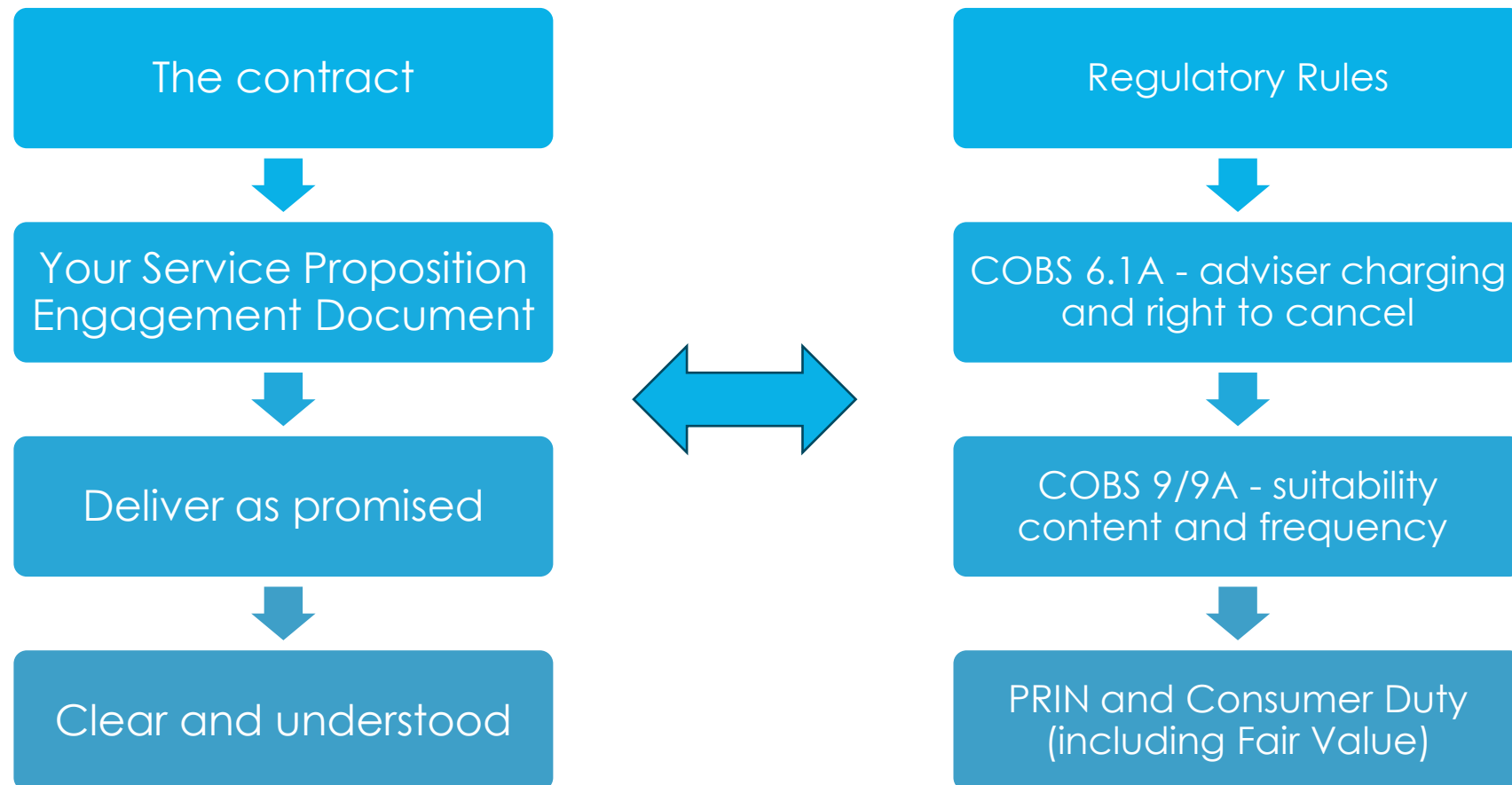
Further FCA work is planned later in 2025. This will involve a wider spread of firms. If FCA sees that firms don't have evidence of a review, they may look to a "more prescriptive exercise". A chance to mark your own homework.

Caution - FCA and FOS not always on the same page

- FCA won't commit on what is acceptable or not
- FOS taking a hard stance - focusing on what has been promised
- Disengagement policy and letter available
- Consider both regulatory risk and commercial risk



Contract and regulatory requirements




Further details? – Compliance Bulletin 14th April

- Link to FCA update
- Compliance Clinic recording
- Past delivery of services template
- Question and Answer document

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FCA review of ongoing advice services – can you evidence delivery?

On 24th February, the FCA published an update on work it has been doing to review the delivery of ongoing advice services. A copy of the FCA publication can be found [HERE](#).

Generally speaking, the results of this exercise were good news, however the FCA are careful to highlight the sample size was small.

The FCA is now asking the advice industry, as a whole, to consider whether they have delivered all the services they were required to deliver and whether a remedy is required. The FCA has stated it will check on firms progress later in 2025.

The FCA update contains a section titled 'Next steps for firms' with a call to action to advise firms in respect of past ongoing financial advice services.




Compliance Clinic

We explored this issue on our recent Compliance Clinic, where we looked at:

- the findings from the FCA review of ongoing advice services
- how firms can prepare for regulatory follow-up later in 2025
- the risks associated with non-delivery of services

You can access a copy of the recording [CLICK HERE](#)



Review of past delivery of services

On the clinic, we highlighted the FCA expectation that firms carry out a review of past delivery of services looking back to 2018.

We appreciate this exercise is unlikely to be straightforward, however to support firms we have create a template [HERE](#) which firms can use to record how they have responded to the issues identified by FCA and review actions that they have taken. There are some guidance notes within the template to support with completion. This follows a similar format to the data published by the FCA in their update.



Consumer Duty



Good and poor practice observations



A reminder of key obligations

- Firms must monitor consumer outcomes
- Strive for continuous improvement
- Focus on the four consumer outcomes
- Have evidence and MI available
- Prepare a Board Report at least annually





Monitoring feeds into Board Report



Board Report (Governing Body Report)

- Improvements made to your service
- Risks identified and addressed
- Individual instances of harm
- Future business strategy
- Sign - off by 31st July 2025

Products and Services

Governing Body Report – Consumer Duty

Executive Summary *(provide a short critique of your firm's performance overall in demonstrating that it is delivering good outcomes)*

- XXXXXXXXXXXX

The following improvements have been made in the period *(e.g. new or updated data metrics/policies and procedures updated/ technology adopted)*

- XXXXXXXXXXXX

The following risks have been identified and will be addressed moving forward *(amber/red flags from the monitoring report):*

- XXXXXXXXXXXX *[to be actioned by [date]]*

The following individual instances where our clients have not received good outcomes have been identified *(e.g. foreseeable harm/complaints)*

- XXXXXXXXXXXX *[details of root cause analysis/redress to be paid]*

Our future business strategy is compatible with the expectations of the Consumer Duty.

We don't envisage any substantial changes to our business activities and strategy in the year ahead

or

We expect the following changes to our business activities in the year ahead but we have provisions in place to ensure compliance with the Consumer Duty.

[Insert details of change. Where the firm is recruiting, CD is embedded in the recruitment process and ongoing supervision. Carrying out a new regulated activity, the firm will use pre-sale file checking from an independent source etc. Where the firm is looking to sell the business/their client bank, due diligence will be undertaken on the purchaser and clients will be kept informed and supported.]

[Name of individual(s)] at **[name of firm]** is satisfied that the firm is acting to deliver good outcomes for our customers, complying with the cross-cutting rules and the consumer outcomes. Our future business strategy is consistent with these obligations.

Review and Approval Date:	
Signed by	
Next review due:	

Some key data feeds

 Products and services	 Price and value	 Consumer understanding	 Consumer support
<ul style="list-style-type: none">• Key Performance Indicators• File Review Outcomes• Training and Competence• Ongoing Service• Complaints		<ul style="list-style-type: none">• Customer Feedback• Vulnerable Customers• Staff Feedback• Client communications• Compliance Reports	



Good practice – FCA and Field Team Feedback

Good practice

Clear accountability and timescales – where an issue is identified

Improved data and MI – outline new sources of information

Increase in file review activity

Better recording of 'friction' in advice process – checking understanding / offering more time

Maximum fee introduced where % based

Improved processes for ongoing reviews – tracking delivery and quality

Educating clients around scams – information on website and at client meetings



Poor practice – FCA and Field Team Feedback

Poor practice

No Board Report undertaken for 2023/24 – this is a rule breach

No evidence of challenge from the Board – administrator completed and filed

Outstanding actions from previous report not addressed

Lack of evidence around client satisfaction

No Vulnerable Customer data – firms need information around number and adaptations

Treated as a tick-box exercise – yes / no / not applicable is not enough

No fair value assessments – maintain and review where there are material changes

Consumer Duty Hub

- Annual Monitoring Framework
- Board Report template
- Fair Value Assessments
- Compliance Clinic
- Tools and technology

The screenshot shows the SimplyBiz Consumer Duty Hub website. At the top is a purple navigation bar with the SimplyBiz logo and a search icon, followed by a list of links: Investments, Compliance, Pensions, Mortgages Protection & GI, Events, Connect, Your Proposition, Your Business, MediaHub, Product NewsHub, Additional Support, and Horizon. The main heading is 'Welcome to the Consumer Duty Hub'. Below this, two paragraphs of text provide context about the implementation deadline of 31st July 2023 and the ongoing support available. A purple box titled 'Consumer Duty – Annual Reporting' contains a link to 'VIEW DOCUMENTS'. The central part of the page features a honeycomb grid of 24 hexagonal tiles, each representing a different resource or tool, such as 'Vulnerability Hub', 'Disclosure document templates', 'Compliance Consultancy Services', and 'MyMarketing'. To the right of the grid are three promotional boxes: 'Download our definitive guide and gap analysis', 'Access our support matrix', and 'Download our hints and tips guides' with links for Part 1, Part 2, and Part 3.

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Investments | Compliance | Pensions | Mortgages Protection & GI | Events | Connect | Your Proposition | Your Business | MediaHub | Product NewsHub | Additional Support | Horizon

Welcome to the Consumer Duty Hub

In the run up to the Consumer Duty implementation deadline of 31st July, 2023, we provided members and clients with an array of guidance, documentation and tools to ensure firms were ready.

Now that the rules are in place, you may wish to familiarise yourself with certain elements and will of course still need to be able evidence you are meeting the new rules on an ongoing basis. To ensure you have everything you need to remain compliant, we offer ongoing access to all the support and tools available via this hub – click on the tiles below for more:

Consumer Duty – Annual Reporting

This includes a short guide to completing your Consumer Duty Annual Reporting, an annual outcomes monitoring assessment framework based on your firm type and a template Governing Body Report (Board Report) for completion by 31 July 2024 and annually thereafter.

[VIEW DOCUMENTS](#)

Vulnerability
Understanding consequences of use of VULNERABILITY
Vulnerability Hub
Vulnerability Training
Vulnerability assessment tool

UNDERSTANDING
Understanding consequences of use of VULNERABILITY
Disclosure document templates
Client feedback tool

MITIGATE
Mitigate consumer harm
Compliance Consultancy Services
Client file reviews
Monitoring support
Centro
MyLearning

VALUE
Maximising your VALUE proposition
Compliance reviews
Business consultancy
Learning events programme
Value Assessments

COMMUNICATION
Communicate effectively
MyMarketing
Financial promotion reviews
Centro
Personal Finance Portal

Download our definitive guide and gap analysis

Access our support matrix

Download our hints and tips guides

[PART 1](#) [PART 2](#) [PART 3](#)



Bitesize Compliance





FCA Survey - Advice Firms

To be sent to all firms in tranches

Mandatory completion

Expected to have 8 weeks to complete

Acknowledge receipt by completing Q1

Guidance will be available

For support – use the Compliance Helpdesk



Information Request under s165 of the Financial Services & Markets Act 2000 – Advisers and Intermediaries Sector

We have seen a ‘pilot’ copy

Expect 28 questions covering

- Information about staff
- Your ‘active’ clients
- Advice process and controls
- Business model
- Future plans

A new charges for CMCs to use FOS

- In force from 1st April
- Chargeable at £250 per case
- Lobbied for strongly by SimplyBiz
- FCA to increase focus on CMC sector - very welcome





Our support



Advice Quality Unit

- Demonstrate/evidence suitable ongoing advice
- Check the firms/advisers process is in line with expectations
- Are internal file reviews up to current regulatory standards
- Will the files stand up to regulatory scrutiny or complaints?



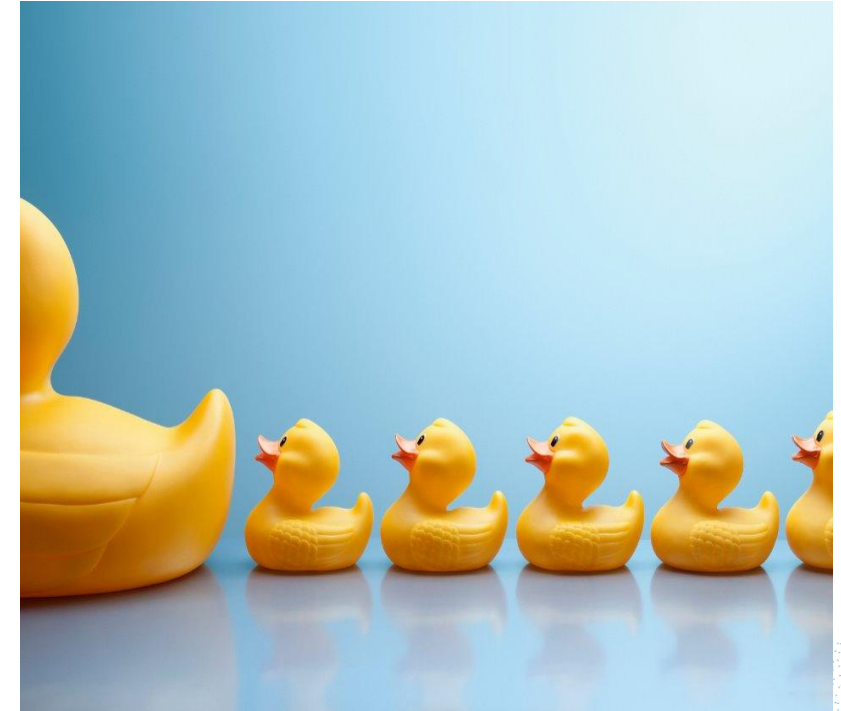
Business Consultancy – new service

Our Ongoing Review Proposition

- will help firms assess, design and build an ongoing review proposition.
- In line with the regulators focus on firms delivering ongoing reviews.

It will include;

- Ongoing Review Proposition Document
- P&V Spreadsheet
- Ongoing review Document (client facing)
- Disengagement letter (client facing)





Navigator - Digitisation



Digitised compliance solution for all included in membership



Compliance Dashboards & Registers



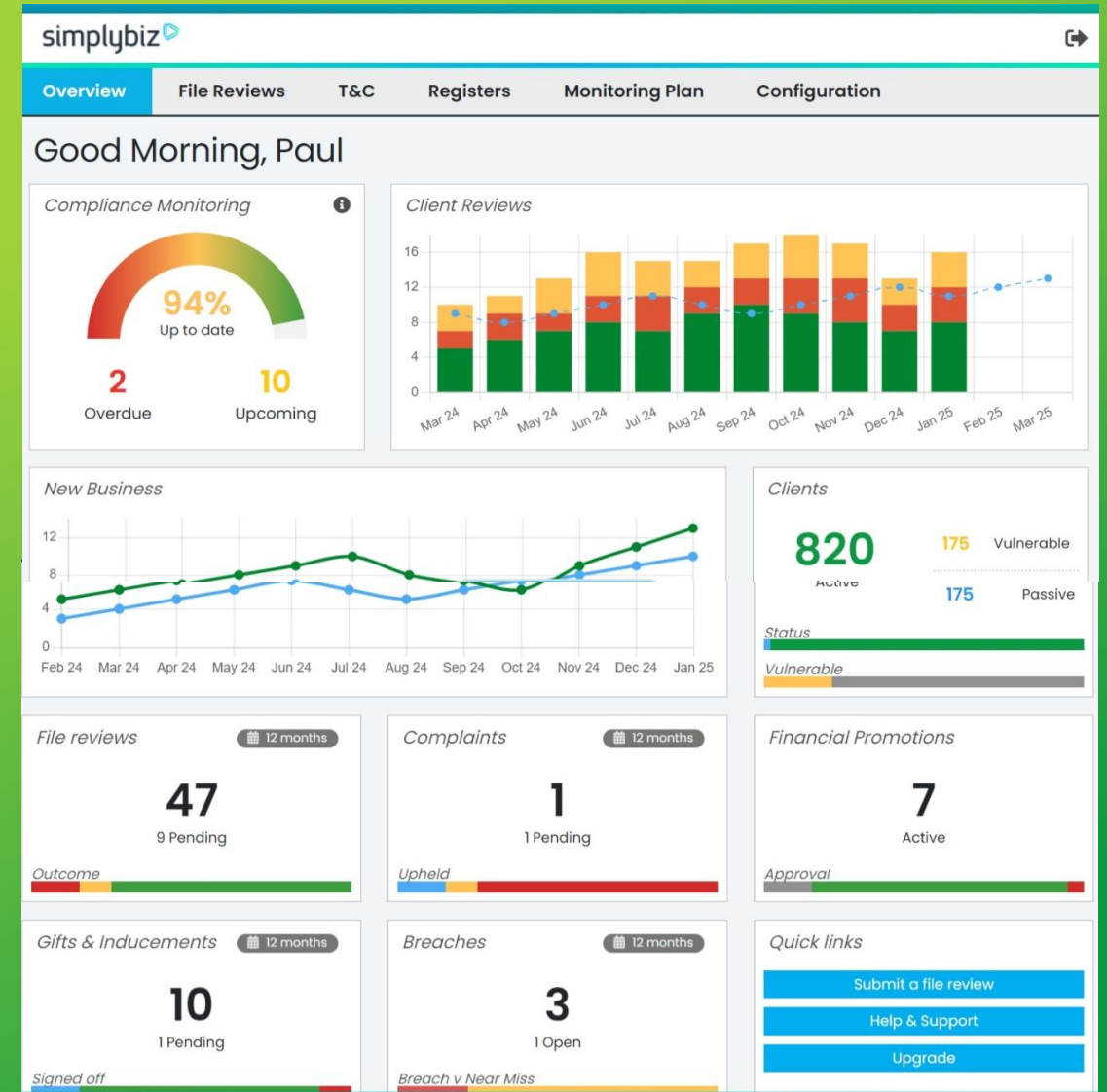
Track activities & key risks – reduce worry



Consumer Duty MI



File Review Output





Navigator - Annual Review Tracker



navigator simplybiz

[Home](#) > [Registers](#) > [Client Reviews](#) > **Jennifer Peaty**

Client has been flagged as vulnerable

Details

Details

Client

Jennifer Peaty

Due by

01/07/2025

Type

Full

Status

Pending report

Edit

Review

Scheduling attempts

2

Scheduled for

29/03/2025

Outcome

Conducted

Completed on

30/03/2025

Report sent on

Mark as sent

Edit



Learning Outcomes

01

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Describe next steps for firms and the FCA

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Identify good and poor practice ahead of the latest Consumer Duty Board Report deadline



Simplybiz

We deliver more value and control to financial professionals.

Combining regulatory expertise with the most comprehensive technology platform in the market, we help financial professionals operate more effectively.

Who we are

Award winner in business and regulatory support for retail financial services.



Part of Fintel plc, the leading provider of fintech and support services to the UK retail financial services sector

What we do

We help over 30% of the directly authorised intermediary market to operate more effectively.

- Delivering more income, freedom and control to financial professionals.

How we do it

An integrated compliance and technology platform.

- Delivering cost and tech driven efficiencies
- Flexible services adapted to your needs

