

## **Consumer Duty Statement**

### **I. Introduction**

#### **What is the Consumer Duty?**

The Consumer Duty sets the standard of care that firms should give to customers in retail financial markets.

The Duty is a higher standard of expectations for how firms should treat customers to better protect them from new and emerging drivers of harm and gives firms more certainty around the FCA'S expectations to support innovation, competition and to better serve customers

Across the Duty it requires firms to pay particular regard to vulnerable customers.

#### **Consumer Principle**

The Duty comprises a new principle 12 that requires firms to 'act to deliver good outcomes for retail customers'.

There are three cross-cutting rules set out how firms should act to deliver good outcomes for customers.

1. Act in good faith toward retail customers -
2. Avoid foreseeable harm to retail customers
3. Enable and support retail customers to pursue their financial objectives

The four outcomes cover the key elements of the customer relationship:

1. Products and services
2. Price and Value
3. Consumer understanding

#### 4. Consumer support

## **II. Regulatory Basis.**

In July 2022, FCA published the PS22/9 A **New Consumer Duty** together with the Finalised Guidance FG22/5 set out final rules and guidance in respect of the New Consumer Duty, which sets the standard of care that firms should give to customers in retail financial markets and requires firms to deliver good outcomes for retail customers.

## **III. New Consumer Duty Statement**

Setting higher standards and putting consumers' needs first is the cornerstone of the New Consumer Duty.

FCBUK will follow the rules introduced by the New Consumer Duty to understand customers' needs and to have the flexibility to support them, so they get good outcomes.

At FCBUK we are committed to ensuring that we:

- Put customers at the heart of our business and focus on delivering good outcomes
- Provide products and services that are designed to meet customers' needs and which provide fair value
- Communicate and engage with customers so that they can make effective, timely and properly informed decisions
- Do not seek to exploit customers' behavioural biases, lack of knowledge or characteristics of vulnerability
- Support our customers in realising the benefits of the products and services they buy from us
- Consistently consider the needs of our customers, and how they behave, at every stage of the product/ service lifecycle
- Monitor and regularly review the outcomes that our customers are experiencing and take action to address any risks to good customer outcomes
- Continuously learn from our growing focus and awareness of real customer outcomes
- Our aim is to promote transparency, honesty, and openness in all our

business practices and procedures

## **IV. Delivering the Consumer Outcomes**

### **1. The Consumer Principle: Principle 12 “A firm must act to deliver good outcomes for retail customers”**

Principle 12 requires FCBUK to:

- pro-actively act to deliver good outcomes for customers generally and put customers’ interests at the heart of their activities.
- focus on the outcomes customers get, and act in a way that reflects how consumers actually behave and transact in the real world, better enabling them to access and assess relevant information, and to act to pursue their financial objectives.
- ensure we have sufficient understanding of customer behaviour and how products and services function to be able to demonstrate that the outcomes that would reasonably be expected are being achieved by those customers.
- where we identify that good outcomes are not being achieved, act to address this by putting in place processes to tackle the factors that are leading to poor outcomes, and
- consistently and regularly challenge themselves to ensure their actions are compatible with delivering good outcomes for customers.

### **2. Cross-Cutting Rules**

Cross-cutting rules set out how firms should act to deliver good outcomes for retail customers, which requires FCBUK to:

- **act in good faith towards retail customers**  
Acting in good faith in our interactions and communications with customers is an essential element of complying with the outcome rules on consumer understanding and consumer support.
- **avoid causing foreseeable harm to retail customers**  
FCBUK should act to avoid causing foreseeable harm in the way that we design and price products and services.
- **enable and support retail customers to pursue their financial objectives**  
Providing effective communications that customers can understand, and effective consumer support are an essential way in which firms act to

enable and support customers to pursue their financial objectives, by creating the right environment for this.

### **3. The Four Outcomes**

FCBUK will deliver good outcomes on products and services, price and value, consumer understanding, and consumer support for retail customers.

- **The Products and Services Outcome**

- Ensuring that the design of the product or service meets the needs, characteristics and objectives of customers in the identified target market and carry out regular reviews.
- Where a product or service might meet the needs, characteristics and objectives of particular groups of customers, FCBUK should not exclude them simply because they have characteristics of vulnerability.
- FCBUK will consider the needs, characteristics and objectives of customers with characteristics of vulnerability at all stages of the design process.

- **The Price and Value Outcome**

- Ensuring the price the customer pays for a product or service is reasonable compared to the overall benefits (the nature, quality and benefits the customer will experience considering all these factors).
- FCBUK will assess value at the design stage and before offering products or services to consumers.
- FCBUK will ensure that our products or service charges provide fair value to customers and will take appropriate action to mitigate and prevent foreseeable harm.

- **The Consumer Understanding Outcome**

- Ensuring communications to meet the information needs of customers, are likely to be understood by customers intended to receive the communication, and equip them to make decisions that are effective, timely and properly informed.
- Communications should be understandable by the intended recipients and enable them to evaluate their options by assessing the benefits, risks and costs.
- Tailoring communications taking into account the characteristics of the customers intended to receive the communication – including

any characteristics of vulnerability, the complexity of products, the communication channel used, and ask them if they understand the information and have any further questions.

- Ensuring key information is clear, visible and accessible – not hidden within a large volume of material, or hard to find on a website.

- **The Consumer Support Outcome**

- FCBUK should ensure their customers are adequately supported throughout the lifecycle of a product or service after the point of sale – in particular, if they want to make an enquiry, claim, complaint or switch provider.
- There are many different channels to provide support to customers including telephone, email, in branch, text, written, webchat and video calls. FCA does not prescribe which channels firms must offer, but FCBUK must ensure the channels of support they offer meet the needs of their customers, including customers dealing with non-standard issues, and customers with characteristics of vulnerability.
- FCBUK should avoid causing harm to customers by making sure that their consumer support does not impose unreasonable additional costs, including unreasonable exit fees or other charges, delays, distress or inconvenience.

## **V. Internal Governance**

As required by the New Consumer Duty, we have appointed the Compliance Manager as the “Consumer Duty Champion” of FCBUK.

The Champion will ensure that the Duty is discussed regularly and raised in all relevant discussions in FCBUK’s monthly Compliance Meeting.

A New Consumer Duty Assessment will be conducted through an annual report for the FCBUK management body to monitor and regularly review the outcomes for our customers to ensure that they are consistent with the Duty.

## **VI. In summary**

FCBUK expects to fully comply with the Consumer Duty rules. We have made some enhancements to deliver the outcomes required by the duty including but not limited to:

- Carried out Fair Value assessments on all products and services provided to our retail customers
- Enhanced the level of Management Information which are all regularly reviewed, discussed and acted upon by senior management
- Carried out reviews to ensure customers communications are clear and not misleading
- Established a regular internal Consumer Duty training to all staff and Consumer Duty Champion

Should you have any questions regarding Consumer Duty and the work that we have undertaken to deliver the outcomes please do not hesitate to contact your Relationship Manager or via our email address: [i921a@firstbank.com.tw](mailto:i921a@firstbank.com.tw).