

CONSUMER DUTY IN A NUTSHELL

CONSUMER PRINCIPAL 12: REQUIRES FIRMS TO 'ACT TO DELIVER GOOD OUTCOMES FOR RETAIL CUSTOMERS'

Cross-cutting rules providing greater clarity on our expectations under the new Principle and helping firms interpret the four outcomes.

These rules require firms to:

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

Four Outcomes

1 Products and services outcome

Products and services are specifically designed to meet the needs of consumers and sold to those whose needs they meet.

2 Price and value outcome

The price of products and services represents fair value for consumers.

3 Consumer understanding outcome

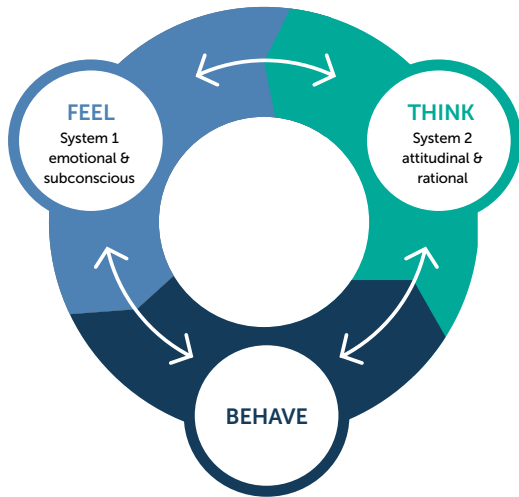
Communications to equip consumers to make effective, timely and properly informed decisions about financial products and services.

4 Consumer support outcome

Customer service meets the needs of consumers, enabling them to realise the benefits of products and services and acts in their interests without undue hindrance.

The following pages describe how Maru can help you understand, measure and monitor how well your organisation is delivering against the four outcomes.

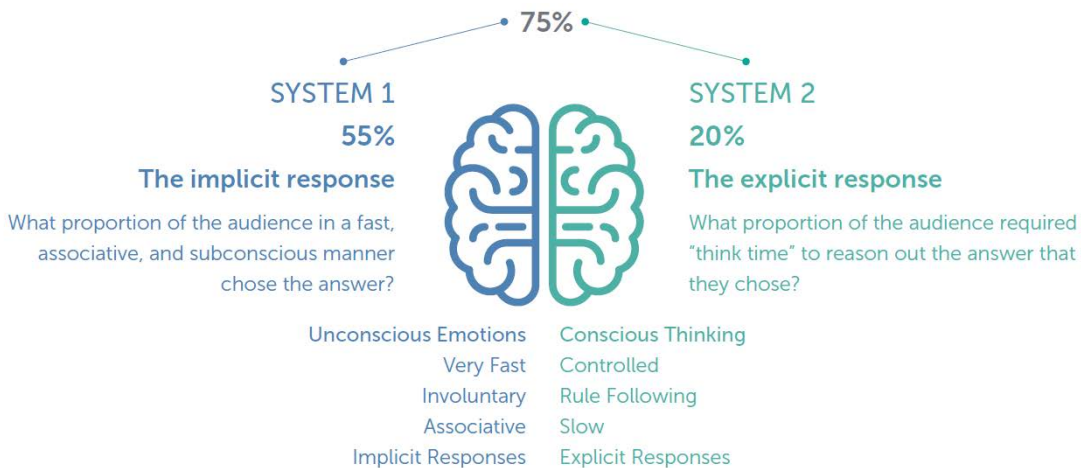
Maru's 'Feel, Behave, Think' philosophy



No one wants to admit to not understanding something, so research that only relies on stated attitudes is not revealing the full picture of what your communication really means and how it is interpreted. By using smart and gamified system 1 capabilities, we can unlock what your communication is really saying to customers - what they cannot or will not tell us.

IRT (Implicit Response Time):

We passively capture response time to all questions opening up an extra layer of customer insight. Response time is an established method in psychology used to unlock our true 'Implicit' or System 1 response – how we really feel, not just what people think we want to hear.



Emotional Signature:

We use a gamified technique with images that free up survey participants from trying to guess the 'right answer'. Results paint a rich picture of the emotional outcomes and reaction, not just rational, process led benefits.

Maru is unique in with the ability to provide this lens of both rational stated attitudes and a deeper emotional response – revealing the full picture of consumer understanding of outcomes.



How Maru helps with communications testing

Enhance your understanding of what customers experience from your communications and how they are likely to react. We can test all channels of communication applying our various tools and solutions.

Communication examples we can test:

- Key Features Documents/Key Information Documents
- Policy documents
- Loan agreements
- Statements
- Application forms
- Letters
- Website pages
- Accessibility of information signposted from the documents above

Using Maru 'Feel, Behave, Think' philosophy to unlock deeper more holistic insights into how customers engage with your communications:

How we use IRT to support Consumer Duty requirements

- Effectively measure the success of your 'call to action' by combining claimed intention with the speed of response. The faster the response – the more likely customers are to take this action in real life
- Assess the clarity of your communications by measuring how quickly and accurately customers can identify the key message(s) in your communications

How we use Emotional Signature to support Consumer Duty requirements

- Measure the emotional impact of your communications and how this compares to the ideal emotional signature for this type of communications. Identify any unexpected emotions, uncover ways to shape the emotional signature to align with the ideal and ensure communications are effective and reflect customer needs.

How Maru helps support Consumer Duty outcomes through customer experience programmes

OUTCOME	REQUIREMENT	HOW CX PROGRAMMES CAN HELP DELIVER THIS OUTCOME
PRODUCT & SERVICES	Ensure that the product or service continues to meet the needs, characteristics and objectives of the target market	<ul style="list-style-type: none"> • Include satisfaction metrics at service level to measure whether it meets the needs of your target market • Use advanced analytics such as Key Driver Analysis to identify what attributes are expected from the service/product by target market • Identify differences in expectations within different segments of the target market
PRICE AND VALUE	Fair value is about more than just price. The specific focus of the price and value outcome rules is on ensuring the price the customer pays for a product or service is reasonable compared to the overall benefits.	<ul style="list-style-type: none"> • Include recommendation/Net Promoter Score – to measure how likely customers are to recommend brands or products. Supported by diagnostic measures, open ended questions to capture why (or why not) consumers would recommend services/products. • Where price features as a reason for promoters or detractors – explore overlap with other factors such as customer services, claim history, satisfaction with touchpoints etc. to identify where value is a primary driver of NPS
CONSUMER UNDERSTANDING	Firms must communicate information in a way which is clear, fair and not misleading.	<p>Outside of specific comm. testing, CX programmes offer an opportunity to measure understanding in a 'real-life' context and flag where comms. (in all formats) may need to be revisited to improve outcomes</p> <ul style="list-style-type: none"> • Measure ease of understanding across Touchpoint CX programmes • Include customer effort metric across TP programmes to highlight where consumers are having to put in more effort than expected to get to their desired outcome

OUTCOME	REQUIREMENT	HOW CX PROGRAMMES CAN HELP DELIVER THIS OUTCOME
<p>CONSUMER SUPPORT</p>	<p>Firms are required to:</p> <ul style="list-style-type: none"> • Design and deliver support that meets the needs of customers, including those with characteristics of vulnerability • Ensure that customers can use their products as reasonably anticipated • Ensure they include appropriate friction in customer journeys to mitigate the risk of harm and give customers sufficient opportunity to understand and assess their options, including any risks • Ensure that customers do not face unreasonable barriers (including unreasonable additional costs) during the life cycle of a product or service • Monitor the quality of the support they are offering, looking for evidence that may indicate areas where they fall short of the outcome, and act promptly to address these • Ensure they do not disadvantage particular groups of customers, including those with characteristics of vulnerability 	<ul style="list-style-type: none"> • Combining the three levels of CX measurement will help measure/identify areas for improvement against this outcome: • TOUCHPOINT: <ul style="list-style-type: none"> • Does TP deliver support that meets the needs of customers? • Does TP avoid unreasonable barriers to taking out/managing product or service? • Does TP provide a good, consistent quality of support? • Is information clear and easy to understand? • JOURNEY: <ul style="list-style-type: none"> • Designed to measure experience at the moments that matter which could include points of 'appropriate friction,' • RELATIONSHIP: <ul style="list-style-type: none"> • Measure overall quality of support through lifecycle of product/service. • Identify any unreasonable barriers experienced during the life cycle of product/service. • Analysis combining feedback with customer data to explore different groups and flag any groups that are disadvantaged or not served fully by the support currently on offer.

Our research capabilities are deeply rooted in our proprietary HUB platform, which powers our research worldwide. From multi-touchpoint customer experience (CX) and customer experience management (CEM) to panel communities and on, HUB allows multiple data streams to be integrated into a single ecosystem, facilitating the real-time analysis of behavioral, transactional, and attitudinal information to deliver insights at speed.