

APCC

APCC statement on Consumer Duty Impact on fair treatment of customers in vulnerable circumstances

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ASSOCIATION
OF PROFESSIONAL
COMPLIANCE
CONSULTANTS.

History

The APCC was originally founded in 2004, in conjunction with the Financial Services Authority (FSA), now the Financial Conduct Authority (FCA) to consolidate opinion and professional standards within the compliance consultancy community. Today we continue to have a very interactive working relationship with the FCA, acting as a dynamic link between them and the consulting community and, more importantly, regulated firms. Our member firm reach over 20,000 regulated firms.

What is the APCC

The APCC is active in enhancing the professional standards of compliance consultants and is recognised as a trade body by the FCA. This relationship with the FCA provides our members with significant benefits in terms of direct access to the Regulator. The APCC often works in conjunction with the FCA to pilot or test new initiatives, and we also provide the FCA with valuable feedback on specific subjects as requested by them.

Our members benefit not only from the dialogue we have with the FCA, but from our regular forums, technical briefings and interaction with other members. Members' are listed on the APCC website [Directory](#) which can produce potential new business for them and publicly confirms their commitment to our professional standards. We also receive direct referrals from the FCA which often leads to new clients for our members.

Our members come from all sectors of the financial services industry. Many firms specialise in a specific sector such as fund management or investment retail intermediaries, and, in a sign of the times, we are now very active in the Consumer Credit arena. Other members have cross sector capability and range from sole traders to the largest consultancies in the sector, all benefitting from the membership as part of the wider consulting community.

The APCC issues mailings on matters affecting compliance consultants, holds forum events to discuss topical issues in the compliance field and liaises with the FCA on these issues. We also have an interactive Forum on the website for members to post topics or queries, as well as a LinkedIn group and Twitter which all provides constant access to a wide community of consultancy knowledge.

Through its affiliated firm service the APCC also provides support to other service providers involved in the regulated sector wishing to benefit from the APCC's expertise and ongoing technical dialogue with the FCA.

APCC statement on Consumer Duty Impact on fair treatment of customers in vulnerable circumstances

The APCC has set up a working group to look at the specific topic of how the FCA's consumer duty will impact Firms once the new Principle 12 is in place. At a high-level firms will have to consider:

- Skills and capability of staff
- Identifying all 4 drivers of vulnerability
- Recording and accessing information about consumers' needs
- Taking practical action
- How to monitor and evaluate outcomes

After the feedback on the consultation paper the FCA wrote to firms about the additional pressure being brought about by high inflation and the 'cost of living crisis' and introduced new guidance, although quietly.

The working group is looking to collaborate with the Regulators to help set expectations and boundaries as to what is achievable for firms, where responsibility ends and to unearth any unintended consequences.

A key focus is how vulnerabilities are identified objectively and recorded systematically enabling further record keeping of what arrangements are made (if any) to overcome any disadvantage and demonstrate that a similar outcome is achieved. These records are also required to be amalgamated to be collectively analysed in order to determine vulnerable circumstances experience outcomes as good as those for others. The group takes note that *"Firms should develop systems and procedures to capture such [vulnerability] information as soon as possible."*

The group recognises the four drivers of vulnerability health, life, resilience, and capacity are on a spectrum of maturity in the sector (the first two being the most mature, the last two being more novel and cognitively based drivers) and additional focus is being applied in how to capture and record the more cognitive drivers.

It is the group's intention to publish Technical Papers and practical guidance on this topic to be shared with APCC members and their client firms.

Kind regards

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On behalf of The Association of Professional Compliance Consultants

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