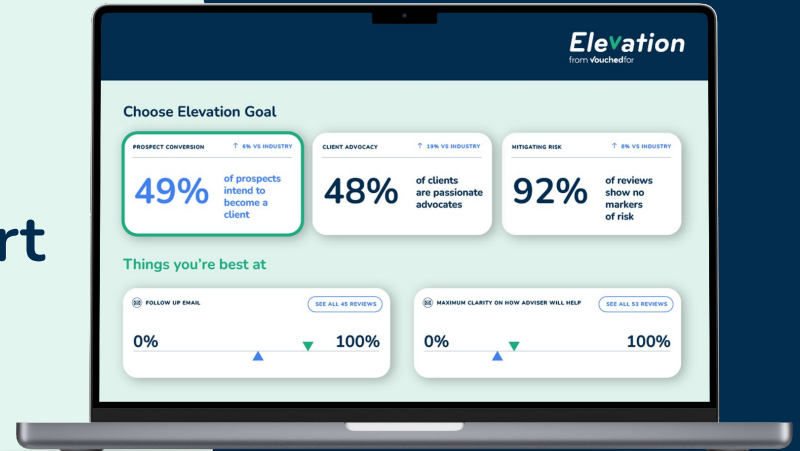


7 lessons one firm learned from their Consumer Duty board report

Elevation
from Vouchedfor



Our panel



Alex Whitson
Managing Director
VouchedFor



Morven Grierson
Compliance Director
MKC Wealth

In the next 45 minutes, we'll share

- **The Good, the Bad, and the Outliers** - what the FCA has said recently
- **The importance of culture**
- **7 lessons** MKC Wealth learned from completing their Consumer Duty Annual Board report
- **Practical action:** 4 things you should do after this webinar
- **Questions**

Poll

How confident do you feel about your annual Consumer Duty board report?

- a) Very confident - we think we aced it
- b) Quite confident - we think the FCA will be satisfied
- c) Not very confident - our report had gaps in it
- d) We're hoping the FCA don't ask for our report...

In the next 45 minutes, we'll share

- The Good, the Bad, and the Outliers - what the FCA has said recently
- The importance of culture
- 7 lessons MKC Wealth learned from completing their Consumer Duty Annual Board report
- **Practical action:** 4 things you should do after this webinar
- Questions

What the FCA have said recently...

The GOOD

Organisational cultures aligned
with client interests

KYC - firms using client data to
help tailor services

The BAD

Firms with rigid policies not
flexing to meet needs of the
client

Firms treating Consumer Duty
only as a compliance exercise

The OUTLIERS

If firms are doing something
significantly different from
peers, the FCA will want to
know why

e.g. if you're charging much
more, what are you doing that
adds more value

In the next 45 minutes, we'll share

- The Good, the Bad, and the Outliers - what the FCA has said recently
- The importance of culture
- 7 lessons MKC Wealth learned from completing their Consumer Duty Annual Board report
- **Practical action:** 4 things you should do after this webinar
- Questions

The right culture underpins everything

Invested. Together.

All staff are
shareholders
in the firm

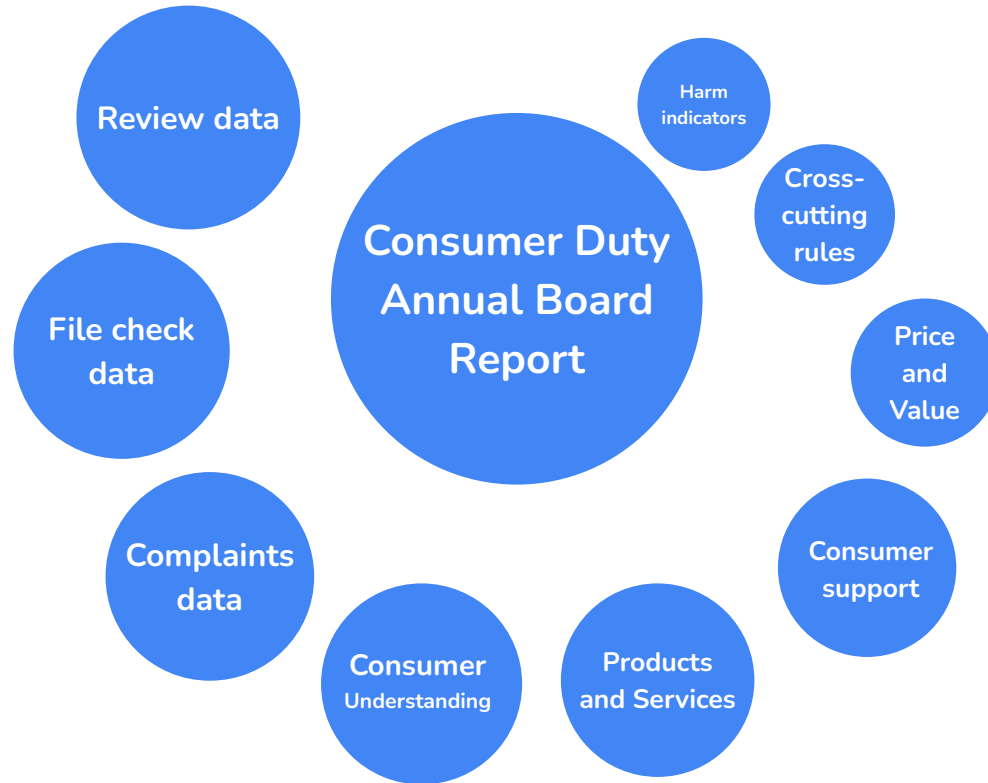
Bonus
remuneration
based on client
feedback

Team
accountability =
team bonus

In the next 45 minutes, we'll share

- The Good, the Bad, and the Outliers - what the FCA has said recently
- The importance of culture
- 7 lessons MKC Wealth learned from completing their Consumer Duty Annual Board report
- **Practical action:** 4 things you should do after this webinar
- Questions

Lesson 1: it wasn't easy, but it can be made easier



Lesson 2: shared responsibility across the firm made reporting easier

Established frameworks make sure each team knew what they needed to do.

For example:

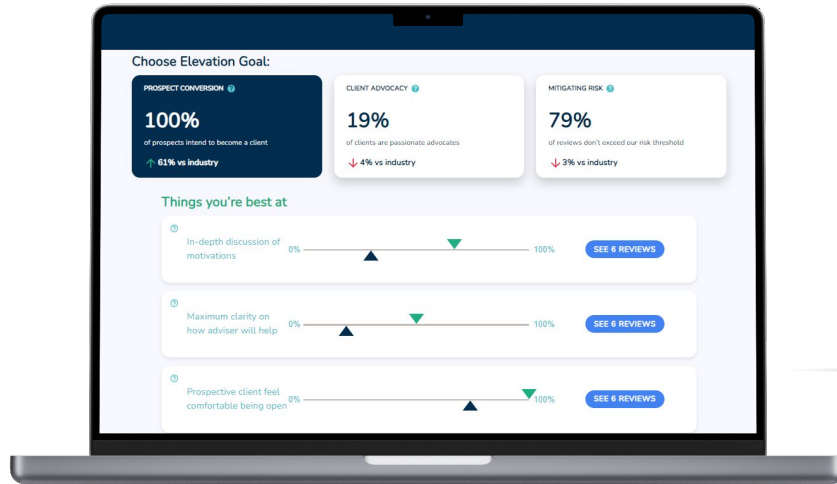
- target market assessment
- fair value assessment
- advice frameworks
- vulnerability framework

The findings from our risk assessments informed analysis of our outcomes

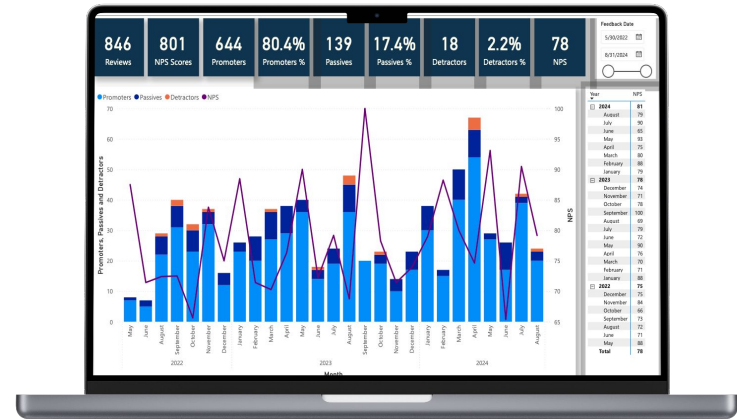
Example: MKC Wealth's vulnerability framework



Lesson 3: spreadsheets don't give us the insight we need. Dashboards are much more powerful.



Elevation dashboard



Internal MKC Wealth dashboard

Lesson 4: the VouchedFor board report made it easy to get clean, reliable data

Recent trend in headline private client experience metrics

	Prospect Conversion <small>% of prospective client reviewers intending to become a client</small>	Client Advocacy <small>% of client reviewers describing themselves as "passionate advocates"</small>	Mitigating Risk <small>% of reviews showing no markers of risk</small>
Last 3 months	100% <small>Based on 1 prospect reviews</small>	19% <small>Based on 95 client reviews</small>	84% <small>Based on 96 reviews</small>
Last 12 months	100% <small>Based on 4 prospect reviews</small>	18% <small>Based on 377 client reviews</small>	78% <small>Based on 381 reviews</small>

Lesson 4: the VouchedFor board report made it easy to get clean, reliable data

All time risk metrics

	MKC Wealth Ltd	Industry	+/- vs. Industry
	849	-	-
do not exceed our risk	79%	82%	-3%
open	100%	86%	14%
ar	98%	96%	2%
on	99%	98%	1%
	98%	98%	0%
	99%	99%	0%
allenges	61%	63%	-2%
	81%	87%	-6%

*values are rounded to the nearest whole percentage point

Elevation
from VouchedFor

s contributes to mitigating risk

Recent trend in risk metrics

	Last 3 months	Last 12 months
Review volume	95	377
Proportion of reviews that do not exceed our risk threshold	84%	78%
Prospects comfortable being open	100%	100%
Speaking at least once per year	100%	99%
Adviser initiates communication	99%	99%
Client reads correspondence	99%	97%
Risks understood	99%	99%
Client discusses personal challenges	64%	63%
Client understands fees	86%	81%

*values are rounded to the nearest whole percentage point

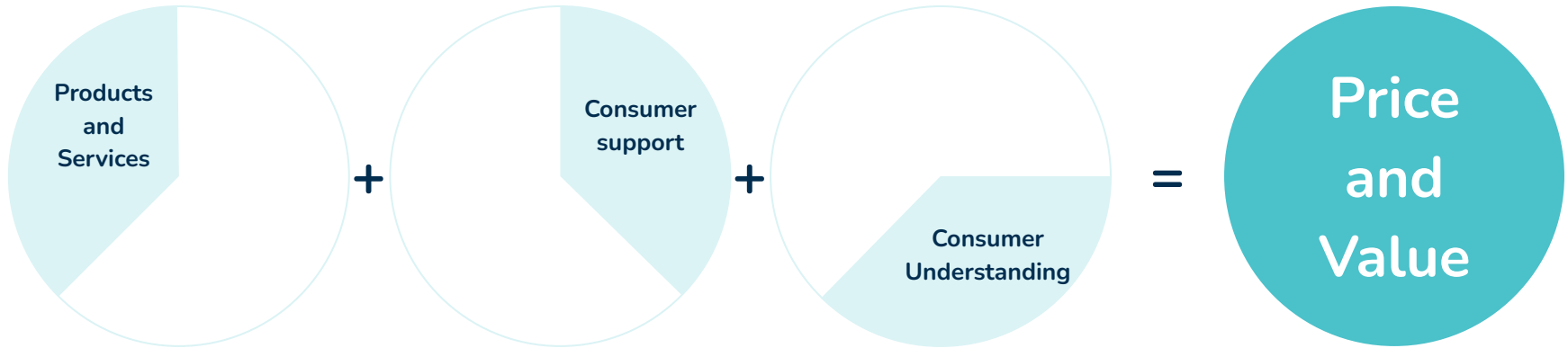
Elevation
from VouchedFor

Getting these factors contributes to mitigating risk

Elevation
from VouchedFor

Lesson 5: don't overthink price and value

If you are meeting the requirements of support, understanding and products and services, the likelihood is you will be able to assess value and benefits vs the costs you clients are paying.



Lesson 6: it's not over, it's only just beginning

Your board report should be a living document:

- document clear actions and objectives
- assign owners and timeframes for completion

Make it a quarterly process:

- review progress against actions
- reassess each outcome for improvement / slippage
- is there missing data?

Year 2's Board report should begin analysing performance against Year 1's actions.



Lesson 7: there's a competitive advantage in getting it right

All-time prospect conversion metrics

	MKC Wealth Ltd	Industry	+/- vs. Industry
Review volume	6	-	-
Prospects who intend to become a client of their adviser	100%	39%	61%
In-depth discussion of motivations	67%	30%	37%
Maximum clarity on how adviser will help	50%	19%	31%
Prospective client feel comfortable being open	100%	74%	26%
Prospective client understand fees	67%	50%	17%
Follow-up email	83%	69%	14%
Prospective client learnt a lot	67%	56%	11%

Getting these factors right boosts conversion

Elevation
from Vouchedfor

Elevation
from Vouchedfor

Lesson 7: there's a competitive advantage in getting it right

All time advocacy metrics

Recent trend in advocacy metrics

	Last 3 months	Last 12 months
Review volume	95	377
Clients who describe themselves as "passionate advocates" for their adviser	19%	18%
Communication frequency	72%	69%
Client asked to recommend	17%	15%
Client access to adviser	67%	67%
Trust and rapport	64%	63%
Correspondence couldn't be clearer	28%	27%
Maximum confidence clients understand risk	16%	18%
Maximum confidence clients are on-track	18%	15%

*values are rounded to the nearest whole percentage point

Elevation
from Vouchedfor

Getting these factors right makes clients more likely to be passionate advocates

	MKC Wealth Ltd	Industry	+/- vs. Industry
	849	-	-
describes themselves as "passionate"	20%	24%	-4%
	73%	63%	10%
	17%	13%	4%
	68%	67%	1%
	61%	63%	-2%
learners	29%	32%	-3%
understand risk	15%	20%	-5%
are on-track	14%	19%	-5%

*values are rounded to the nearest whole percentage point

Getting these factors right makes clients more likely to be passionate advocates

Elevation
from Vouchedfor

Elevation
from Vouchedfor

In the next 45 minutes, we'll share

- The Good, the Bad, and the Outliers - what the FCA has said recently
- The importance of culture
- 7 lessons MKC Wealth learned from completing their Consumer Duty Annual Board report
- Practical action: 4 things you should do after this webinar
- Questions

Practical action - what you should do now

- ✓ **Establish a quarterly process** to review your progress against the actions identified in your annual board report
- ✓ **Set clear frameworks** for all compliance and business processes - this shares responsibility internally and streamlines future reporting
- ✓ **Switch spreadsheets for dashboards** to make data actionable
- ✓ **Align commercial and compliance interests** to make your existing workload *more* efficient, rather than 'creating more work'

In the next 45 minutes, we'll share

- The Good, the Bad, and the Outliers - what the FCA has said recently
- The importance of culture
- 7 lessons MKC Wealth learned from completing their Consumer Duty Annual Board report
- Practical action: 4 things you should do after this webinar
- Questions

Questions?

elevation@vouchedfor.co.uk

Elevation
from **vouchedfor**