



CD *insight*

DIAGNOSE | EMBED | BENCHMARK CONSUMER DUTY

THE CHALLENGE

The FCA's Consumer Duty has put increasing pressure on financial services firms to further prioritise the need to deliver good customer outcomes.

Two critical factors in a firm's response are their Consumer Duty culture, and the competence of their employees. Yet, measuring, improving, and reporting on these remains a challenge.

Firms also have no sight of their progress in relation to their peers and wider sector. There is no industry yardstick today. CDi provides the solution.



"...it's really important that this isn't just seen as a compliance exercise but creates a shift in culture throughout firms. And the shift has to endure. This means that you need to make sure you're assessing, testing, understanding and evidencing the outcomes your customers are receiving – on an ongoing basis."

Nisha Arora
Director of Cross Cutting Policy & Strategy, FCA



WHY CDi?

- ✔ Organisations require a scalable, effective and data-driven approach to embedding the culture and competence required for good customer outcomes as set out by the Duty, as well as providing the critical evidence needed to satisfy the FCA.
- ✔ Firms also need sight of their relative progress. Without which, it is almost impossible to gauge how well the Duty is being adopted and embedded within their company compared to the rest of the industry.

CDi solves these challenges by providing a solution that diagnoses, embeds and benchmarks a firm's Consumer Duty offering while simultaneously improving culture and employee competence.

WHAT IS CDi?

Consumer Duty Insight (CDi) uses Clever Nelly's award-winning AI and continual assessment technology to assess Consumer Duty culture and competence firm-wide. Operating in the flow of work and using on average less than one minute of an employee's working day, CDi **diagnoses**, **embeds** and **benchmarks** an organisation's Consumer Duty programme. Created in collaboration with industry experts, it features a comprehensive bank of standardised questions, mapped to the four outcomes of the Duty. Alongside the standard question set, CDi also incorporates firm-specific questions, unique to their context and Consumer Duty

programme. CDi not only positively impacts Consumer Duty culture and competence but also provides benchmarking data for firms to track their progress against peers and the wider industry sector.

WHAT IS CLEVER NELLY?

Clever Nelly is a multi-award-winning Artificial Intelligence tool that uses a personalised, continual assessment approach to improve knowledge and competence in the flow of work. It guarantees that what you train your employees they learn, retain, and translate into in-role competence

Diagnose

CDi acts as a diagnostic tool providing real-time and continuous data on firm-wide Consumer Duty Culture and Competence.

Embed

The continual assessment approach and resulting data insight - at a user, group and organisational level - embeds a culture of good customer outcomes and improves Consumer Duty competence firm-wide.

Benchmark

Benchmark reporting enables you to assess your firm's Consumer Duty progress against your industry, and wider Financial Services sector, providing meaningful data for that vital missing component in your Board Report.

HOW CDi WORKS

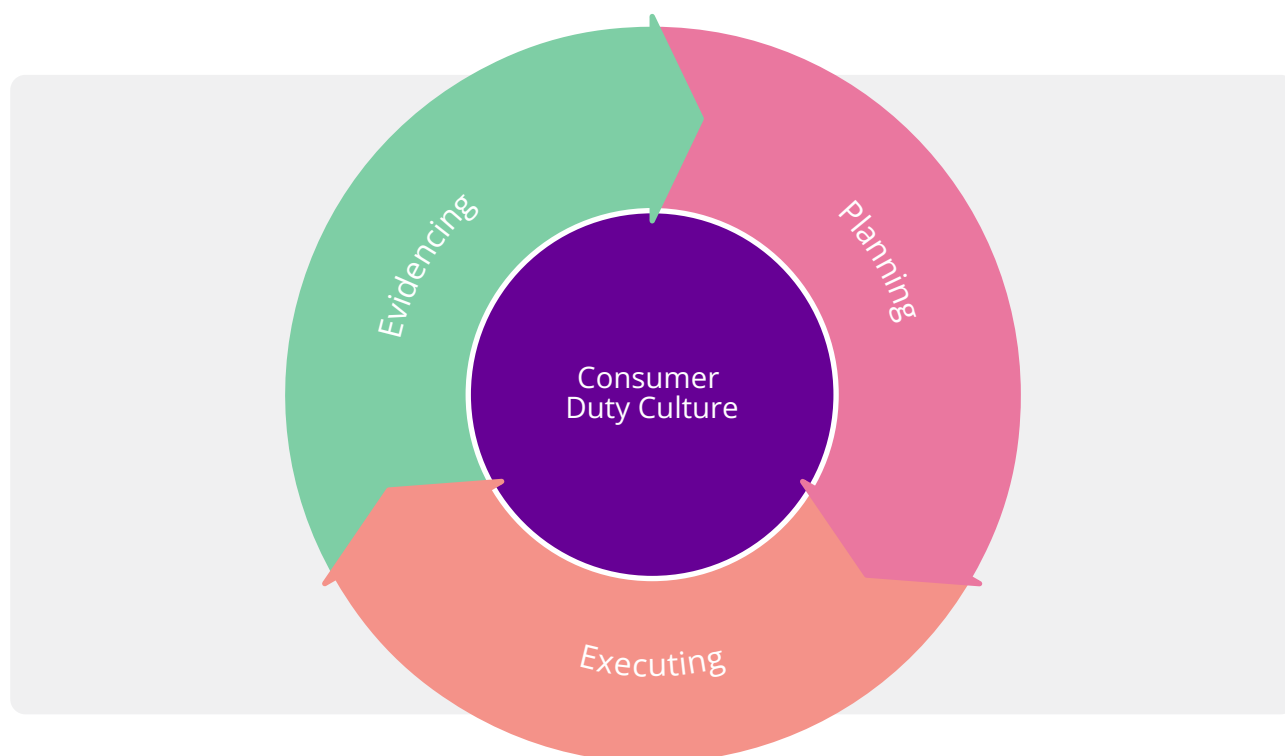
- ✔ Employees receive one CDi question per day via email, Teams, Slack or mobile app, assessing individual competence or organisational culture in relation to the Duty.
- ✔ CDi's personalised approach ensures employees only receive questions most relevant to their business area.
- ✔ CDi's Management Dashboard provides firms with a unique insight into their cultural and competency measures against all four outcomes of the Duty and the seven supporting dimensions.
- ✔ Prior to the annual Consumer Duty self-assessment, organisations will receive an anonymised industry benchmarking report, comparing the firm's progress to its industry peers and the wider Financial Services sector.

KEY BENEFITS

- ✔ Quantifies culture and individual employee competence in relation to the Duty and identifies specific training needs and opportunities.
- ✔ Delivers continuous and objective assessment firm-wide.
- ✔ Provides a comprehensive bank of out-of-the-box, expertly written questions addressing all outcomes and associated dimensions relating to the Duty.
- ✔ Allows for bespoke, firm and industry-specific questions to be incorporated and allocated to different functions, driving competency and performance improvements.
- ✔ Plugs a critical gap in the Consumer Duty Board Report relating to Culture and Competence.
- ✔ Provides independent industry benchmarking.

WHERE ARE WE NOW?

Operationalising Consumer Duty



PLANNING FOR CONSUMER DUTY

Organisations have undergone comprehensive planning to meet the FCA's requirements set out in the Duty. Product and programme planning has incorporated and addressed all four outcomes, along with the cross-cutting rules. Competence and culture have been important considerations here.

The greatest drivers of culture, in the context of Consumer Duty, are employee competence and behaviour. As a result, organisations have invested heavily in training to ensure that employees are competent to act in alignment with the FCA's expectations. However, unless this training is continually reinforced, much will be forgotten.



EXECUTING CONSUMER DUTY

An organisation's Consumer Duty culture is put to the test when consumers engage with the firm's offerings and its front-line employees. All outcomes are influenced by the culture, knowledge, and behaviours of employees, and no employee, no matter how well-intentioned, can act in the best interests of the customer if they do not have the relevant knowledge or context. For this reason, firms need to be able to diagnose, measure, and improve relevant employee competence and culture in relation to Consumer Duty.



EVIDENCING CONSUMER DUTY

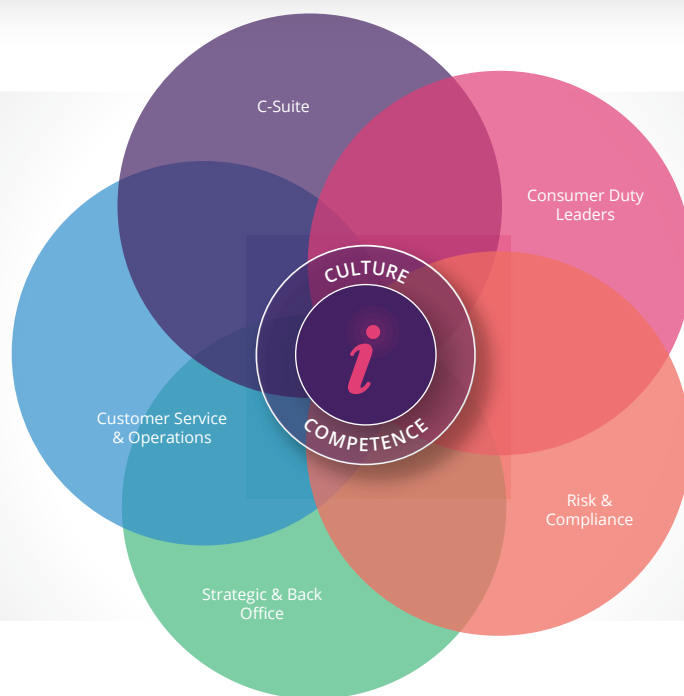
Consumer Duty requires firms to evidence compliance against the FCA's regulation guidelines and how they are influencing and improving both culture and competence.

CDi provides organisations with a tool to diagnose, measure, improve, and report on culture and competence in relation to Consumer Duty, as well as identifying a firm's progress compared to the wider sector and their immediate peers.



"The Duty isn't something where you can tick the Consumer Duty box on your to-do list and move on. It's something that needs to become part of who you are as a firm, your culture, and how you do business, running across your whole organisation from Board to frontline delivery, from product design to communications and customer support."

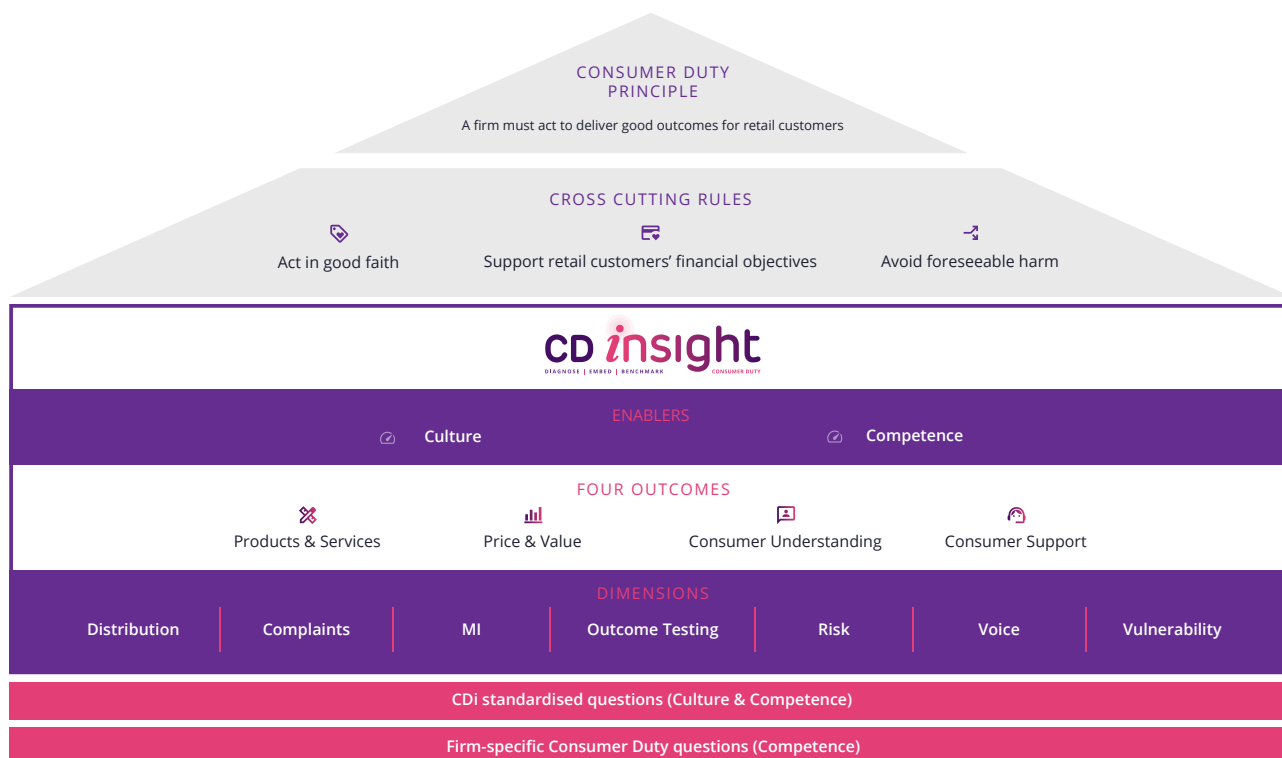
Nisha Arora Director of Cross Cutting Policy & Strategy, FCA



 C-Suite	 Consumer Duty Leaders & Board Champions	 Risk & Compliance	 Strategic & Back Office	 Customer Service & Operations
Cross-functional and united approach to Consumer Duty Embeds and operationalises a culture of good customer outcomes across the firm Benchmark approach across all functions, teams and employees	Independent industry benchmarking, previously unavailable Provides vital Competence and Culture insights for Board Report Increased competence in delivering good customer outcomes	Evidence of regulatory adherence Delivers continuous, objective, assessments firm-wide Delivers real-time, insightful management views & dashboards Reduces foreseeable harm to customers	More effective customer-led pricing strategies More impactful customer communications to ensure better customer understanding Increased ownership of root-cause remediation, reducing impact on frontline teams	Improved outcomes for all customers (resilient and vulnerable) Improved complaint identification and reduction More effective root-cause analysis to ensure follow up across business

CDi FRAMEWORK

4 Outcomes, 7 Dimensions, Culture & Competence Questions, Standard & Firm-Specific Questions



CDi features a comprehensive catalogue of standardised questions, mapped to the **four outcomes of the Duty**. To ensure all critical aspects of the Duty are being addressed, and the cross-cutting rules have been sufficiently reflected, we have identified seven recurring dimensions across each of the four outcomes; **Distribution, Complaints, MI, Outcome Testing, Risk, Voice and Vulnerability**. The expertly curated culture and competence questions are written in accordance with each of the seven dimensions, supporting the four respective outcomes. Questions are then allocated according to business function and role relevance, meaning employees only receive the questions most relevant to them.

CDi DIMENSIONS

The seven dimensions are defined and measured across all four outcomes as follows:

Dimension	Description
Distribution	Assessing if all elements of the distribution chain are considered
Complaints	Assessing if the firm is effectively monitoring and responding to customer complaints in the context of good outcomes
MI	Assessing data is available and how it is being used to improve customer outcomes
Outcome Testing	Assessing how the firm is measuring, testing and evidencing good outcomes
Voice of the Customer (VOC)	Assessing if customer feedback is being used to improve outcomes
Vulnerability	Assessing how the firm is ensuring it adequately supports vulnerable customers
Risk	Assessing if all areas of foreseeable harm have been duly addressed

FIRM-SPECIFIC QUESTIONS

In conjunction with CDi's standardised, out-of-the-box questions (that enable effective and accurate benchmarking), CDi also links to your firm's own industry, organisation and context-specific questions.

As part of the implementation process, we will work in partnership with you to create and/or align your own firm-specific questions to the CDi framework. Incorporating your own questions ensures that CDi is tailored to your unique context and ensures precise data, as well as guaranteeing that knowledge is embedded and competency is improved through Clever Nelly's proven continual assessment approach.

USER EXPERIENCE

CDi Competency Question Example

All competency questions provide four plausible multiple-choice answers. Each question is timed to test embedded knowledge, rather than users searching for the correct answer. Once answered, users will be informed of the correct answer and offered supplementary information and context to ensure effective learning.

The screenshot shows a web interface for a CDi Competency Question. On the left, there is a sidebar with the 'cd insight' logo, a progress indicator showing '40% of others answered this question correctly over the last 3 months', and a 'cd insight' logo at the bottom. The main content area displays the question: 'How can my firm best act in good faith to avoid mis-selling products or services that are unsuitable to any given customer?'. Below the question, there is a list of four plausible multiple-choice answers. A 'Open Next Question' button is visible. On the right, there is a sidebar with four supplementary information boxes, each containing a tip related to the question. The interface is clean and professional, with a white background and blue accents.

CDi culture question example

All culture questions seek to understand the user's perspective on how they feel the organisation is performing in relation to aspects of the Duty. Each question includes a six-point scale from "Strongly agree" to "Strongly disagree" as well as an "I don't know" option if the user feels they are not equipped to answer the question.

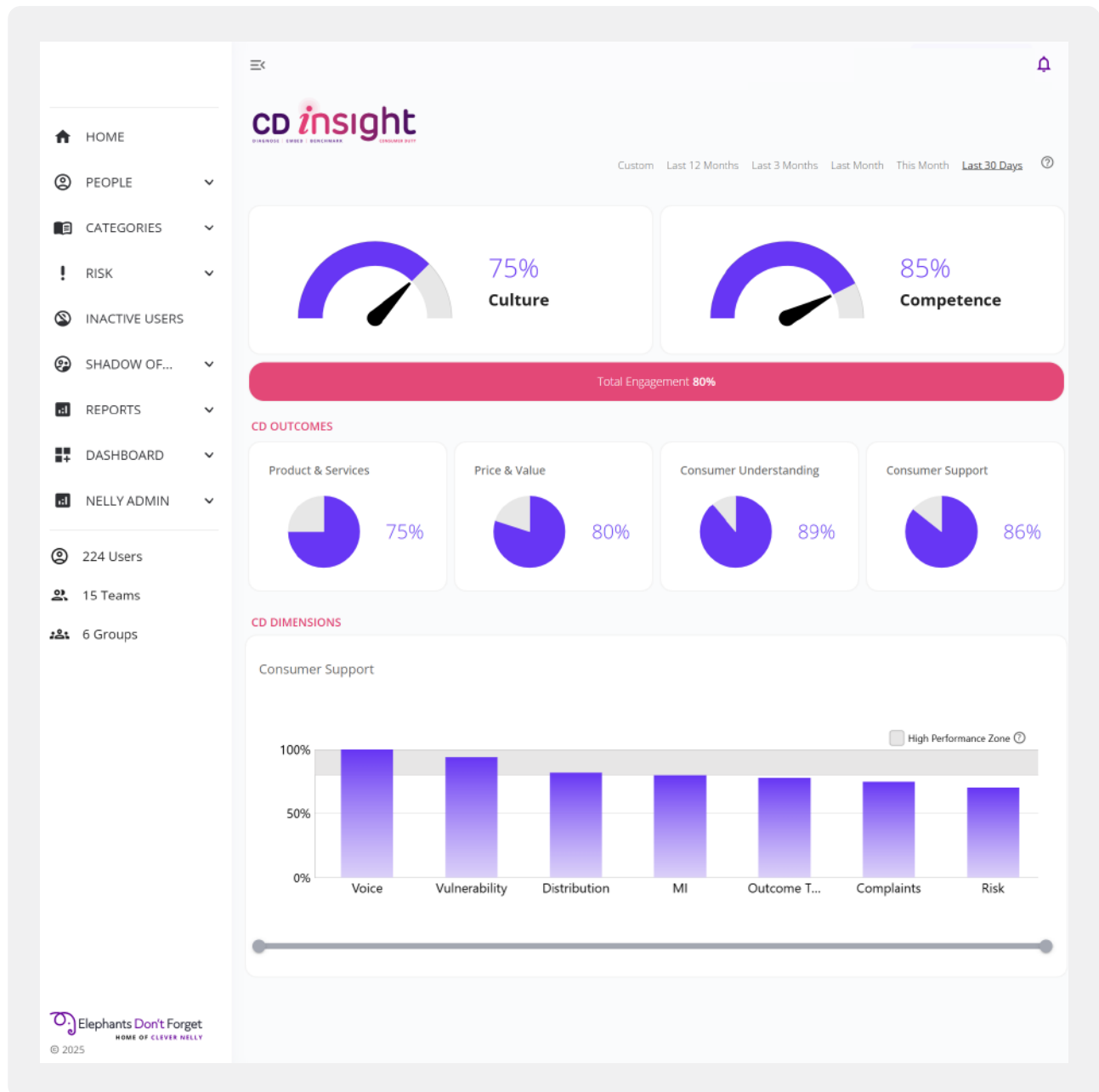
The screenshot shows a web interface for a CDi culture question. On the left, there is a sidebar with the 'cd insight' logo, a progress indicator showing '40% of others answered this question correctly over the last 3 months', and a 'cd insight' logo at the bottom. The main content area displays the question: 'To what extent would you agree with the following statement? "I am confident that my firm offers fair value to all customer cohorts."'. Below the question, there is a six-point scale from '6 (Strongly agree)' to '1 (Strongly disagree)', with an 'I don't know' option at the bottom. A 'Time remaining...' bar is visible. On the right, there is a sidebar with four supplementary information boxes, each containing a tip related to the question. The interface is clean and professional, with a white background and blue accents.

Firm-specific questions

Firm-specific questions will follow the same format as the CDi competency questions with four plausible, multiple-choice answers. The questions will be aligned to the specific training received by users and will exist to assess and embed the knowledge required for them to perform optimally in their role. These questions will be linked to the CDi reporting dashboard for optimal insight and decision-making.

MANAGEMENT DASHBOARD

Reporting relating to question performance will be available on the Management Dashboard, available only to key stakeholders. This will be presented as an overall Culture and Competence score, as well as a score for each of the four outcomes. It will also be possible to drill down into the seven dimensions for each outcome. These data insights will enable organisations to target training and support more effectively.



FAQs

How many questions are there?

There are close to 300 culture and competency questions mapped to the four outcomes of the Duty and aligned to the seven supporting dimensions. Users are allocated specific questions according to role relevance.

What are the different types of questions?

The CDi standardised question set is made up of two question types; Cultural and Competency-based:

- **Cultural questions** will ask users their individual perspective on the extent to which they feel the organisation is meeting aspects of the Duty. Responses are confidential.
- **Competency questions** are multiple choice and assess a user's knowledge or competence in relation to application of the Duty.

Any firm-specific questions are written in partnership with our customers and our Performance Team to align directly with your Consumer Duty training content.

How are questions allocated?

Both culture and competency questions are allocated according to where users sit within an organisation; strategic, back office or customer-facing. This ensures that users only receive the most relevant questions to them.

Do I have to include firm specific questions?

Yes, it is mandatory to include firm specific-questions as these are the foundation of authentic learning through spaced learning and repetition. They are pivotal to embedding your Consumer Duty-related training and delivering good customer outcomes. The standardised questions provide valuable insight as well as enabling industry-wide benchmarking.

How are the questions received?

Employees typically receive one CDi question per day via email, Teams, Slack or mobile app. These questions assess individual competence or organisational culture in relation to the Duty.

Why are questions timed?

Competency questions are timed to test embedded knowledge, preventing users from having the opportunity to search for the answers or ask someone else. The timer adds a psychological benefit to the user experience and also simulates the working environment. For example, when speaking to a customer, there isn't always time to look up the right answer. Additionally, it ensures users stay focused on the question and don't get distracted, moving on to something else and forgetting to return.

What is the Management Dashboard?

The Management Dashboard provides firm-wide reporting on all CDi questions: standard and firm-specific. Overall, firm-wide culture and competency scores will be available, along with the breakdown of both scores relating to each of the four outcomes and seven respective dimensions.

What is the benchmarking report?

A report will be published by Elephants Don't Forget, annually or half yearly (to be determined), that will show an insight into your business and the results you are presenting. Your business will also be compared to the aggregated results of other companies in your sector both in terms of latest position and movement over the last six or 12 months. The report will also have an insight into the wider financial services marketplace as a whole. The report will be designed to enable easy use of the content to be inserted into your annual Consumer Duty Board Report and is anticipated to evolve with customer needs.