

### **Consumer Duty: shaping customer outcomes is core to our purpose**

I'm proud to be part of an organisation that is so focused on helping customers achieve good outcomes. With a history of delivering initiatives designed to improve customer outcomes stretching over decades, our strategy is to consistently put the customer at the heart of everything we do to 'help people secure a life of possibilities'.

Consumer Duty has been preceded by several other regulatory initiatives, focused on customer outcomes and the new rules are clearly an uplift on the previous guidance, combined with a move to a principles-based approach – there's no template.

In this article, I look at how our current approach to helping customers achieve good outcomes aligns to the requirements of the Consumer Duty and offers us the opportunity to do even more.

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### **How we've approached customer outcomes**

You'll see from our actions over the years, set out below, that we have consistently worked hard to help our customers achieve their outcomes. Indeed, the overarching principle of Consumer Duty – that 'firms must act to deliver good customer outcomes' – is already deeply embedded in Phoenix Group.

#### **1990s – ReAssure migration begins**

We began the migration of ReAssure customers to our inhouse platform providing an improved digital proposition.

#### **2005 – Launching our Group Customer Standards**

As Phoenix Group grew through acquisition, it set out a clear customer strategy and implemented its Group Customer Standards. With each acquisition made, products and propositions have been evaluated, uplifted where required, and harmonised to meet our Group Customer Standards.

In the same year, the FSA's David Strachan instigated what became our robust Product

Review process by writing to Life Insurance CEOs and suggesting they should review whether their products were delivering on their promises to their customers.

Since 2005, we believe we have led the industry by consistently investing in good customer treatment, improved outcomes and a rolling programme of product and proposition reviews. Testing customer outcomes has been a core input to this work.

### **2005 to date – Enabling customers by migrating them to new digital platforms**

Phoenix Group has invested over £100 million in migrating customers from legacy, low-tech platforms onto fully digitally enabled platforms. This provides greater opportunity to help customers understand their products through online journeys.

### **2006 – Treating Customers Fairly**

Once again, our Group Customer Standards enabled our delivery against this important regulatory initiative, embedding the six outcomes in our Standards.

### **2013 to date – Pioneering encashment of small annuities**

We were the first of only two firms to act on this customer need in relation to annuity encashments, running several exercises with more than 70% take-up.

### **2016 – FCA’s review of Fair treatment of Long-Standing Customers**

This review resulted in elements of our approach being recommended as best practice in the 2016 FCA review of the Fair Treatment of Long-Standing Customers.

### **2018 to date – proactively managed charges and investment performance to deliver value for customers**

We recognise the impact of charges on outcomes and have invested £75 million– £100 million to support the reduction of charges across our products over and above the existing regulatory requirements.

### **2021 – FCA’s Product Governance Sourcebook**

We welcomed the introduction of a regulatory product review framework and were pleased our business-as-usual rolling programme of proposition reviews, over the previous 13 years, meant we could deliver against the regulations.

In fact, we have spent around £4 million per annum over the past 15 years, assessing our products to ensure delivery of good customer outcomes and to offer customers fair value.

## **2023 – investing approximately £230 million on customer improvements**

As well as continued progress on transformation, Phoenix Group is launching new products and propositions enabling more people to take practical action to help achieve the financial futures they want.

## **Consumer Understanding and Customer Support**

This really matters to us, and we have initiatives in progress on supported and unsupported advice and guidance, new digital engagement models for advisers, employers and consumers, and an accelerated communications development environment.

We already tailor communications for customers and are now applying this to customer journey design to improve user experience. In recent years, our Vulnerable Customer strategy has been recognised through industry awards, including the CCA Excellence Awards and Engage Awards. We support our vulnerable customers via our 'Helping Hands' guidance, which is embedded in our group-wide Customer Standards.

## **The Customer Outcome Journey continues**

We are dedicated to finding ways to improve our customers' outcomes. Consumer Duty has helped us to step back and consider our longer-term customer strategy, building on our customer-focused culture. It's prompted us to:

- Test and refine our existing fair-value methodology for both retail and corporate customers
- Combine and enhance approaches across the Group on customer insights and communication testing
- Review our approach and disciplines in relation to proposition development and lifecycle management
- Refresh our conduct strategy and ensure our customer ambitions are aligned and effectively underpinned by strong principles and customer standards

I'm sure you'll agree with me that Phoenix Group remains as committed as ever to helping customers achieve good outcomes from the products and services we offer as

they journey to and through retirement.

Find out more about [our approach to Consumer Duty](#)