

Consumer Duty Policy

Date of First Issue: July 2023

1. POLICY STATEMENT

John Grose is committed to ensuring that the Consumer Duty principle, cross cutting rules and outcome obligations are embedded within our culture and that the delivery of good outcomes for retail customers is at the heart of our business and focus.

Our Mission and Values are representative of our culture and provide consistency in behaviours and collective responsibility which supports the Duty.

We are committed to ensuring that we:

- put consumers at the heart of our business and focus on delivering good outcomes for customers;
- provide products and services that are designed to meet customers' needs, that they know provide fair value, that help customers achieve their financial objectives and which do not cause them harm;
- communicate and engage with customers so that they can make effective, timely and properly informed decisions about our financial products and services and can take responsibility for their actions and decisions;
- do not seek to exploit customers' behavioural biases, lack of knowledge or characteristics of vulnerability;
- support our customers in realising the benefits of the products and services they buy and acting in their interests without unreasonable barriers;
- consistently consider the needs of our customers, and how they behave, at every stage of the product/service lifecycle;
- continue to learn through focus and awareness of real customer outcomes;
- monitor and regularly review the outcomes that our customers are experiencing in practice and take action to address any risks to good customer outcomes

John Grose has appropriate procedures in place to proactively build and act to deliver good outcomes to retail customers, to reactively monitor customer outcomes to ensure they meet requirements, and to take action in the event that good outcomes are not met.

2. PURPOSE

This policy sets out the obligations and measures taken to implement and embed the Consumer Duty principle and associated framework and obligations within John Grose.

3. LEGAL CONTEXT

The Financial Conduct Authority (FCA) expects authorised firms to conduct their business within the rules and Principles for Business. Principle 12 requires firms to **'act to deliver good outcomes for retail customers'** and is supported by a Consumer Duty framework which includes:

- **Cross Cutting Rules** which set out the overarching conduct which firms must demonstrate when they act to deliver good outcomes for retail customers. The cross cutting rules are:

1) A firm must act in good faith towards retail customers

Acting in good faith is a standard of conduct characterised by honesty, fair and open dealing and acting consistently with the reasonable expectations of retail customers.

2) A firm must avoid causing foreseeable harm to retail customers

Firms are required to take proactive and reactive steps to avoid causing harm to retail customers through their conduct, products, services and all activities.

3) A firm must enable and support retail customers to pursue their financial objectives

To the extent that a firm becomes aware or should reasonably have become aware of a specific financial objective sought by a retail customer in connection with a product, it should consider how to support progress towards achieving that objective in its interactions with that retail customer.

Outcome Rules, found in PRIN 2A, which are set to four key elements of the firm – consumer relationship:

i) Product and Services Outcome

All Products and services must be fit for purpose, designed to meet the needs, characteristics and objectives of a target group of customers, and distributed appropriately

ii) Price and Value Outcome

Retail customers must receive fair value. Value is about more than just price, firms should assess their products and services in the round to ensure there is a reasonable relationship between the price paid for a product or service and the overall benefit a consumer receives from it

iii) Consumer Understanding Outcome

A firms' communications should support and enable consumers to make informed decisions about financial products and services. Consumers should be provided with the information they need, at the right time, and presented in a way they can understand.

iv) Consumer Support Outcome

A firm should provide a level of support that meets consumers' needs throughout their relationship with the firm. Customer service should enable consumers to realise the benefits of the products and services they buy and ensure they are supported when they want to pursue their financial objectives. Firms were required to implement the Consumer Duty framework by 31st July 2023 on new and open products and services and by 31st July 2024 on closed books.

4. RESPONSIBILITY

The Consumer Duty is a collective responsibility:

Firm: John Grose is responsible for ensuring that all obligations under The Consumer Duty are met through reflection in our strategies, governance, leadership and policies and that outcomes are monitored through control arrangements.

Senior Managers: The firm's governing body, including senior managers will be responsible for reviewing outcomes and confirming that obligations continue to be met, this must be signed off on a minimal annual basis, please refer to 'Governance'.

Individual: All staff are responsible for ensuring that the manner in which they conduct their role is consistent with Consumer Duty and with conduct rules under Senior Manager & Certification Regime.

5. APPLICATION

The Consumer Duty is implemented through policy and operational processes and John Grose will continue to deliver good outcomes to retail customers, thereby meeting obligations through the following measures:

5.1 Cross Cutting Obligations

John Grose recognises its obligations under cross cutting rules and continues to embed these obligations in our business culture, strategies and operations. Actions taken to ensure consistency with these rules are both proactive and reactive, cut across all stages of the customer journey and product lifecycle, and are taken with an understanding and account of cognitive and behavioural biases and the impact of characteristics of vulnerability and/or lack of knowledge on retail customers' needs and decisions. The actions consistent with this obligation include, but are not limited to the following:

5.1.1 Obligation to act in good faith

- Being honest, fair and open in our actions with retail customers.
- Accounting for retail customers interests and outcomes in the design of insurance products and services through appropriate design, application and distribution to a target audience.
- Providing a consistent outcome to all customers through recognition and assistance where possible for any customers exhibiting or informing on characteristics of vulnerability.
- Ensuring customer information is balanced and without bias, thereby allowing customers to make informed decisions.
- Taking appropriate action to rectify a situation should any activity or monitoring identify a customer has suffered foreseeable harm as a result of acts or omissions by John Grose.

5.1.2 Obligation to avoid causing foreseeable harm

- Ensuring all aspects of our product and service manufacture, distribution, and support, avoid causing foreseeable harm.
- Ensuring no aspect of our business involves unfairly exploiting behavioural bias displayed, or vulnerability characteristics held, by retail customers.
- Identifying potential harm that may arise from the withdrawal or adaptation of products or if our understanding about customer impact changes during the term of a product or service.
- Responding appropriately to new information that identifies new, or trends in, sources of harm.

- Taking appropriate action to mitigate the risk of actual or foreseeable harm where identified across product manufacture, information, support or withdrawal.

5.1.3 Obligation to enable and support retail customers to pursue their financial objectives

- Obtaining necessary information from customers, including that required under the provision of law, to ensure we have a reasonable understanding of a customer's financial objectives.
- Acting upon the timely objectives that a retail customer has disclosed to us.
- Ensuring all aspects of the design, terms, marketing, sale of and support for our products meet and not frustrate the objectives and interests of retail customers.
- Making sure retail customers have the information and support they need, when they need it, to make and act on informed decisions.
- Enabling retail customers to enjoy the use of their product and to switch or exit the product, where appropriate to the product, where they want to without unreasonable barriers or delay.
- Taking account of retail customers' behavioural biases and the impact of characteristics of vulnerability in all aspects of our customer interaction.

5.2 Retail Customer Outcome – Consumer Understanding

John Grose ensure that all communications support the understanding of retail customers by providing sufficient information to meet the information needs of a customer, delivered and / or presented in a manner likely to be understood by retail customers. In order to equip retail customers to make decisions which are effective timely and properly informed. John Grose will:

- ensure all communication is clear, fair and not misleading.
- consider the requirements of the target market in all product related communications and those of retail customers for all non-product related communications.
- provide information on a timely basis.
- use appropriate channels of communication to ensure retail customers are supported in effective decision making and provides the opportunity to review and assess options.
- support customer understanding by tailoring our communications to retail customers by taking into account:
 - the characteristics of retail customers, including any characteristics of vulnerability;
 - the complexity of the product;
 - the communication channel(s) used; and
 - our role, including whether we are providing regulated advice or information only.
- where interacting directly with a retail customer, tailor communication to that retail customer's needs, taking account of characteristics of vulnerability and ask the customer if they understand the information provided and if they have any further questions.
- where appropriate, test our communications before use.
- regularly monitor the impact of communications to ensure that they support good outcomes for retail customers and adapt where required.
- if issues are identified through monitoring we will:
 - investigate the issue;
 - correct any deficiencies in an appropriate manner; and
 - remedy any harm caused.
- promptly inform another firm within our distribution chain where we identify a communication produced by the other firm is not producing good customer outcomes.
- provide communications to firms within our same distribution chain in good time, when requested and as reasonably required, so it can be communicated to retail customers.

5.3 Retail Customer Outcome – Consumer Support

John Grose are committed to providing support to retail customers across all channels of interaction and at all stages of the customer journey. In order to deliver this, John Grose will:

- design and deliver support to retail customers such that it:
- meets the needs of retail customers, including those with characteristics of vulnerability;
- ensures that retail customers can use their product as reasonably anticipated;
- includes appropriate friction in its customer journeys to mitigate the risk of harm and give retail customers sufficient opportunity to understand and assess their options, including any risks; and
- ensures that retail customers do not face unreasonable barriers (including unreasonable additional costs) during the lifecycle of a product, such as when they want to:
- make general enquiries or requests;
- amend the product (if possible);
- access a benefit which the product is intended to provide;
- submit a claim;
- make a complaint; or
- cancel a contract, agreement or arrangement or otherwise terminate their relationship with us.
- provide the same level of support to a person authorised by a retail customer, or by law, to assist with the retail customer's affairs.
- deal appropriately, effectively and in a timely manner with reasonable requests from another firm where it enables the other firm to support retail customers.

6. GENERAL STANDARDS

John Grose will deliver and meet the requirements and obligations under this policy to the standards expressed by the Financial Conduct Authority, as those *'that could reasonably be expected of a prudent firm'* should that firm carry on the same activity in relation to the same product(s). Also taking appropriate account of the needs and characteristics of retail customers based on the needs and

characteristics of retail customers in the relevant target market or of individual retail customers as the context requires.

- In relations to the needs and characteristics of retail customers, John Grose will:
- pay appropriate regard to the nature and scale of characteristics of vulnerability that exist in any relevant target market;
- pay appropriate regard to the impact of characteristics of vulnerability on the needs of retail customers in any relevant target market;
- when dealing with a particular retail customer, pay appropriate regard to the needs and characteristics of that retail customer, such as characteristics of vulnerability;
- assist our frontline staff to understand how to actively identify information that could indicate vulnerability and, where relevant, seek information from retail customers with characteristics of vulnerability that will allow staff to respond to their needs; and
- set up our systems and processes in a way that supports and enables retail customers with characteristics of vulnerability to disclose their needs.

7. GOVERNANCE

John Grose ensure that Principle 12 and our obligations under the Consumer Duty are reflected in our strategies, governance, leadership and people policies, supported through systems and controls, and with consistent and regular reporting and oversight in governance meetings.