

## **Meeting the FCA's New Consumer Duty - Supporting Financial Services' Compliance**

### **Preparing Wealth Management Advisors and Their Firms For Conversations With Clients About Their Values and Motivations**

On 27 July 2022, The Financial Conduct Authority (FCA) unveiled the anticipated Final Consumer Duty rules. [The new rules](#) are a major shift and will require firms to put their customers' needs at the centre of all discussions, whilst aiming to do more to protect consumers from harm and bad financial decisions.

Starting in July 2023, firms will be required to do everything possible to avoid "consumer harm" at every step of the customer journey. Although most professional advisory firms will already aim for this level of consumer care when dealing with traditional investment strategies, when it comes to discussions about ESG/Impact investing it can become substantially trickier. Particularly for firms who do not have a background in understanding or articulating ESG/Impact investing client expectations and products.

It is widely recognised that there is a new generation of client, driven by (but not exclusively) Millennials, Women of Wealth and Gen Z that want a more personalised approach. These clients want to know that their wealth is doing better for society than harm and will fire inherited advisors if they do not meet their expectations. In addition to this, the measurement for the scale of ESG/Impact investment can change depending on which metric it is measured against and can also be affected more subjectively by what motivates the customer and their values.

The watchdog has said the Duty is designed to shift the mindset of firms, and from our view at Philanthropy Impact this mindset shift is a huge step in the right direction for clients, particularly those with an interest in purpose driven wealth strategies and sustainability. As we highlight in our CPD Certified, CISI endorsed training, [Maximising client satisfaction](#).

Under the new rules firms will be required to:

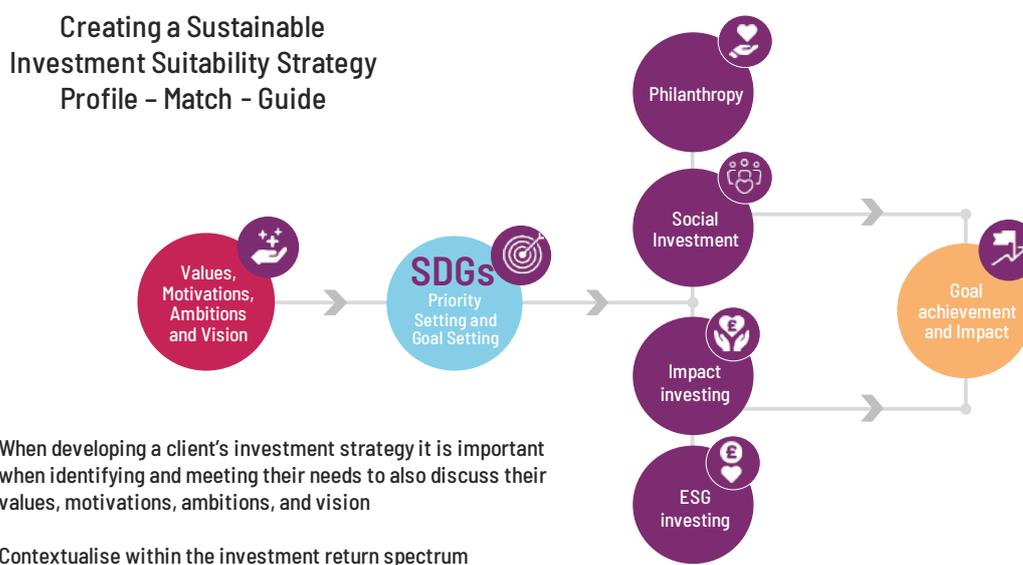
- Act in good faith towards retail customers
- Avoid foreseeable harm to retail customers
- Enable and support retail customers to pursue their financial objectives

Our CPD Certified and CISI Endorsed training focuses on how to approach suitability conversations with clients when looking at ESG/Impact Investing strategies. Drawing on our research and our vast resource within our network of impact investors, social investors, philanthropists, professional

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advisor firms, grant makers and not for profits, this workshop is designed to empower wealth managers and other advisors in financial services to take the first steps in working towards these new duties for this new generation of client.

The training session gives practical solutions to enable advisors to comply with the new duties, specifically acting in good faith towards customers and enabling and supporting customers to pursue their financial objectives when it comes to the world of ESG/Impact investing. We are experts in helping professional advisors discuss the values, motivations and ambitions of and with their clients, to understand what drives them, and how to support them in setting their investment priorities – creating a sustainable investment strategy (see below)



We approach the advisors' own values and demonstrate how understanding and discussing your values can create a strong and fulfilling bond with the clients. During the workshop we discuss how this can naturally lead to conversations about what approach they want to take with their wealth, using the Spectrum of Capital and contextualising within the UN Sustainable Development Goals (UN SDGs).

Come and talk to us today about how we can help advisors to meet the FCA's new Consumer Duty comprehensively and successfully, whilst also empowering you to meet the growing client need amongst Millennials, Women of Wealth and Gen Z, to discuss their values and motivations.

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### About Philanthropy Impact

**Our Vision:** A world where individuals and families engage in values driven investment and philanthropy, supported by professional advisors.

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**Our Mission:** To increase the flow of capital for good by enabling private clients and their families to match their purpose driven wealth strategies with their values, capturing their sustainable, social and impact investment and philanthropy preferences across the spectrum of capital.

### **Description**

Philanthropy Impact is a unique non-profit organisation at the intersection between philanthropy, social investment, and ESG and impact investment; promoting a world where individuals and families engage in values driven ESG/impact investment, philanthropy and social investment; supported by professional advisors.

We are a membership network that is thriving, innovative, catalytic, and socially entrepreneurial; creating opportunities for societal and environmental impact while fulfilling our mission to increase and improve philanthropy and social investment and encourage impact investing.

Our membership is composed of private client professional advisors to (U)HNWI e.g. investment professionals and financial planners, private client advisors, wealth management, private banking, independent financial advice, tax and legal sectors; as well as individual philanthropists, social investors and ESG/impact investors, trusts and foundations, charities and social enterprises.

Drawing on research, we focus on increasing philanthropic giving, social investment and ESG/impact sustainable investment by building the will and capacity of professional advisors (to support their (U)HNW private clients on their philanthropic and social impact investment journey.