Consumer Duty and what it means for you as a Tide Partner

What is the Consumer Duty?

The FCA has published PS 22/9 which contains its final rules as well as feedback on the consultation and their responses. The new Duty sets higher and clearer standards of consumer protection across financial services, and requires firms to put our members' needs first. Consumer Duty came into force on 31st July 2023.

How does this relate to Tide & what are Tides obligations for our partnership?

Although Tide's membership base are SMEs, the Duty does apply directly in respect of many of Tide's regulated activities. This is often because the definition of a retail customer includes micro-enterprises (businesses with fewer than 10 employees and an annual balance sheet of less that EUR 2m).

As part of Consumer Duty implementation Tide identified that Tide Partners could be considered "distributors" of Tide's products and services.

Where Tide engages third parties for the distribution of Tide labelled products, we will set out the standards that we expect these third parties to deliver in order to comply with the duty.

How does it relate to you as a partner & what are your obligations?

Relates to	Things that we as the product manufacturer will share with you	Things that we will expect from you as Partners
1. Product Info.	• Product literature, sufficient for Partners to: ○ Understand the characteristics of the product or service ○ Understand the identified target market ○ Consider the needs, characteristics and objectives of any customers with characteristics of vulnerability ○ Identify the intended distribution strategy ○ Ensure the product or service will be distributed in accordance with the needs, characteristics and objectives of the target market	2. Provision of answers and data to enable us to determine your partner status type: ○ Understand your core business type and target customer segment ○ Understand your current customer acquisition journey ○ Understand your ongoing management of customers ○ Understand how you may/may not use incentives as part of your customer acquisition journey ○ Understand which other partnership relationships you have within the markets applicable to our products and services
2. Dist. Strategy	• Share an overview of our distribution strategy	• Evidence that the distribution strategy is being followed.
3. Target	• Set and share the target markets for our	• Evidence that the target market is being

Market	products	sold to (i.e. that there are not sales outside the target market).
4. Fair Value	• Share our value for money assessment of the relevant products (as and when available).	• Ensure that the costs charged and services provided for distribution don't undermine the value proposition.
6. Product Reviews	• Share the outcomes of completed product reviews(as and when available).	• Tell us if they become aware of anything that would cause a poor outcome.
7. Fin Proms	• Provide pre-approved financial promotions	• Use only pre-approved financial promotions
In addition	• Where applicable, provide information in relation to. sales data, partner performance MI or complaints	• Where applicable, receive information in relation to sales data/performance MI/ SLAs/complaints

Sources:

- Press Release: The FCA's Consumer Duty will lead to a major shift in financial services
- **The Duty:** https://www.fca.org.uk/publication/policy/ps22-9.pdf
- Supporting Guidance https://www.fca.org.uk/publication/finalised-guidance/fg22-5.pdf

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