

On the customer understanding of transactions – publication of findings

Financial Conduct Authority (FCA)

RPC rating: **validated**

Description of the measure

The assessment covers the publication by the FCA of a table of five examples of good practice in the area of customer understanding. It also covers the publication of a reminder from the FCA that firms should check their customers' understanding regularly.

Impacts of the measure

The assessment explains that there will be a negligible impact on business resulting from the measure (i.e. any costs will round to zero). The FCA explains that this is because:

- (a) most firms already apply this good practice in their customer engagement – the FCA supports this assertion by reference to a survey carried out as part of its thematic report on customer engagement;
- (b) The good practice is not mandatory and the regulatory requirement remains unchanged.

The RPC verifies the estimated equivalent annual net direct cost to business (EANDCB) of £0.0 million.

Quality of submission

Although the measure may impose some small familiarisation costs on business, the FCA has provided sufficient information for the RPC to confirm that the measure will have minimal impact and that the EANDCB figure rounds to zero.

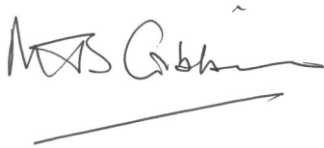
Regulator assessment

Classification	Qualifying regulatory provision
Equivalent annual net direct cost to business (EANDCB)	£0.0 million

Business net present value	£0.0 million

RPC assessment

Classification	Qualifying regulatory provision
EANDCB – RPC validated ¹	£0.0 million
Business Impact Target (BIT) Score ¹	£0.0 million



Michael Gibbons CBE, Chairman

¹ For reporting purposes, the RPC validates EANDCB and BIT score figures to the nearest £100,000.