Chartered Insurance Institute
Standards. Professionalism. Trust.

Consumer Duty

Consumer Duty Board reporting: Two years on

From reporting to proving outcomes

Roundtable summary report

Roundtable held on 15 July 2026

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Contents

As a chartered body with a public interest mandate, the Chartered Insurance Institute provides a forum where stakeholders can collaborate on shared challenges. Our independence enables honest dialogue, facilitating the development of sector-wide guidance and recommendations that strengthen professional standards and deliver better customer outcomes.

1. Executive summary

The CII's third annual roundtable on Consumer Duty Board reporting, the first to bring insurance and financial planning together, alongside the FCA, found the sector has moved towards producing more confident, data-rich Board reports. The next challenge is proving those reports will be able to demonstrate that customer outcomes improvements are being made.

Three years of survey data show two trends: the challenges derived from unfamiliarity with new regulatory expectations (including knowing what data to include, explaining data gaps, securing colleague buy-in) have eased, while the structural ones (such as integrating data, sourcing appropriate data, connecting datasets) have plateaued and continue to be challenging for around three-quarters of firms responding to the survey that informed the session.

Evidencing consumer understanding remains a key challenge: firms are more likely to have a process for responding to customer misunderstanding than testing or metrics that would find it in the first place. The discussion pointed to testing at the "moments of truth" where misunderstanding harms customers most, and to differentiate measuring outcomes from inputs as some firms use the later to prove the former.

Another challenging area is data sharing across the distribution chain. This has been held back by commercial sensitivity and inconsistent formats. Participants saw a sector-agreed data-sharing standard as a next step to consider.

Bringing the two professions together also revealed that they face different challenges. Insurance firms report higher confidence in meeting board reporting expectations but struggle with segmentation and vulnerability data at scale; financial planners appear less confident in meeting the regulator's reporting expectations in part due to lack of clarity around proportional approaches but face less challenge in managing vulnerable clients (as they have direct relationships with individuals).

The CII will continue to support the sector by translating regulatory expectations into sector-specific guidance, providing worked examples and shared standards that can help firms to move from reporting to proving outcomes.

2. Introduction

This was the third roundtable the CII has convened on the subject, taking place on 15 July under Chatham House rule. The 2024 session examined the pain points of the first reporting cycle; 2025 asked how far firms had moved; this year asked whether the reports are improving outcomes. Ahead of the session, the CII repeated its now annual member survey to prompt reflection and ground the discussion in evidence.

The session had three objectives:

1. to hear the FCA's latest expectations for Board reports and put questions to the regulator directly;
2. to consider what the three-year survey reveals about where the sector stands; and
3. to begin shaping practical next steps that would help firms move from reporting to proving outcomes.

3. The FCA's perspective

The FCA set the regulatory context, drawing on its review of second-year Board reports and its recent multi-firm reviews of consumer understanding and products and services outcomes. The direction of travel indicates that reports are more confident, draw on a broader set of data, and are increasingly oriented towards evidencing outcomes rather than cataloguing activity. However, the depth of analysis remains variable, and documented board challenge is often missing; most boards reviewed and approved their reports, but many did not record the challenge they provided.

Consumer understanding outcomes and support remain under-weighted relative to products, services and value, and monitoring across distribution chains is weak. This is an area the FCA's consultation CP26/23 (Consumer Duty: scope and proportionality, published 29 June 2026) proposes to address by clarifying firms' roles in the chain and calibrating obligations to a firm's role and proximity to the end customer.

The FCA emphasised that consumer understanding is not a "nice to have"; where customers understand the products and services they hold, outcomes improve. The regulator's review examined how firms can improve outcomes by redesigning end-to-end journeys around customer needs, and, as with Board reporting, the strongest practice is seen to be rooted in culture as much as process, with a clear tone from the top followed by better customer experience.

Another theme from their outcomes monitoring work was not only the need for stronger evidence of outcomes, but also the importance of assessing the impact of actions taken, so firms are able to "close the loop" on improvements.

The organisation's closing message was that firms should move from compliance reporting towards outcomes-focused governance. Firms should use the Duty's insights to drive strategic decisions, reinforcing the shift from viewing Board reports as a compliance exercise towards using them as a tool for governance and continuous improvement.

4. Three years of tracking: what the research shows

The CII presented findings from the third wave of its now annual survey of professionals directly involved in generating outcomes data or writing Board reports. The three waves span the 2023/24, 2024/25 and 2025/26 cycles (n=144, n=337 and n=114). Trend data should be read as directional given the smaller sample this year.

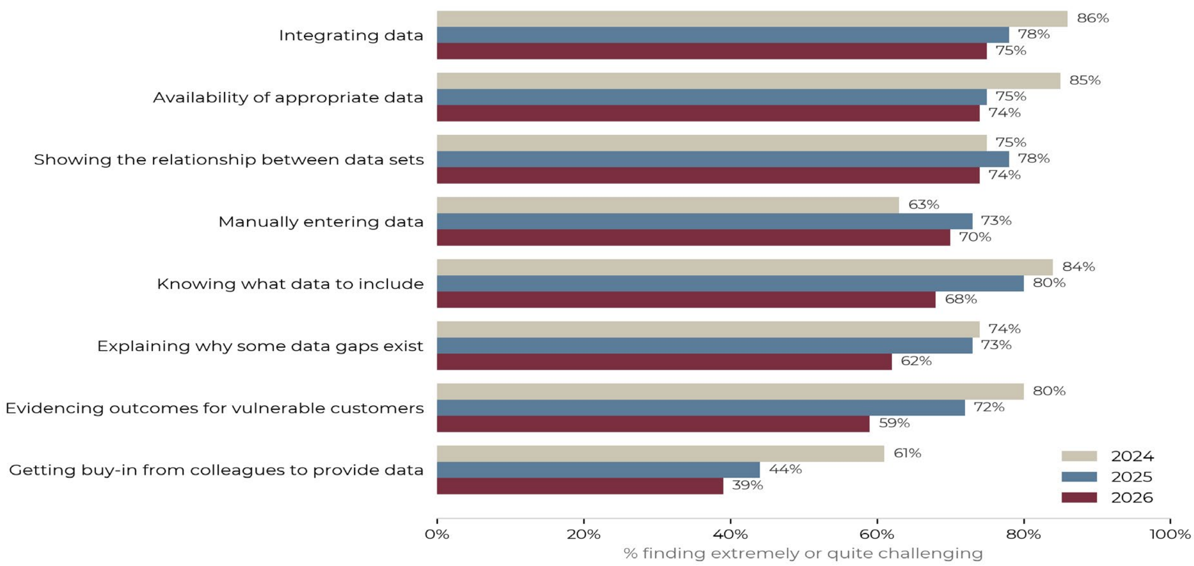
4.1 Progress, plateau and slippage

As one might have expected, challenges rooted in unfamiliarity with the new requirements have eased over time. Evidencing outcomes for vulnerable customers, knowing what data to include, explaining why data gaps exist and securing colleague buy-in have all fallen substantially since 2024.

The bigger challenges are structural, and they appear to have plateaued. Integrating data, securing appropriate data and connecting datasets have barely moved since 2025, with each still challenging around three-quarters of firms.

Manual data entry has followed a counter-intuitive path: it worsened between years one and two and remains well above where it started. One explanation for this might be that as firms broaden the data they capture, they are validating it by hand (before automating), which means more manual work is required.

Chart 1: Challenges when generating outcomes data across three reporting cycles (% finding extremely or quite challenging).

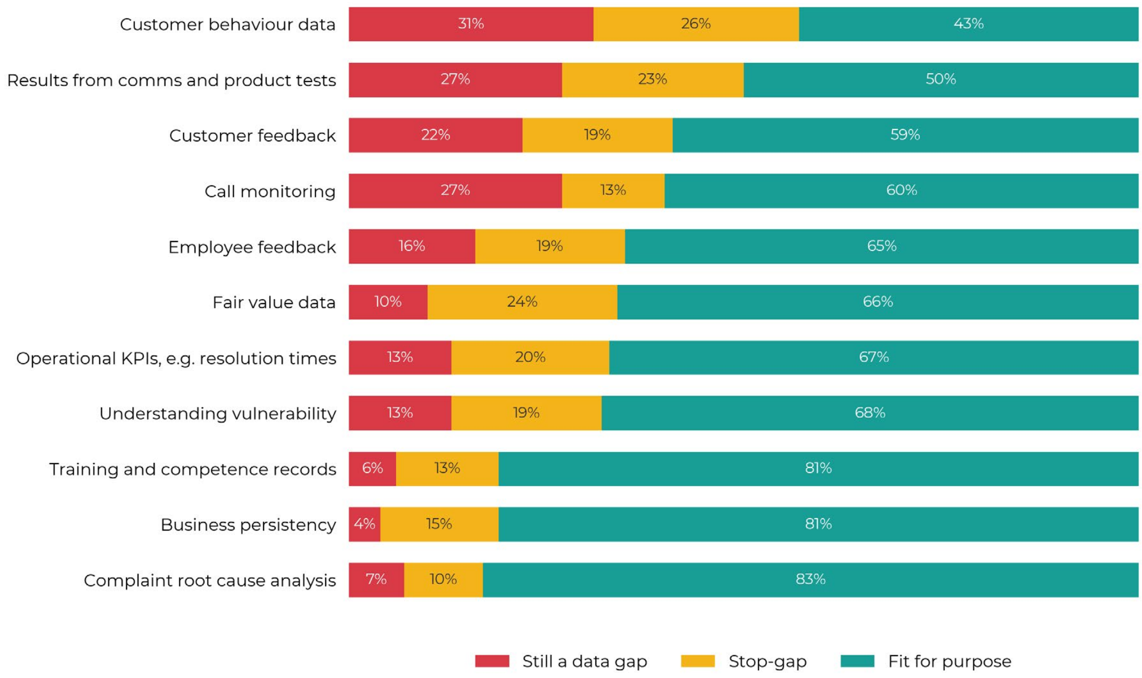


Bases: those directly involved in generating outcomes data or writing the Board report; 2023/24 N=144; 2024/25 N=337; 2025/26 n=114.

4.2 Is the data fit for purpose?

Asked whether the data firms have access to is fit for purpose, a stop-gap, or still a gap, firms again pointed to weaknesses in their underlying data systems. The two weakest data categories were customer behaviour data and results from communications and product testing, which are in large part the evidence base on which the consumer understanding outcome depends. The data categories firms consider largely fit for purpose, such as complaint root cause analysis, business persistency, and training and competence records, tend to be information that was in place prior to the Duty.

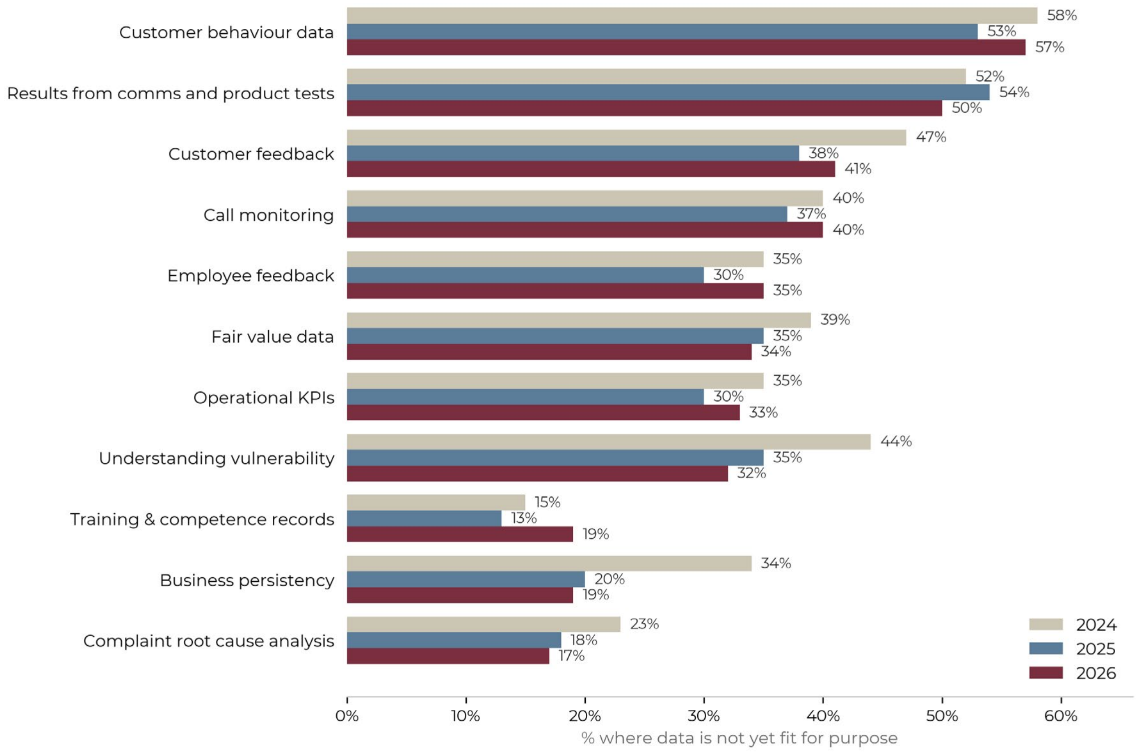
Chart 2: Is the data you are using fit for purpose, a stop-gap solution, or still a data gap? (2026)



Base: n=114; excludes 'not sure'. Rows may not sum to 100 due to rounding.

The trend data shown in chart 3 shows the three weakest data categories in 2026 as the same as in 2024. Understanding vulnerability, fair value data, business persistency and complaint root cause analysis data have improved, while customer behaviour, operational KPIs and employee feedback have slipped back towards where they were in 2024.

Chart 3: Data availability: three-year (% where data is not yet fit for purpose).



Bases: 2024 N=144; 2025 N=337; 2026 n=114; excludes 'not sure'.

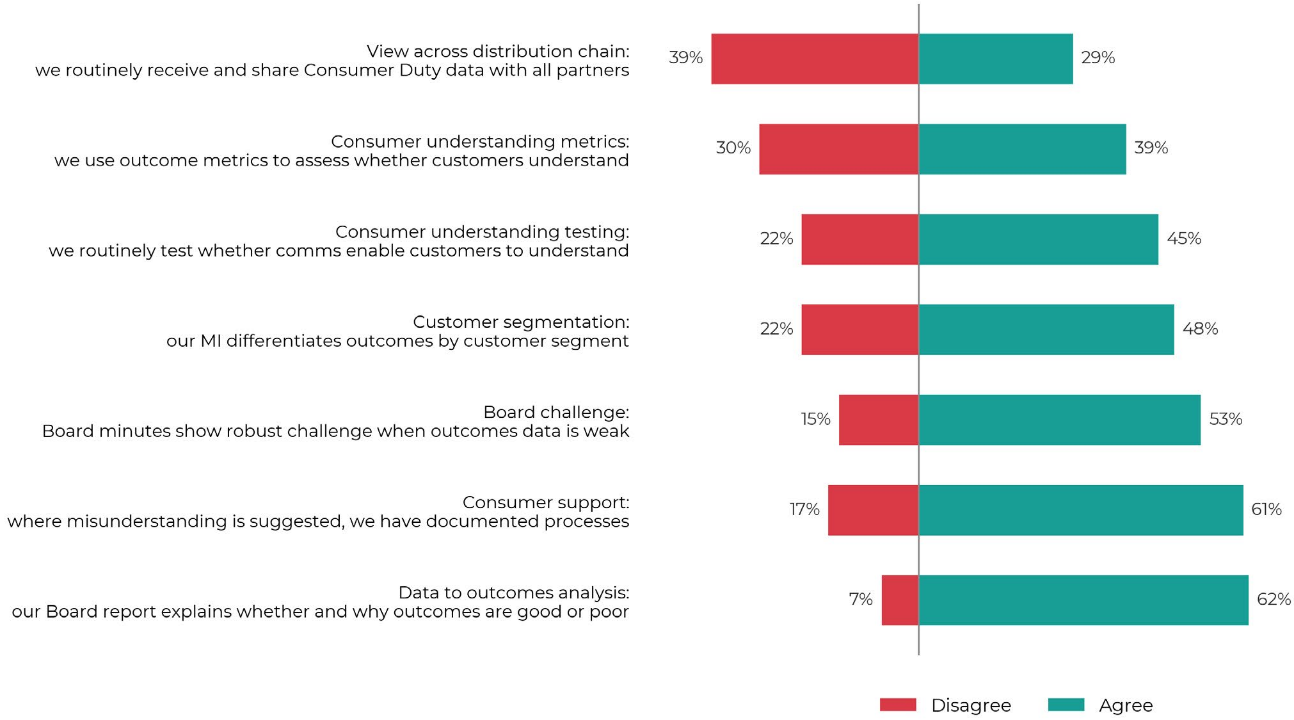
4.3 Vulnerability: real progress or increased focus?

The improvement in evidencing vulnerability outcomes was interrogated by the roundtable participants: with vulnerability so prominent following the FCA's vulnerability review in 2025 and the CII's own programme of work in this area, there was a reflection around how much of the reported improvement is genuine, and how much reflects heightened organisational focus rather than better data.

4.4 Measuring against the FCA's areas for improvement

Firms were asked to self-assess against the areas for improvement identified in the FCA's reviews of Board reports. Distribution-chain data sharing appeared to be the single weakest area. It is also the only statement where more firms disagree than agree that they routinely receive and share Consumer Duty data with all third-party partners.

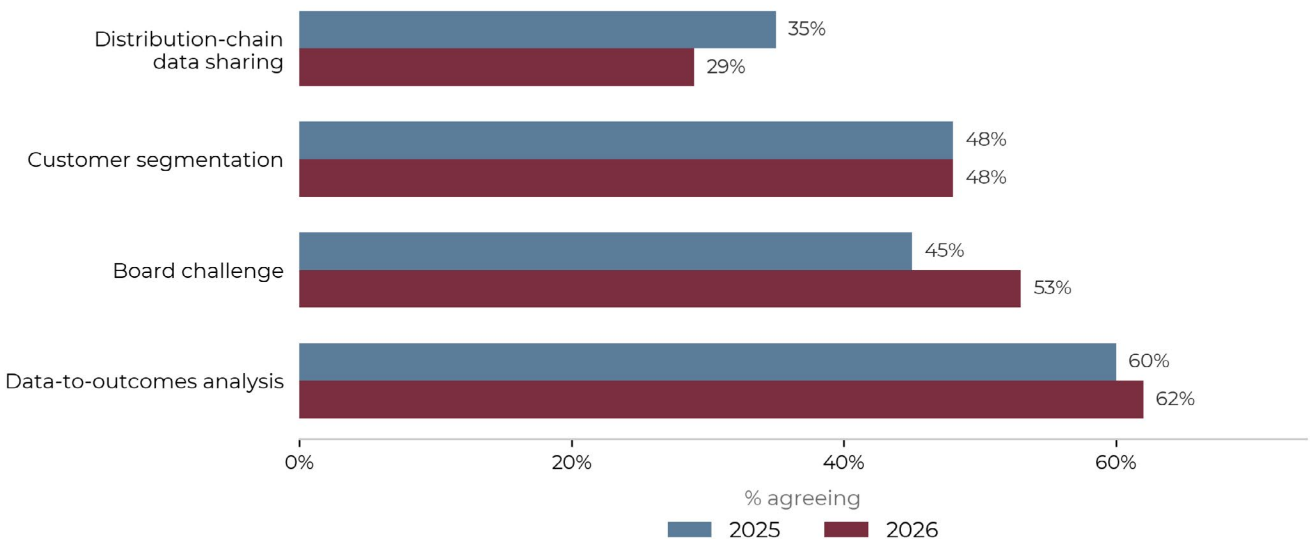
Chart 4: Firms' self-assessment against the FCA's areas for improvement (2026).



Base: n=114. Agree = agree + strongly agree; disagree = disagree + strongly disagree.

Where a direct comparison with the 2025 survey is possible[1], the picture is one of general improvement, however distribution-chain data sharing has gone backwards. See section 6 below.

Chart 5: Agreement on comparable measures, 2025 and 2026 (% agreeing).



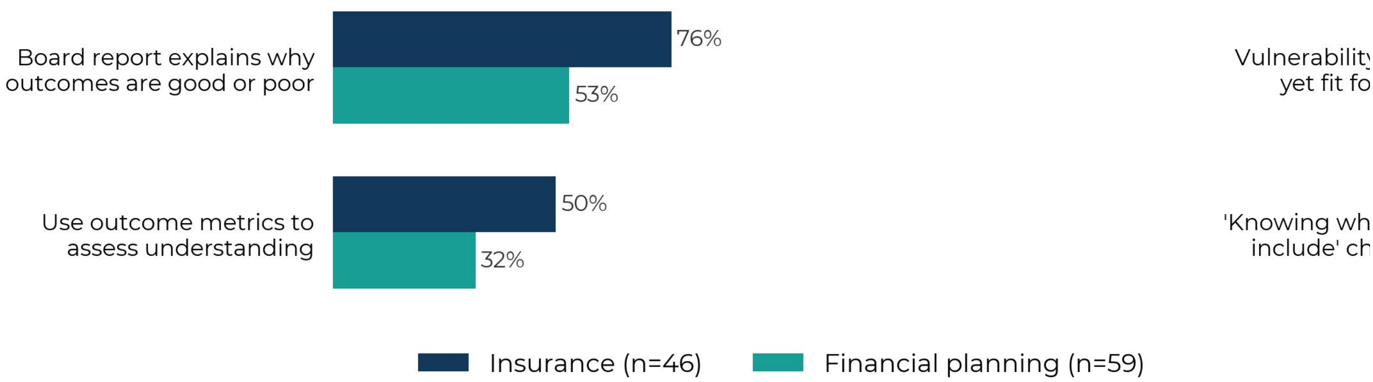
Bases: 2024/25 N=337; 2025/26 n=114. Only measures worded consistently across both waves are compared.

4.5 Two sectors, two different problems

Insurance respondents report higher confidence in meeting the FCA's expectations on Board reporting. They are also considerably more likely than financial planning firms to say their Board report explains why outcomes are good or poor and that they use outcome metrics to assess understanding. However, they face challenges that typically grow with scale, such as segmenting large books of customers and operationalising vulnerability data across them.

Financial planners, who are generally closer to their clients and work with smaller books, report fewer segmentation and vulnerability data challenges. However, they are markedly less confident to meet the regulators Board reporting expectations, less likely to use outcome metrics to assess understanding, and more likely to find knowing what data to include a challenge..

Chart 6: Insurance and financial planning respondents compared (2026).



Sub-group bases: insurance n=46; financial planning n=59. Indicative only, given small sub-samples.

1 The 2025/26 survey introduced several newly worded statements, covering consumer understanding metrics, testing and support, which were not asked in 2024/25. Only the statements worded consistently across both waves are compared.

5. Evidencing consumer understanding

Evidencing consumer understanding was the subject of a dedicated breakout session during the roundtable. The discussion examined why firms struggle to detect misunderstanding, what demonstrates it, and what testing looks like in practice.

5.1 The detection gap

The survey revealed that 61% of respondent firms agree that where data or behaviour suggests misunderstanding by the customer, they have documented processes to act. However, only 45% of respondents agree they routinely test whether communications help customers understand key features such as risks and costs, and only 39% say that they use outcome metrics to assess understanding. This suggests that firms might not have the mechanisms in place to be able to identify and track whether products and services are understood by customers. Fifty-seven per cent of respondents say their customer behaviour data is not fit-for-purpose.

Chart 7: Spotlight: evidencing consumer understanding.

Do firms test?	Do firms measure?	Do firms act?	Is the data there?
45%	**39%**	**61%**	**57%**
agree they routinely test whether communications help customers understand key features, risks and costs (22% disagree)	agree they use outcome metrics to assess understanding (30% disagree)	agree that where data or behaviour suggests misunderstanding, they have documented processes to act	say customer behaviour data is not yet fit for purpose; 50% say the same of product and comms testing data

The gap: firms are likelier to have a process to act on misunderstanding (61%) than the testing (45%) or metrics (39%) that would detect it in the first place.

Base: n=114.

5.2 Beyond the plain-English rewrite

Redesigning customer communications (for example, by using plain English or shorter journeys) was seen as a worthwhile first step. However, real understanding depends on how customers process information - whether a customer can absorb information depends on native language, literacy and numeracy, disability and individual circumstance, not on the quality of the copy alone.

Some suggestions were offered: one participant cited Dimensional 4S framework of scripts, stories, sketches and supplements, which reaches customers through multiple modes so that literacy and numeracy cease to be the constraint. Artificial intelligence was seen as potentially transformational, particularly for disabled customers, with emerging tools able to replay a firm's documents in a format and language suited to the individual.

5.3 Measuring Understanding

Participants considered how customer understanding should be measured. The difference between input metrics, for example a document's reading age and comprehension score was discussed. Firms define their metrics starting from what understanding is for at a given moment, and what a good decision would look like. That focus lets firms concentrate on the decision points where misunderstanding does the most harm, rather than rewriting a thousand documents.

5.4 Experiences are not outcomes

It was noted that satisfaction and experience measures (for example, review-site ratings, Net Promoter Scores) are not evidence of good outcomes. A customer can have a pleasant experience and still receive the wrong outcome or purchase a product that does not meet their needs but never know that until (and if) the time comes when they need to use it. Consistent with the FCA's published work, customer experience measures can be a useful input, but firms should also consider how they evidence whether customers are actually receiving good outcomes.

6. Sharing data across the distribution chain

Data sharing across the distribution chain is one of the areas where progress has most clearly stalled. Commercial sensitivity around commissions, costs and loss ratios, makes partners more likely to share data when they want something than when asked to account for outcomes. And receiving data is not the same as being able to act on it; one participant observed that a firm may not like what a partner's data shows but is "not the regulator either".

The FCA's premium finance market study illustrated the dilemma: a broker's high APRs are that broker's own regulatory responsibility, and simply refusing to trade with them would cut consumers off from products. The unresolved question is at what point a partner's poor outcomes stop being an acceptable variation between firms and become a problem demanding action. Participants hoped forthcoming FCA guidance on distribution-chain oversight would help firms draw that line.

A salient frustration among participants is the absence of a common standard for sharing data. Distributors described fielding the same request in countless formats. A cross-sector reporting standard, it was argued, would not remove the commercial sensitivities but would remove much of the friction. Without a common approach to sharing Consumer Duty outcomes, firms will increasingly struggle to evidence customer outcomes beyond their own organisational boundaries. Work is underway by the CII's Data Sharing Taskforce, focusing initially on developing a common dictionary for sharing vulnerability data.

7. What does good look like for smaller firms?

Participants noted that “small” could include a sole trader up to a business of 130 staff (for example), and a single label cannot account for the differences between those two extremes. That said, rather than attempting to define what a “small firm” is, the regulator emphasizes proportionality, and that all firms, regardless of size, are expected to deliver good outcomes for customers, with the appropriate monitoring approach depending on the firm’s size, complexity, business model and risk profile.

At the smallest scale, objectivity is a challenge as there is no internal distance from the problem; the person who designs the service or product is the person assessing whether customers understood it, so very small firms need a route to external objectivity. This aligns with the suggestion of a “critical friend”, though participants noted that external verification brings its own difficulty; each micro firm defines an “issue” differently, so consistency and comparability across firms suffer.

Smaller firms may have some advantages given they are close enough to phone clients individually, to interrogate why an outcome went wrong for a specific person, and to examine the handful of vulnerable clients on its book.

A suggestion was made on proportionate testing for firms with no market research budget and reaching out to colleagues or a family member: “if you received this from a financial planner or an insurer, would you understand it?”. This was seen as a quick, inexpensive and surprisingly effective way to surface problems.

8. Conclusion and next steps

Three years in, the sector has moved towards producing more confident, data-rich reports. Making those reports prove that customers are receiving good outcomes is the next goal. Four conclusions emerged.

- **Reporting is maturing, but data challenges remain.** The harder work of joining data up, making sense of it, and moving it between firms is where more attention is needed.
- **Measuring consumer understanding.** Firms broadly act on misunderstanding but the data to detect it in the first place needs maturing.
- **Distribution-chain data sharing needs a common standard.** Mismatched formats and definitions are as much to blame as commercial sensitivities. A sector-agreed way of exchanging outcomes information is an obvious next step.
- **Proportionality needs clearer guidance.** “Small firm” covers everything from a sole trader to a sizeable business, and different actors in the chain have different needs for which targeted guidance is required.
- **Firms want practical support.** Respondents to the survey named several tangible support tools including a minimum standard for data and MI; proportionate expectations for micro firms; rules of engagement when partners withhold data; and a set of good practice outcome measures to consider.

Building on the discussion and the survey results, the CII will continue to work with members, firms and the regulator to support the sector, developing practical guidance that help firms move from reporting to proving outcomes.

Participants

Listed under the Chatham House Rule; attendance does not attribute any specific contribution to any individual.

Rob Bell, RB Compliance Consultancy, Director
Helen Berry, Aon, Head of Operational Governance
Stephanie Chapman, Financial Conduct Authority, Manager, Consumer Duty Delivery team
Mona Christensen, St James's Place, Head of Client Services
Andrew Gething, MorganAsh, Managing Director
Edward Grant, Personal Finance Society and European Financial Planning Association, Non-Executive Director; Cabinet Office Disability and Access Ambassador.
Phil Greenwood, Beckets, Head of Compliance
Neil Ingram, Hal Experts Consulting, Insurance Consultant
Sarah Martin, Purposeful Group, Compliance Manager
Gavin Meakins, Sabre Insurance Group, Head of Claims Improvement
Grainne Murphy, Swiss Re, Behavioural Economics Consultant
Nicholas Lay, Cornish Mutual, Technical Lead Risk and Compliance
Nick Onslow, Progeny, Director and Chartered Financial Planner
Simrin Virk, Arch Insurance, Compliance Manager
Alan Whittle, Unburdened Solutions, Director. Personal Finance Society Board member

James Edmonds, CII, Strategic Delivery Lead
Adam Harper, CII, Executive Director, Strategy, Advocacy and Professional Standards
Vanessa Riboloni, CII, Head of Research and Insight

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