

## What is the Consumer Duty?

The FCA has introduced the Consumer Duty to ensure firms are providing customers with products and services that meet their needs and offer fair value, clear communication and support when needed. Also, to ensure customers are properly protected by every producer and distributor of financial services or products. Below we provide further detail on some of the key areas of the duty and how we, Mariana UFP LLP (“Mariana”), and our third-party partners, address them.

## Product and Services

### Target Market

We recognise the need to consider the needs, characteristics, and objectives of Target Market when launching new products. Each product is designed for a specific type of investor to meet their required investment objectives. The type of investor for which each plan is suitable for is referred to as the Target Market. We detail the characteristics of which investors would fall within that Target Market within our product literature. Each counterparty bank we work with is required to produce a Key Information Document (“KID”), and we make these available on our website. Within the KID document the counterparty bank will also outline what the products objectives are and which type of investors the product would be intended for.

We are members of the UK Structured Product Association (“UKSPA”). This is a membership organisation established by the leading manufacturers of Structured Products in the UK. UKSPA provides a unified voice for its members, working with regulators, financial advisers and other trade bodies. It serves a number of important functions, including engaging with regulators, developing best practice guidelines, educating the investment community, and providing a useful source of information for manufacturers, financial advisers and retail investors within the UK. UKSPA carries out independent, and periodic, market research with retail customers to establish and monitor the Target Market criteria for all Structured Product types and pay-offs.

We will also carry out periodic reviews of the Financial Instruments to ensure that they remain consistent with the needs, characteristics, and objectives of the generic Target Market.

### Vulnerable Customers

Firms are required to pay attention to the needs of all customers, including those with characteristics of vulnerability. The FCA’s definition of a Vulnerable customer is someone who, due to their personal circumstances, is especially susceptible to harm, particularly when a firm is not acting with appropriate levels of care. A customer can become Vulnerable due to health, life events, resilience, and capability factors.



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When a customer invests in a Mariana Structured Product or Structured Deposit, they become a client of James Brearley & Sons Ltd. As the administrator and custodian of Mariana plans, James Brearley has the responsibility of processing and approving each client's application and administering the investment throughout the term of the plan.

A key part of this process is both the identification of Vulnerable customers and then the correct recording of vulnerability information. All relevant members of James Brearley staff receive training on the firm's approach to Vulnerable customers and how to identify Vulnerable customers as part of the annual training on Culture and Conduct. As part of James Brearley's Training and Competence scheme, all their members of staff are assessed to ensure competency to undertake their role, or any training needs identified that need to be addressed. Please refer to James Brearley's Vulnerable Customer Policy for more information.

As a firm dedicated to the highest standards of conduct and best practice, James Brearley are committed to ensuring its customers are provided with the best possible service and are treated fairly in all of their dealings with them. The fair treatment of customers is embedded in their culture, policies, and procedures.

The identification of whether a product is suitable or appropriate for any customer, Vulnerable or not, continues to be the responsibility of those individuals making the recommendation. It is also important to note that the Vulnerable status of a customer can change during the life of the product and any changes that are relevant need to be brought to the attention of the relevant parties.

## Price and value

For products in scope of the Consumer Duty, we need to demonstrate that our approach to charging strikes a fair balance between the overall price customers will pay for a product or service, and the benefits they are likely to receive. We also need to ensure, and evidence, that the products we bring to market offer fair value to investors. Further information relating to charges can be found in the product brochure and the accompanying KID document.

To help determine the value of a product, we conduct back testing, stress testing and value for money simulations on all products to demonstrate how the product would have performed historically, how it would perform under different market conditions and if the opportunity costs for the customer exceeds comparable investments. These together form part of the product approval process. The governance process in place to monitor this is from the best practices agreed with UKSPA.

The counterparty bank involved in each product will also be required to conduct similar tests on each product as part of their ongoing responsibilities under the Consumer Duty. This means that each product that is launched will have had both the Issuer (counterparty bank) and the distributor (Mariana) conduct the necessary Fair Value tests. In order for a product to be launched to market it will need to have passed the required benchmarks from both entities. It is safe to assume that any

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Structured Product or Structured Deposit we launch offers Fair Value and has passed the required tests from both us and the issuing bank.

## Customer Understanding

The brochure's produced by Mariana for each Structured Product or Structured Deposit have been reviewed based on the new Consumer Duty.

If a customer requires the brochure in a different format, we will respond in a reactive way as soon as possible.

## Customer Support

While we have no direct contact with the end customer, we will provide support where necessary, including through our third-party partners and IFA clients.

## Summary

The new Consumer Duty rules set out clear parameters for firms and the expectations required when providing a product or service to retail customers. Positive customer outcomes remain at the heart of what we do, and the implementation of the new regime enables us to continue to do so. We may from time to time require information relating to the Consumer Duty from our third-party partners and clients to enable us to adhere to our requirements. If you would like further information on any of the key areas discussed above, please do get in touch and we would be happy to discuss in more detail.