

Consultation Response

FCA CP25/17 Supporting consumers' pensions and investment decisions: proposals for targeted support



Executive Summary

Altus Consulting, part of Accenture, welcomes the FCA's proposals to introduce a targeted support regime and commends the ambition to close the persistent advice gap in pensions and retail investments. We agree that the regime should be judged not by its inputs, but by its ability to deliver better outcomes - defined not solely by consumer action, but by improvements in understanding, confidence, and decision readiness.

Key Areas of Alignment

Purpose Framing: We support the FCA's use of "better outcomes" as the regime's purpose statement. This framing is consistent with the language of the Consumer Duty and reflects the FCA's broader shift toward outcomes-based regulation. However, it is essential that "better outcomes" be interpreted to include improvements in comprehension, confidence, and decision readiness -

not just behavioural change. A consumer who understands their options - even if they choose not to act - has achieved a better outcome. That improvement in understanding is itself a meaningful result.

Segment-Level Suitability and Communications: We endorse the proposal to judge suitability at the segment level, using reasonable assumptions and proportionate evidence. This approach is critical to ensuring the regime remains scalable and accessible, particularly for firms with limited compliance capacity. We also support the FCA's shift toward flexible, outcomes-focused communications. Firms should be encouraged to disclose the nature of targeted support and the characteristics of the consumer segment, use behavioural techniques such as "data playback" to reinforce understanding, and consider whether assumptions should be disclosed

where they materially affect suitability. We agree that risk information should be integrated contextually, not presented as standalone warnings that deter engagement.

Flexibility and Iterative

Implementation: We welcome the FCA's intention to build the regime on existing regulatory foundations, including the Consumer Duty and PROD, and to avoid unnecessary duplication of rules. Just as importantly, we support the principles-based design of the regime, which enables innovation, accommodates evolving delivery models, and allows firms to test and refine their approaches over time. Iterative implementation will be essential to unlocking the full potential of targeted support, and we encourage the FCA to maintain a supervisory posture that supports experimentation and learning.

Areas Where We Propose Enhancements

Clarify the Relationship to Consumer Duty and Provide Regulatory

Reassurance: While the regime is clearly aligned with the Consumer Duty, we believe that it remains unclear whether targeted support is intended to help firms meet their Duty obligations or whether it constitutes a distinct regime with separate expectations. This ambiguity risks discouraging adoption, particularly among firms seeking proportionate ways to support their customers. We also believe that regulatory reassurance is essential to ensure confidence in the regime's evidentiary standards.

Firms need clarity that suitability will be judged at the segment level - not against advice-style standards - and that reasonable assumptions based on limited data will be accepted. We recommend that the FCA and the Financial Ombudsman jointly provide guidance on how complaints will be assessed, including illustrative case studies and confirmation that retrospective enforcement will not default to advice-level expectations. Without this clarity, firms may adopt overly cautious approaches or delay deployment.

Expand Scope Beyond Personal

Recommendations: We are not in favour of the proposal to limit targeted support to personal recommendations. We believe this framing risks narrowing the regime's perceived purpose and excluding valuable forms of support that fall short of a recommendation but still improve consumer outcomes. Many consumers are not seeking product-specific advice - they are looking for timely, contextual prompts that help them understand their options and build confidence. We propose a tiered model:

Tier 1: Structured, segment-based interventions that do not constitute a personal recommendation (e.g. behavioural nudges, contextual prompts).

Tier 2: Personalised product suggestions delivered through targeted support journeys, subject to suitability and disclosure rules. This model reflects the diversity of consumer needs and supports innovation across the advice-guidance spectrum.

Reconsider Restrictions on Annuities and Consolidation: We are not in favour of the proposed ban on suggesting a particular annuity. This restriction contradicts the regime's premise that targeted support may include personal recommendations and risks undermining support at a critical financial juncture. The annuity market is already structured to support transparency and comparison, and targeted support could materially improve consumer decision-making. Similarly, we caution against excluding pension consolidation from the regime. While we agree that consolidation into or out of a specific product may require advice-level personalisation, we believe targeted support can play a meaningful role through structured prompts, segment-level comparisons, and default pathways. We recommend that the FCA explore safe ways to support consolidation decisions without breaching the advice boundary.

Support for Trustees and Hybrid Journeys: We believe many pension scheme trustees will want to provide services to their members that are akin to targeted support, particularly in relation to decumulation decisions. However, trustees may be unsure how far they can go without triggering regulated activity. Further guidance is needed from both the FCA and DWP/TPR to enable trustees to deliver structured, segment-based support - either directly or in partnership with FCA-authorised firms - without breaching the perimeter. We also encourage the FCA to clarify how targeted support can be embedded within hybrid journeys, where consumers may encounter multiple forms of support in close succession.

Clear delineation between service types will be essential to maintaining consumer understanding and trust.

Conclusion

Targeted support represents a significant opportunity to reshape how financial services engage with the mass market. By enabling structured, proportionate interventions that improve decision readiness without requiring full advice journeys, the regime can help consumers navigate complex financial choices with greater confidence. It offers a scalable way to make financial services more accessible, relevant, and useful - particularly for those who have historically been underserved by traditional advice models.

Its potential is especially pronounced in pensions, where disengagement and low trust remain endemic. While auto-enrolment has been highly effective at building long-term savings, its success has been built on harnessing inertia. As a result, it implicitly signals to savers that minimal interaction is required. This has contributed to a system that accumulates assets efficiently but does little to build understanding, confidence, or trust.

Targeted support offers a unique opportunity to reverse this dynamic. By prompting meaningful engagement and improving consumer comprehension, it can help lift DC pension providers out of the trust doldrums. In our view, this may be the single greatest outcome that targeted support could deliver.

To realise this potential, the regime must remain proportionate, flexible, and capable of providing a clear bridge from guidance to regulated advice. We encourage the FCA to maintain a principles-based approach, provide regulatory reassurance, and support firms in delivering high-quality support that builds consumer confidence, strengthens long-term financial wellbeing, and makes financial services work better for everyone.

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We specialise in strategic and technology consulting across the Investment and Insurance sectors. With two decades of deep industry experience, we've developed rich reference models and proven, repeatable approaches to solving complex problems quickly and effectively.

In March 2025, Accenture acquired Altus Consulting to further strengthen its strategic advisory and delivery services for insurance, investments and other financial services businesses across the UK.

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