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Dear CEO/Director,

Implementing the Consumer Duty in the Motor Finance Providers Portfolio

The Consumer Duty is a significant shift in our expectations of firms. It introduces a more outcomes-focused approach to consumer protection and sets higher expectations for the standard of care that firms give customers.

We are sending this letter to firms whose primary business model is providing Motor Finance to help them implement and embed the Duty effectively. This letter sets out:

- A reminder of the implementation timeline, key elements of the Duty and how it applies to firms in the Motor Finance Providers portfolio
- Our expectations for how firms should embed the Duty in the Motor Finance Providers portfolio
- Feedback from our recent review of firms' implementation plans
- Our approach to supervising the Duty in the Motor Finance Providers portfolio and planned next steps

We expect the Consumer Duty to be a top priority for you personally. We want good outcomes for customers to be at the heart of firms' strategies and business objectives, and leaders have a key role to play here. Firms' Boards and senior management should embed the interests of customers into the culture and purpose of the firm.

We have also reviewed the key risks of harm for firms in the Motor Finance Providers portfolio, their consumers, and the markets in which they operate as part of our supervision strategy review incorporating Consumer Duty considerations for this market. This follows on from our previous review, and our letter to you of January 2020. We have set out, in Annex 2, an updated view of the current key risks of harm and an overview of our supervisory strategy and programme of work.

You and your Board should carefully consider the extent to which your firm presents the risks we refer to in this letter, review your strategies for mitigating them and be able to demonstrate that you and your senior managers are taking reasonable steps to mitigate the risks identified.

Your timeline for introducing the Duty

In July 2022 we published final rules and guidance for firms, and set out the following timeline for firms to implement the Duty:

- By the end of October 2022 firms' boards or management bodies should have agreed their plans for implementing the Duty
- By the end of April 2023 manufacturers should have completed all reviews necessary to meet the outcome rules and shared necessary information with their distributors
- The Duty comes into force on 31 July 2023 for new and existing products or services that are open to sale or renewal
- On 31 July 2024 the Duty comes into force for closed products or services.

While our work on the Duty pre-dates the cost-of-living crisis, it is particularly important as consumers face increasing pressures on their household finances. Even before the crisis, consumers were being asked to make an increasing number of complex and important decisions in a faster and increasingly complex environment. But the crisis underlines the need for high standards and strong protections. It is more important than ever that consumers can make informed, effective decisions, act in their interests and pursue their financial objectives.

How the Duty applies to firms in the Motor Finance Providers portfolio

The Duty applies to products and services offered to retail customers, and to all firms who determine or have a material influence over customer outcomes - not just those with a direct customer relationship. We've set out a some more information and examples about how the Duty applies to firms in the Motor Finance Providers portfolio in Annex 1 to this letter.

Overview of the requirements of the Duty

The Finalised Guidance ("Guidance") we published in July provides firms with a full explanation of the requirements of the Duty, including many helpful examples of good and poor practice.

The Duty requires firms to act to deliver good outcomes for retail customers. Firms must act in good faith towards customers, avoid causing them foreseeable harm, and enable and support them to pursue their financial objectives. Firms should consider the diverse needs of their customers – including those with characteristics of vulnerability (see chapters 4-5 of the Guidance).

The Duty also introduces new rules and guidance to ensure that:

- **Products and services:** are designed to meet the needs, characteristics and objectives of a specified target market (chapter 6)
- **Price and value:** Products and services provide fair value with a reasonable relationship between the price consumers pay and the benefit they receive (chapter 7)
- **Consumer understanding:** Firms communicate in a way that supports consumer understanding and equips consumers to make effective, timely and properly informed decisions (chapter 8)
- **Consumer support:** Firms provide support that meets consumers' needs throughout the life of the product or service (chapter 9)

A key part of the Duty is that firms are able to define, monitor, evidence and stand behind the outcomes their customers are experiencing (chapter 10). This monitoring must enable firms to identify where customers, or groups of customers, are experiencing poor outcomes, and where this is the case firms must take appropriate action to rectify the situation.

The Duty does not have a retrospective effect and does not apply to past actions by firms. However, the Duty applies, on a forward-looking basis, to firms' ongoing work for existing customers (chapter 3).

Our expectations for how firms should embed the Duty in the Motor Finance Providers portfolio

The Motor Finance Providers portfolio includes firms involved in both lending and hiring, with firms varying significantly in size. We aim to improve firms' conduct and understanding of our expectations so that financial markets work well and are able to deliver good outcomes for consumers, market participants and the economy.

We continue to see challenges for the market, particularly around the control of dealer networks and oversight of these by the lender, with particular reference to the adequacy of point-of-sale information; and changes in the market, for instance increasing sales of Alternative Fuel Vehicles, the shift in consumer behaviour from ownership to usership and increased digitalisation of the customer journey.

We expect firms' culture and governance to drive good behaviours and good consumer outcomes, and for individuals to be accountable for their actions. We want Boards and senior management in firms to prioritise embedding a healthy culture, one with meaningful purpose reflected in their policies and decision-making aligned with consumer interests and outcomes at the heart of their business.

Our previous portfolio letter in January 2020 reflected on the impact evolving business models could have on the market, affordability, arrears and forbearance and prudential impacts. Since then, we have also needed to consider the impact of the pandemic and the implications of the rising cost of living.

Given the unprecedented impact of these, we expect firms to provide customers in financial difficulty appropriate tailored forbearance that is in their interest and takes account of their individual circumstances. In Annex 2, we set out our updated view of the key drivers of harm in the context of the Duty, encompassing harms we have highlighted previously, as well as emerging harms.

Feedback from our review of implementation plans

On 25 January we published feedback for firms on the implementation plans we have reviewed. This feedback contains examples of good practice, and areas for improvement, which will be useful for all firms to review as they implement the Duty.

Many of the plans we reviewed showed that firms have understood and embraced the shift to focus on consumer outcomes, established extensive programmes of work to embed the Duty, and are engaging with the substantive requirements.

However, we did also identify plans that suggested some firms may be further behind in their thinking and planning for the Duty. This brings a risk that they may not be ready in time, or they may struggle to embed the Duty effectively throughout their business.

We have identified three key areas where firms should particularly focus their attention during the second half of the implementation period (to 31 July 2023):

- **Effective prioritisation:** We saw some plans where it was not clear what the basis was for prioritising some implementation work ahead of other aspects. Firms should make sure they are prioritising appropriately, focusing on reducing the risk of poor consumer outcomes and assessing where they are likely to be furthest away from the requirements of the Duty.
- **Embedding the substantive requirements:** We saw some plans that suggested firms may have considered the requirements superficially or are over-confident that their existing policies and processes will be adequate. We urge firms to carefully consider the substantive requirements of the Duty, so that when they are reviewing their products and services, communications and customer journeys, they identify and make the changes needed to meet the new standards.
- **Working with other firms:** To implement the Duty on time, many firms need to work and share information with other firms in the distribution chain. However, some firms may need to accelerate their work on this important aspect of implementation.

As they oversee the implementation of the Duty, firms' boards and management bodies will want to particularly focus and provide challenge in the three areas above, and on the other issues highlighted in our feedback.

Our supervisory approach and next steps

The Consumer Duty is a cornerstone of our three-year strategy, and a key element of our work to set and test higher standards between now and 2025. It is being prioritised at every level of the FCA, from the board down, and it will drive our supervision strategies and prioritisation.

As part of this work, we are developing a strategy to supervise Motor Finance Providers as they embed the Duty and to tackle key harms, as well as metrics to measure the impact of the Duty in the sector.

Firms of all sizes in the sector should be prepared to discuss the Consumer Duty with us and to provide us with information on the reviews and assessments they have conducted as part of the embedding process. These additional engagements will be carried out through a variety of means, likely to include bilateral engagement, continued close engagement with the trade bodies, and industry events.

We will continue our work to support firms' embedding activities in the run-up to the July 2023 implementation deadline. Our programme of communications on the Duty will continue, with further events and updates to our dedicated webpages. We are working with an external research agency that will soon be sending a short survey to a sample of firms. This anonymised survey will help us understand the progress firms are making in implementing the Duty and will inform our ongoing communications to firms.

For more information:

- Read our **Finalised Guidance** [Finalised Guidance (FG22/5)]
- Consider our feedback on our **review of implementation**
- Visit our **Consumer Duty homepage** www.fca.org.uk/firms/consumer-duty where you will find additional information about the Consumer Duty, on-demand webinars and podcasts, and the option to sign up for email updates

If you have any questions, you can **email us** at firm.queries@fca.org.uk

Yours sincerely,

Roma Pearson
Director, Consumer Finance Division
Supervision, Policy & Competition Division

Annex 1 – How the Duty applies to firms in the Motor Finance Providers portfolio

The Duty will require firms to act to deliver good outcomes for customers (including those in vulnerable circumstances). This reflects the positive and proactive expectation we have of firm conduct, and our desire for firms to think more about consumer outcomes and place consumers' interests at the heart of their activities.

We consider there to be existing drivers of harm in this portfolio in several of the areas of focus for the Duty, which has led us to prioritise this portfolio for assessing implementation of the Duty requirements in firm practices.

We expect the focus on acting to deliver good outcomes to be at the centre of Motor Finance Providers' strategy and business objectives.

Motor Finance Providers will need to consider in their implementation of the Duty and setting or re-setting their strategy and business objectives, how their business is delivering the outcomes that the Duty supports.

We expect to see firms implementing the Duty with particular focus on the following issues:

Motor Finance lending products are designed to meet the needs, characteristics, and objectives, of your intended customers. Firms should be recognising where their products are complex and assuring themselves in these circumstances that they are designed according to consumer needs. Firms should ensure that products are designed to take into account the effects of potential fluctuation in the value of used cars including how they set guaranteed (minimum) future values. Firms will also need to consider this outcome in how they evolve their product offerings to support the financing of Alternative Fuel Vehicles ("AFVs").

Motor Finance lending products and services provide fair value. Firms must assess whether fees charged have a reasonable relationship with the benefit to the consumer; and this must be regularly reviewed. The value of the product provided should not be compromised by unmanaged commercial or staff incentives. Firms should consider their commission models in the context of this outcome, including having regard to our banning of discretionary commission models in rules introduced by Policy Statement 20/8. Fair value is about more than just price, the Duty aims to tackle factors that can result in products or services which are unfair or poor value, such as unsuitable features that can lead to foreseeable harm or frustrate the customer's use of the product.

Firms communicate in a way that supports consumer understanding and equips consumers to make effective, timely, and properly informed, decisions. Firms must tailor communications to meet the needs of the customers they are intended for; and test and monitor whether the communications deliver good outcomes. Financial Promotions should be clear, fair and not misleading and contain accurate and balanced information.

Firms provide support that meets consumers' needs throughout the life of the product or service. This might include ensuring there are sufficient staff members with the knowledge, training, and experience, to meet the changing needs of the customer, identify vulnerabilities, and handle them appropriately.

Where customers wish to terminate their agreement, how voluntary termination works and its consequences need to be adequately explained. Firms should consider the range of their customers' knowledge and financial capability in assessing how they deliver this outcome. Customers also need the right support to understand their options at the end of any contract period.

It is important that complaint procedures are prominent, easy to understand, and sufficiently resourced.

Meeting the needs of customers in financial difficulty is an important part of achieving this outcome. Ensuring that customers in financial difficulty receive fair and appropriate support remains a key priority for the FCA and a key outcome that the Duty seeks to enhance by ensuring that firms act in their customers' interests.

Firms to be clear on their roles in the distribution chain and meet their commitments under the Duty. Finance providers and those broking finance (including dealerships) need to consider their respective roles, i.e. whether they are acting as manufacturer, distributor or are co-manufacturers and distributors. Firms are manufacturers if they create, develop, design, issue, manage, operate, carry out, or (for insurance or credit purposes) underwrite a product or service. There may be multiple manufacturers for a single product or service. A firm would be considered a co-manufacturer where they can determine or materially influence the manufacture of a product or service. This would include a firm that can determine the essential features and main elements of a product or service, including its target market. As an example, if a lender negotiates an APR price-point with a dealer or broker firm, the firms may need to consider whether the lender is making the pricing decisions or if the dealer or broker has a material influence on this.

Where firms collaborate in this way, they must have a written agreement outlining their respective roles and responsibilities to comply with the rules in this section. We expect the agreement to be a confirmation of which firm is responsible for meeting different aspects of the rules under this outcome. So, in the event of a problem, it is clear which firm is accountable.

Evidencing good outcomes

Under the Duty, firms must understand and be able to evidence the outcomes their customers are getting. These are broader than the four specific outcomes set out in the Duty's rules and include the overall outcomes consumers receive from a product or service or when interacting with a firm, such as whether they are using the product or service as expected, the benefits they are receiving, and whether they are incurring harm.

The Duty rules therefore require firms to:

- Monitor and review customer outcomes to ensure that products and services are working as they and their customers expected and in a way that is consistent with the Duty
- Identify where customers or groups of customers are not getting good outcomes and assess the reasons why
- Have processes to adapt and change products and services, or policies and practices, to address the risks or issues identified and stop them recurring in the future. Firms' regular reviews under the Duty must provide an opportunity to identify further harms, including new and emerging harms.

Firms will need to use their judgement to identify relevant sources of data. There will be significant differences in the capabilities of firms and, in general, we would expect firms with more sophisticated data strategies to have more detailed monitoring strategies.

However, one key question all firms can ask themselves is whether they are using the same (or similarly sophisticated) management information capabilities as they use to inform other elements of their business, such as product development or sales, to also monitor customers' outcomes.

For further guidance on measures you could use, see especially Chapter 11 of the Guidance. Rather than replacing existing rules and guidance, the Duty seeks to overlay and supplement the existing rules and guidance, with an emphasis on firms' obligations to monitor, understand and evidence the customer outcomes resulting in practice from their conduct and, where necessary, to improve those outcomes.

Expectations for Board oversight

Your firm's Board or governing body will need to monitor whether customers are getting good outcomes and whether further action is needed to comply with the Duty. At least once a year, the Board or governing body should review and approve an assessment of how well the firm is complying with the Duty. It should also make sure your firm's strategies, governance, leadership, processes, and people policies (including incentives at all levels) lead to good outcomes for customers. For further guidance on our expectations on monitoring and governance, see especially Chapter 13 of the Guidance.

Annex 2 – Key things for firms to consider

We have set out our expectations of firms and view of the key drivers of harm in the Motor Finance Providers portfolio in the context of the Duty:

Products and services

Affordability

Firms should consider their approach to affordability considering the Consumer Duty, in particular the requirement to avoid causing foreseeable harm. Inadequate assessment of affordability is likely to cause customer harm. We want Motor Finance Providers to help deliver outcomes that ensure consumers do not become overindebted by being given credit they cannot afford.

The complexity of motor finance products can result in consumers not being able to understand how they work and put more focus on weekly or monthly costs instead of the total amount payable. This could result in consumers being unable to adequately compare products and understand whether they are suitable for their circumstances.

The product must be affordable for the customer, and firms must have in place adequate systems and controls to make this assessment.

We will expect firms to ensure that the product design meets the needs of the consumer, that adequate information is given to consumers such that they can understand the benefits and risks of an agreement and make informed decisions.

Financing Alternative Fuel Vehicles

The government has set a target of no 'new car' sales of petrol or diesel cars by 2030 and to be net zero by 2050. Business models and product offerings are currently evolving to support the type of financing required for Alternative Fuel Vehicles. However, the increased complexity of providing bundled products could cause significant confusion for consumers about their rights and protections as a result of the types of agreements required.

In relation to AFVs, firms should pay regard to the design of products which may include the funding of charging points and other ancillary services as well as the funding of the vehicle. It is important that consumers are able to understand what may be a complex product bundle. Firms will need to design and deliver support to retail customers such that it meets their needs and ensure that customers do not face unreasonable barriers to end such agreements, given the different methods available.

For more information, please see chapter 6 of the Guidance on the products and services outcome.

Price and value

We expect to see customer outcomes improve. This means paying a price for products and services that represent fair value. Firms should ensure that products do not have features that exploit customers who might have a limited ability to get products or services elsewhere, e.g., by charging unjustifiably or unreasonably high fees or interest rates to groups, such as those with a poor credit history. Products need to continue to offer fair value when a customer falls behind with their payments, so in considering the fair value of their products firms must consider all interest, fees and charges a consumer may incur, including late payment/arrears charges. This is especially important if the target market includes consumers with poor credit rating.

Commission models and disclosure

Certain commission models may cause consumer harm without appropriate oversight in place and create potential conflicts of interests for sales staff or agents. Consumers may be in more vulnerable circumstances where the need for the goods or services being supplied may mean that insufficient focus is given to the credit agreement being arranged to facilitate the purchase.

We are also focusing attention on whether our ban on discretionary commission models in motor finance and amendments to commission disclosure rules (as outlined in PS20/8) are being complied with by both lenders and credit brokers, including motor dealers.

Firms will need to ensure that the lending product provides fair value to retail customers for example, being able to demonstrate that any fees for exceeding mileage limits and wear and tear are suitable and that consumers are not unfairly penalised for terminating Personal Contract Hire agreements early. Firms will also be required to act in good faith towards retail customers, and distributors will be required to maintain, operate and review product distribution arrangements for each product they distribute to avoid causing foreseeable harm to retail customers.

For more information, please see chapter 7 of the Guidance on the price and value outcome.

Consumer understanding

The Duty expects communications to be tailored according to the complexity of the products and the characteristics of the customers intended to receive them, including characteristics of vulnerability. So, firms need to think hard about their customers and the information and support they need to make informed decisions. Firms will also need to test that information to see how it is likely to work, and subsequently monitor how well it is working in practice.

Control over dealer networks and oversight of these by the lender

Motor Finance Providers need to have adequate oversight of dealer/broker networks, and monitor point of sale compliance with our CONC rules. Where dealers use non-compliant financial promotions it can result in consumers being unable to make informed decisions and purchasing financial products that aren't suitable.

Further, as more dealers/brokers move from in-person sales to digital based sales, firms will need to adjust their oversight models to ensure they are monitoring their network appropriately and that the correct information is being provided through digital channels.

We expect firms to ensure that appropriate oversight is exercised so that customers have the right information (including whether the car will be owned by the consumer at the end of the term, or whether further sums might be due, or whether the vehicle will be returned) with which to make effective, timely and informed decisions; and we will be undertaking work to ensure compliance in this area.

Evolving business models, strategies, and digitalisation of the customer journey

There has been a shift in consumer behaviour and attitudes from ownership to usership models. Firms should have clear agreement terms which help the customer to understand the risks and benefits of the product. Firms should also be clear with customers about what their rights and responsibilities are under different types of agreement and the protections available to them.

We have seen an increased digitalisation of the motor industry, and fewer face-to-face interactions. Firms need to remain cognisant of the risks that this can bring, remaining aware of customer vulnerabilities and whether they create barriers and financial/digital exclusion for certain segments of the market. There is the potential for harm to arise from the customer journey moving online and key aspects of the agreement, such as the pre-contract disclosures being explained in a compliant way, which could lead to consumers not understanding the product and whether it is suitable.

We expect firms to ensure that customers are given sufficient information to understand how products work, so that they can make properly informed decisions. We also expect firms to ensure that customers' online journeys are such that they understand the options available and are suitably informed to make the right decisions, where the right product choice is complex and dependent on a number of variables.

For more information, please see chapter 8 of the Guidance on the consumer understanding outcome.

Consumer support

We want firms to provide a level of support that meets consumers' needs throughout their relationship with the firm. This means firms' customer service should enable consumers to realise the benefits of the products and services they buy and ensure they are supported when they want to pursue their financial objectives.

Firms must also ensure that customers do not face unreasonable barriers, for instance when making a complaint. In addition, ensuring that customers in financial difficulty receive fair and appropriate support remains a key priority for the FCA and a key outcome that the Duty seeks to enhance by ensuring that firms act in their customers' interests.

Against a backdrop of higher inflation and increasing interest rates, we are seeing an increasing number of customers facing difficult circumstances, personally and financially.

Whilst our policy work on the Duty pre-dates the rising cost of living, this crisis underlines the importance of the standards and outcomes we expect under the Duty and provides further opportunity for the sector to build public trust.

Our recently published Dear CEO letter outlines these points in greater detail, and you can find further information for firms in our cost of living key documents.

Under the Duty, firms are required to avoid causing foreseeable harm to customers. We know that customers in financial difficulty are more likely to have characteristics of vulnerability, and that poor treatment of customers in this situation is likely to cause harm.

The Duty makes clear that firms must provide support that meets the needs of customers, including those with characteristics of vulnerability, throughout the life of the product or service. For example, firms should ensure that responsibility for repairs between the broker and the lender are properly managed.

Firms need to be able to provide appropriate support to customers through different channels or by adapting their usual approach. For example, some customers may be supported better through telephone channels, rather than automated means of providing services, such as chatbots, when discussing their options, or experiencing repayment difficulties. The level of service remains important and that the right systems and controls are in place to monitor service levels.

Forbearance

Our Borrowers in Financial Difficulty (BiFD) review found that firms could do more to encourage customers to engage, particularly when payment issues start to arise. The review also highlighted that ineffective discussions can lead to unfair, inappropriate and/or unsustainable forbearance arrangements. Even where well designed policies are in place, forbearance may work poorly in practice where firms do not have adequate systems and controls.

We also found that most firms informed customers about sources of debt advice and guidance through their written and/or online communications but opportunities were missed to highlight the benefit of these services in telephone conversations. We encourage firms to help customers understand what types of debt help or money guidance are available and to tell customers that they can get guidance or not-for-profit debt advice through both digital and telephone services. Firms can signpost and use referral processes so that customers can take the full range of delivery channels available to them into account.

Firms' handling of complaints

Firms are required to adhere to our DISP rules when dealing with consumer complaints. This includes providing effective and transparent procedures for the reasonable and prompt handling of complaints and providing a response within the necessary time limits.

Firms should also be aware of their requirements under DISP 1.6 to fully cooperate with the Financial Ombudsman Service ("FOS") in the handling of complaints against it, which includes producing documents when requested, adhering to any settlements or awards and conducting root cause analysis.

The Duty requires that firms define, monitor, evidence and justify the outcomes their customers' experience. This monitoring must enable firms to identify where customers are experiencing poor outcomes. This can include learnings from complaint outcomes, including those decided by the Financial Ombudsman Service. Where poor outcomes are detected, firms must take appropriate action to rectify the situation

Please see chapter 9 of the Guidance for more detail about the Consumer Support outcome.

Other priorities

Financial resilience

With structural changes in the market, changes to business models and the impact of the economic environment on the asset value of loan books, we are concerned that these factors could put pressure on firms' financial resilience. Firms should regularly stress test their financial resilience taking account of firm, market wide and economic changes to identify early any risks that need managing in order to ensure they can continue to meet their prudential regulatory requirements including that they have adequate financial resources[1].

Technology, cyber and resilience

Firms in the portfolio hold personal and financial data on a significant number of consumers and require effective systems and controls including to minimise the risk of data loss, data corruption or misuse of personal data. The risks of harm are heightened with the increasing use of online omni-channels in the motor industry.

Firms should also consider whether their systems and controls need updating to identify, manage and mitigate the risks associated with increasing product delivery through the online channel.

Data-led Regulation

As we transition towards becoming a more data-led regulator (see the FCA data strategy), we remind firms we will increase our focus on data, not limited to regulatory returns. We also remind firms of their obligations to report regulatory returns accurately, in a timely manner, as well as ensure that their standing data is up to date. Our move towards automated data collection should enable firms to meet their reporting requirements and submit returns more easily.

Data enables us to make better, more informed, regulatory decisions that benefit consumers and firms alike. We are committed to using the data that we receive from firms to test whether firms' products and services deliver good outcomes for consumers, and to simulate policy outcomes before publishing rules. It also helps to identify firms that may be of interest to us for causing potential consumer detriment or failing to meet its regulatory obligations. Equally, we want to share our data with firms so they can use it to test new products and business models themselves.

Principle 11 includes a requirement for firms to deal with its regulators in an open and co-operative way. Further to this, we expect all firms in this portfolio to be aware of the requirements and guidance in SUP 15, and to submit timely notifications as required. Failure to notify us of matters set out in SUP 15.3 could have serious regulatory impact as it may impact our ability to effectively supervise the firm and raise questions about

[1] https://www.fca.org.uk/publications/finalised-guidance/fg20-1-assessing-adequate-financial-resources

whether the firm is meeting the Effective Supervision Threshold Condition (COND 2.3 Effective Supervision).

Environmental, social and governance ("ESG")

Financial services and markets have a central role in the transition to a low carbon economy and more sustainable future. The Government has committed to achieving a net zero economy by 2050. We will support the financial sector in driving positive change, including the transition to net zero. Our refreshed ESG strategy sets out our target outcomes and actions we expect to take to deliver these in the coming months.

Achieving a more diverse and inclusive financial services industry is an important part of the FCA's ESG priority. Diversity and inclusion is key to a healthy culture. We believe that diversity of perspectives and thought, when part of an inclusive culture, results in better judgements and decision making. We recently published a review of approaches to diversity and inclusion in a sample of regulated firms. We encourage all regulated firms to consider these findings in the development of their diversity and inclusion strategies and practices. We intend to publish a Consultation Paper (CP) this year and encourage firms to read and respond to the CP when it is published.