

David Geale on the Insurance Distribution Directive consultation video transcript

David Geale, Director of Policy, FCA: We've published a consultation on the Insurance Distribution Directive. This requires us to make some changes to our rules and our guidance and these changes will affect most insurance firms: insurers, intermediaries and reinsurers. It also affects those firms for whom insurance is not their main business: furniture retailers who sell insurance, motor dealers who sell insurance as well. We would encourage everyone to read it.

Why are we publishing this document?

DG: The Insurance Distribution Directive (IDD) is a wide-ranging piece of European legislation. It makes changes that are aimed at improving consumer protection and driving effective competition.

We need to make some changes to our rules so that firms are ready and able to comply with the directive by 23 February 2018.

What does the publication cover?

DG: It considers things like professional and organisational requirements. In practice that means how much training is required, what sort of evidence of that should you have for example.

It also affects other conduct of business rules, complaints handling and a number of other areas.

What does it mean for my firm?

DG: Implementation of the directive may seem a way away in February 2018 but actually that's really close.

We want firms to start thinking now about the changes they need to make. These could be changes to the organisational requirements in terms of how you do business. They could be around the training you provide but it can also be systems related. And we all know many of these changes take time.

The purpose of us publishing now is to give you as much time as possible to make those changes.

Why do we want feedback from firms?

DG: This is a really important change for the insurance industry. It's something that we have to implement in our rules and we need to make sure those rule changes are right.

It's vital that we get firms' feedback. A lot of what we're doing is implementing European legislation but actually that requires changes to what you do and how you do business and that's implemented through our rules. So, we would very much encourage you to feedback.