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Dear Laurence

Measuring professional standards: Demonstrating positive outcomes from doing the right thing – a discussion paper

This is the Financial Services Consumer Panel's response to the CII consultation on measuring the outcome of increasing professional standards in the general insurance sector. Although the Panel is not best placed to answer the detailed questions included in the consultation, we do have some general observations which we have set out in our response.

The Panel strongly supports efforts to increase professional standards across the financial services sector, including the general insurance market through the Aldermanbury Declaration (AD). We have long argued that raising the level of professionalism will benefit consumers through improvements in the quality of the service and products they purchase, making this point a cornerstone of our views on the Retail Distribution Review (RDR). This should also help rebuild consumer's trust in financial services firms.

The Panel is broadly supportive of the proposed approach to assessing the impact of the Aldermanbury Declaration. In particular, we agree with the proposed outcomes which the scheme will be measured against. However, we believe this list could be expanded by benchmarking against the targets set by other non-financial firms, which are improving professional standards, to see whether these should be applied to the financial services sector. This should include reviewing initiatives in the legal, accounting and nursing professions as well as standards set by retail and grocery firms such as John Lewis.

The Panel strongly supports the intention to compare the research results for customers of organisations that have adopted the Declaration and those that have not. We believe this could help encourage a greater number of firms to participate in the scheme by demonstrating that this could benefit their businesses and customers. However, we suggest that the CII should also compare the results of the different firms that participate in the Aldermanbury Declaration, focusing particularly on the degree to which the firm has embedded the standards into the culture of their

organisation. We believe that firms that put customer service at the heart of their business will perform favourably compared to those that simply treat the Declaration as a tick box exercise.

The Panel also suggests greater consideration should be given to how the results of the research should be presented. We believe there are significant benefits to publishing the results of this research. This will not only help convince the public, Government and regulators of the benefits of increased professionalism, but could act as an incentive to encourage more firms to sign-up to the Aldermanbury Declaration.

Yours sincerely,

Adam Phillips
Chairman