Fair Value: What It Really Means Under Consumer Duty

“Fair value” isn’t just a regulatory checkbox - it’s now a central expectation of how products are priced, delivered, and experienced.

For mortgage intermediaries, this means reassessing not just the mortgage advice process, but also the insurance and protection products offered alongside it. Under the FCA’s Consumer Duty, the focus is now on whether customers are getting clear, appropriate, and demonstrable value - from start to finish.

1: What the FCA Expects

The Consumer Duty framework demands that all financial products deliver:

CLEAR PRICING

No hidden or unnecessary fees

TRANSPARENT FEATURES

What’s included, what’s not, and why it matters

APPROPRIATE OUTCOMES

Is the cover suitable for the customer’s actual needs?

EASE OF ENGAGEMENT

Simple to purchase, amend, claim, or cancel

The FCA wants evidence that products are not only compliant, but genuinely useful, understandable, and fairly priced.

2: Fair Value in Practice: A Home Insurance Example

Let’s say a policy includes bicycle cover as an optional add-on. Seems reasonable, right?

But what if:

- It’s bundled automatically by default?
- The customer doesn’t own a bike?
- The add-on inflates the premium?

That’s not fair value - it’s misaligned pricing and a potential compliance risk. Fair value means clients only pay for what they need, and understand what they’re getting in return.

3: Fair Value in Practice: A Home Insurance Example

You don't need to become a compliance officer - but you do need a process that supports the outcomes the FCA wants to see.

Here's what that can look like in your business:

Action	Why It Matters
Segment your customers	Different clients need different things — especially vulnerable or first-time buyers
Work with the right providers	Ensure third-party insurers demonstrate value through transparency and performance
Review product performance regularly	Don't wait for annual audits — value should be monitored continually
Prioritise clarity in communications	If a client doesn't understand what they're buying, it's not fair value

4: What Uinsure Is Doing

Uinsure has embedded fair value oversight into its core operating model, and you can do the same.

That includes:

1. A monthly Product & Pricing Committee review
2. Internal audits and MI tracking to spot gaps in performance
3. Ongoing improvements to communication, accessibility, and your adviser toolkit
4. All of this ensures advisers are recommending products that meet the Duty's requirements - and deliver real, measurable value to clients.

5: It's Not Just About Compliance - It's About Confidence

Fair value builds trust - not just with regulators, but with customers. When clients understand what they're buying, and believe it's worth the cost:

- ✓ **CONVERSION IMPROVES**
- ✓ **RETENTION INCREASES**
- ✓ **COMPLAINTS GO DOWN**

And advisers can feel confident that their recommendations are not just competitive - they're the right thing for the client.

Got a question? We're here to help you!

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