

# Consumer Duty Report for Distributors 2025



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# An introduction from our CEO

Welcome to our third Consumer Duty report for distributors. Despite turbulent times in the geopolitical (and therefore financial) landscape, our commitment to Consumer Duty and doing right by you and our clients remains as strong as ever.

And where the regulator is calling out firms for being too reactive to make changes in line with Consumer Duty, we're proud to take a proactive stance instead. We see the value in diving deep into how we can improve our service, and this has guided the way we apply Consumer Duty across the 7IM Group.

Here's just a few examples of how we're strengthening our approach to the Duty.

## **Clear products and target markets**

We continuously carry out checks to ensure that every product is aligned to client needs and does not cause foreseeable harm. We did this by enhancing our product governance processes beyond the FCA's PROD requirements. This included publishing target markets for all our products and services, reviewing third-party arrangements, and completing a full annual review.

## **Stronger fair-value assessment and governance**

We focused on improving our processes that help us to make better decisions and give clients confidence in what we offer. Last year, we completed our annual fair value assessment using a strengthened framework across costs, performance, and service. This included evaluating total expected charges, market comparisons, economies of scale, investment performance, internal KPIs, service levels and client feedback.

Every product and service received a clear fair value conclusion, with actions identified where improvements would benefit clients.

## **Better-tested and more accessible client communications**

We saw notable improvements in our independent Consumer Understanding testing results conducted with The Wisdom Council. Clarity and comprehension increased and we're now following best practice across new and existing communications.

Over the past year, we identified where improvements could be made and we acted. We hope that this report gives you confidence in what we're doing and that we're delivering the right outcomes for your clients.

As always though, if you feel we can do more, please let us know at [information@7im.co.uk](mailto:information@7im.co.uk).



**Dean M. Proctor, Chief Executive Officer, 7IM**

# What is the Consumer Duty Report?

The Consumer Duty report aims to assist our distributing partners in satisfying their obligations under the Duty.

The report summarises the actions we have taken to review our open products and services and how they have fared against the overarching Consumer Principle, the cross-cutting rules and specifically by each of the four outcomes.

The report aims to provide information in a succinct and presentable format to enable you to incorporate the summaries both within your Product Governance framework and during discussions or meetings with clients. 7IM also distributes Assessment of Value information for our range of multi-asset funds via the European MiFID Template.

As 7IM has a wide range and significant number of distributing partners, the report is intentionally broad in nature and focused at the level of the product or service. We welcome engagement directly with firms should you wish to seek further detail regarding any aspect of the report. To satisfy our own obligations under the Duty, we will also periodically contact distributing firms to request information; this will assist us in assessing how our products and services are being used and ensure such usage is aligned with our expectations.

For ease of distribution, and to satisfy record keeping requirements, the report has been produced as a PDF document. Should you need the report in a different format or have additional accessibility needs, please contact your relationship manager who will be happy to assist.

## What is the Consumer Duty?



### Consumer principle

A firm must act to deliver good outcomes for retail clients



### Cross-cutting rules

A firm must:

- Act in good faith towards retail customers
- Avoid foreseeable harm to retail customers
- Enable and support retail customers to pursue their financial objectives



### Four outcomes

Key elements of the firm-consumer relationship:

- Products and Services
- Price and Value
- Consumer Understanding
- Consumer Support

# Products and Services outcome

## What is the requirement?

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The purpose of the Products and Services outcome is to ensure that products and services are designed in accordance with the following criteria:

- There's a **clearly identified and defined target market**
- They **meet the needs of that target market** and **avoid causing foreseeable harm**
- They ultimately **enable customers to achieve good outcomes**
- Consider particular **needs and requirements** that might be relevant **for customers with characteristics of vulnerability**
- Obligations vary depending on if you are manufacturer or a distributor of the product/service.

For manufacturers, the expectation is to regularly review the product/service to **ensure that it continues to fulfil expectations** of meeting the needs, characteristics and objectives of the target market.

For distributors, their role is to review the distribution arrangements for the manufacturer's product to ensure **that it remains appropriate** for the target market.

To help distributors to fulfil their requirements, the manufacturer must **provide sufficient information to help inform the distributor's assessment**. This report covers all products and services where we are the manufacturer, and it contains all the information required to help distributors conduct their own assessment.

## Our approach

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As a wealth manager and asset management firm, we have been adhering to the Product Governance (PROD) rules since their introduction in 2018. Although the FCA has stated that compliance with PROD broadly satisfies the Products and Services outcome; we have taken additional steps to enhance our product/service review process to ensure compliance with this outcome of the Consumer Duty along with a few other identified tasks. This includes **publishing the target market for each of our products and services** and reviewing our existing agreements with any third parties involved with the manufacturing or distribution of our products and services.

Throughout 2025 we continued to review our products and services through this framework to ensure they remain compliant with the Duty and suitable for further distribution.

# Price and Value outcome

## What is the requirement?

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Under the Consumer Duty, we are obliged to conduct a Price and Value assessment against all the products and services that we manufacture. This assessment must ensure that all our products and services provide fair value to the client based on the price the client pays.

Value can be determined by several factors, including but not limited to:

- The specific benefits of the products or services
- Any restrictions and limitations of the offering
- The fairness of the cost incurred by the client
- Customer feedback
- An analysis of comparable market rates.

If we are to find any of our products or services do not represent fair value, then we must take actions to rectify our findings and monitor them on an ongoing basis.

## Our approach

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Alongside our product review, we conduct an annual fair value assessment to assess the Price and Value of our manufactured products and services. We have broken down our analysis into three components: **costs, performance, and service**. Costs evaluates the price element of the assessment and has been further split into three additional sections: **total expected price, comparable market rates and economies of scale**. Performance and service are being used to evaluate the value received by the end client.

At the start of 2025 we reviewed our assessment framework and made enhancements where we thought improvements could be made to ensure strong assessments could be made with clear conclusions. Throughout 2025 we reviewed all our products and services through this framework to ensure they remain compliant with the Duty and provide fair value to the target market.



### Costs:

Total expected price – We consider not just the isolated costs of the product/service but the total price, taking into account distribution and other charges.

Comparable market rates – We have **compared the fee charged for each product and service against other comparable rates** in their markets.

Economies of scale – We have **identified the opportunities clients have to realise economies of scale** for each product and service.



### Performance:

When analysing performance, we assess whether the delivery of the product or service is achieving good outcomes for customers. This has been completed through identifying the number of improvements made to our products and services and the collection of internally measured key performance indicators, including time taken by staff to complete client tasks and the “up-time” of our web-based services. Where we are assessing an investment product, the performance of the investment strategy has been evaluated.



### Service:

When analysing service, we have looked at whether the service we provide to customers is in line with their needs and expectations.

This has been completed through the collection of internally measured service level agreements used by client-facing staff, the number and severity of complaints against each product and service and any feedback received, whether directly, through third-party market researchers or through awards we have received.

A conclusion was then reached at each product or service level, as to whether we provide fair value to clients and whether we had any products, services or processes that may cause client harm or could be improved to provide better value to the client.

On the following page we outline the governance that underpins our approach.

## Governance and approach

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01

### Data Collection

We identified areas which we require data from around the business including complaints, errors, suitability, operational volumes, and average portfolio size, to input into our assessment template. Our business subject matter experts were critical in providing information for the assessment and for carrying out this review.

02

### Analysis

We scrutinised each pillar using the data collected to help form our overall conclusions. In our analysis, we defined what we thought value looked like under each pillar.

Where we identified different costs and fee structures, we analysed each group at different assets under management levels to be able to identify if there were any groups not receiving value and at which point it became the case.

03

### Conclusions

Conclusions were drawn based on the information collected for each of the pillars with any remedial actions identified. Using these conclusions and the ratings guide that we created, we made a judgment on whether we believe the product or service is offering value.

04

### Committee Oversight

The Product Governance & Pricing Committee (PGPC) will be presented with the report and have the opportunity to challenge any findings as the responsible body for approving the assessment. Once the PGPC has approved, the output of the assessments will be reported to the Board annually.

05

### Publish

We will publish a statement of value on our website based on our assessment. We will monitor the industry for the development of a standardised reporting framework. The findings from the Funds assessment will be included in the European MiFID Template and information will be available to distributors.



### Ongoing Monitoring

Each product and service is continually monitored across various outputs, including customer outcomes monitoring dashboards which are overseen by the business area and presented to the PGPC. This monitoring is used to inform the annual report which is presented to the Board.

# Consumer Understanding outcome

## What is the requirement?

The FCA has been clear on what it expects of firms' communications when assessing Consumer Understanding: "We want firms' communications to support and enable consumers to make informed decisions about financial products and services. We want consumers to be given the information they need, at the right time, and presented in a way they can understand."

To ensure that communications meet these criteria, the FCA has pointed out that:

"Testing is an important part of the consumer understanding outcome. It builds on, and goes further than, the clear, fair and not misleading standard under Principle 7. It embodies the Duty's outcomes focused approach by placing emphasis on what works in practice. We want firms to be able to demonstrate consumer understanding - because they have tested it and made improvements to their communications, where appropriate, to support good outcomes."

## Our approach

- In order to support the Consumer Understanding outcome, we have committed to conducting an annual comprehensive communication review and testing programme. The details are as follows:
- We identified 'unique' communications across the firm which were then filtered by Product/Service, Journey Stage, Audience and Document Type.
- Based on the guidance provided by the FCA, we selected documents which we believed would merit testing. This was based on an assessment of their potential to impact 'Good Consumer Outcomes' and the likelihood to cause harm due to 'insufficient understanding'.
- We have selected The Wisdom Council (TWC), a leading research firm, to conduct analysis and review of our communications, utilising research participants that match 7IM's target demographic.
- The result is a prioritised list of communication in scope for testing, which covers all 7IM products and services in scope, as well as the three key stages of the client journey that we have identified.
- Once we were presented with the findings, we prioritised document updates based on the scores received and continue to apply learning and best practice from the testing to any new communications we issue.

In 2025, we continued with this program, testing documents across our products and services at different stages of the customer journey, noticing considerably improved results compared to 2024's testing program. We reviewed the findings and prioritised documents based on feedback received.

# Consumer Support outcome

## What is the requirement?

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The Consumer Support outcome ensures that an appropriate level of support is provided to the client throughout their relationship with the firm. It requires us to address practices that hinder clients from taking action to manage their financial affairs and make use of products and services.

In particular, the FCA expects us to ensure that:

- Products and services are designed and delivered so they can fulfil the needs of clients
- Clients are able to use products and services as reasonably anticipated
- There is appropriate friction across client journeys to mitigate against risk of harm and give clients reasonable opportunity to understand and assess their options, including any risks
- Clients do not face unreasonable barriers during the lifecycle of a product or service.

## Our approach

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Our approach was designed to ensure that there is a high level of support in place for all clients.

For each of our products and services, we conducted a comprehensive review of our processes through the lens of Consumer Duty. As part of our discovery exercise, we identified a limited number of processes that required uplifting to better align with the Duty. For these processes, we conducted an in-depth assessment to understand exactly where problems could potentially arise and, in turn, are working to mitigate any risk through the implementation of the action points identified.

We identified the communication channels that we use to provide support to clients, gaining an understanding of how these channels are utilised across teams. We subsequently evaluated these channels to ensure they facilitate a high standard of support for the client, so the client can make use of products and services without unnecessary barriers. We also reviewed how we monitor the various support channels on an ongoing basis to ensure we can continue to adhere to the Consumer Duty guidance and provide good outcomes for our clients.

Additionally, we have conducted a review of the contact information provided on our website to ensure it is effective and that 7IM is able to respond to the client in a timely manner.

Key findings and next steps were detailed within the product/service assessments and we have continued to make progress on these areas throughout 2025.

We also continued to conduct customer outcomes monitoring, enabling us to assess whether clients achieve good outcomes and are able to use the product/service as expected, without any barriers.

# 7IM Products and Services assessments

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# 7IM Platform Service

## Products and Services

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As noted in our previous reports, we enhanced our existing product design and lifecycle management framework to ensure that we are assessing the service against the four outcomes of the Consumer Duty, as well as important considerations such as customer vulnerability. In 2025, we continued to review the service using this framework to ensure that the design and distribution remain appropriate for the target market and continue to enable good customer outcomes.

We previously published the target market for the service on our website to ensure that the design and distribution remain appropriate for the target market and continue to enable good customer outcomes. We made a clarificatory update to note the time horizons the service is suitable and not suitable for at the end of 2025, but the target market remains unchanged. You can access the target market information [here](#).

On a quarterly basis we have continued to review for any potential negative target market distributions, using European MiFID Template (EMT) data supplied by a third party. In 2025 we expanded this review to distributions of products where there is no EMT data available. Any concerns have been investigated, and the appropriate contact has been notified.

## Price and Value

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Alongside our annual product review framework, we completed a fair value assessment evaluating cost, performance and service. Based on this criterion, we have concluded that the 7IM Platform provides fair value to the target market.

On a quarterly basis, we continued to review the value statements for the funds distributed via the Platform using EMT data supplied by a third party and notified distributors as required.

## Consumer Understanding

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Following the second phase of our testing program conducted in 2024 alongside The Wisdom Council, a leading research firm, communications selected for testing were reviewed and rated for effectiveness on a 1-5 scale for their clarity, relevance, accessibility and completeness, and literature has been or is scheduled to be updated.

We concluded our third phase of testing in 2025 and are working through the documentation updates, prioritising documents based on the score received and level of potential harm.

## **Consumer Support**

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We have strong processes in place to ensure advisers can effectively manage their clients' financial affairs and make use of the platform service as they expect to. We have continued to make improvements across the platform and enhance a small number of processes previously identified through our platform development roadmap, aimed at improving the support we provide.

We continue to monitor customer outcomes ensuring that advisers and clients are able to use the platform as anticipated, and improvements can be made promptly where required.

# 7IM Model Portfolio Service

## **Products and Services**

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As noted in our previous reports, we enhanced our existing product design and lifecycle management framework to ensure that we are assessing the service against the four outcomes of the Consumer Duty, as well as important considerations such as customer vulnerability. In 2025, we continued to review the service using this framework to ensure that the design and distribution remain appropriate for the target market and continue to enable good customer outcomes.

We previously published the target market for the service on our website to ensure that the design and distribution remain appropriate for the target market and continue to enable good customer outcomes. We have updated in line with any proposition changes, but the target market remains unchanged. You can access the target market [here](#).

We have engaged with the third-party platforms which distribute the 7IM Model Portfolio Service to provide ongoing assurance that the models are being distributed in line with our expectations and are commensurate with the service standards with which 7IM wishes to be associated.

We continue to engage with any firms we have partnered with through our Partnership Model Portfolio Service and document the respective roles and responsibilities for any new relationships.

## **Price and Value**

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Alongside our annual product review framework, we completed a fair value assessment evaluating cost, performance and service. Based on this criterion, we have concluded that the 7IM Model Portfolio Service provides fair value to the target market.

## **Consumer Understanding**

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Following the second phase of our testing program conducted in 2024 alongside The Wisdom Council, a leading research firm, communications selected for testing were reviewed and rated for effectiveness on a 1-5 scale for their clarity, relevance, accessibility and completeness, and literature has been or is scheduled to be updated.

We concluded our third phase of testing in 2025 and are working through the documentation updates, prioritising documents based on the score received and level of potential harm.

## **Consumer Support**

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We believe we have strong processes in place to support clients accessing our model portfolio service. We have continued to make improvements and enhance a small number of processes previously identified, aimed at improving the support we provide.

We continue to monitor customer outcomes ensuring that advisers and clients are able to use the service as anticipated, and improvements can be made promptly where required

# 7IM Funds

## **Products and Services**

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As noted in our previous reports, we enhanced our existing product design and lifecycle management framework to ensure that we are assessing the service against the four outcomes of the Consumer Duty, as well as important considerations such as customer vulnerability. In 2025, we continued to review the funds using this framework to ensure that the design and distribution remain appropriate for the target market and continue to enable good customer outcomes.

We previously published the target market for the funds on our website to ensure that the design and distribution remain appropriate for the target market and continue to enable good customer outcomes. We have updated in line with any proposition changes, but the target market remains unchanged. You can access the target market [here](#).

We continue to engage with the third parties involved in the manufacturing of any of our funds to ensure that roles and responsibilities are met and continue to provide good outcomes to our investors.

We have continued to reach out to third-party platforms to better understand who our funds are being distributed to and will continue to monitor this on an ongoing basis.

## **Price and Value**

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Based on our assessment looking at cost, Under the FCA's Collective Investment Schemes sourcebook (COLL) rules, from 2020 onwards, authorised fund managers like 7IM have been required to complete an annual Assessment of Value (AoV) for each of the funds that it manages.

You can find the AoV reports for the 7IM funds on our website by [clicking here](#).

## **Consumer Understanding**

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Following the second phase of our testing program conducted in 2024 alongside The Wisdom Council, a leading research firm, communications selected for testing were reviewed and rated for effectiveness on a 1-5 scale for their clarity, relevance, accessibility

and completeness, and literature has been or is scheduled to be updated.

We concluded our third phase of testing in 2025 and are working through the documentation updates, prioritising documents based on the score received and level of potential harm.

## **Consumer Support**

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Our review confirmed that 7IM and Northern Trust have strong processes in place to ensure advisers can make use of the product as they expect to. We continue to meet with NT and review any service requests made ensuring clients are provided with appropriate support when required. We continue to carry out customer outcomes monitoring, assessing whether investors are receiving good customer outcomes, ensuring improvements can be made promptly where required.

# 7IM Discretionary Service

## Products and Services

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As noted in our previous reports, we enhanced our existing product design and lifecycle management framework to ensure that we are assessing the service against the four outcomes of the Consumer Duty, as well as important considerations such as customer vulnerability. In 2025, we continued to review the service using this framework to ensure that the design and distribution remain appropriate for the target market and continue to enable good customer outcomes.

We previously published the target market for the service on our website to ensure that the design and distribution remain appropriate for the target market and continue to enable good customer outcomes. We made a clarificatory update to note the time horizons the service is suitable and not suitable for at the end of 2025, but the target market remains unchanged. You can access the target market [here](#).

## Price and Value

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Alongside our annual product review framework, we completed a fair value assessment evaluating cost, performance and service. Based on this criterion, we have concluded that the 7IM Discretionary service provides fair value to the target market.

## Consumer Understanding

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Following the second phase of our testing program conducted in 2024 alongside The Wisdom Council, a leading research firm, communications selected for testing were reviewed and rated for effectiveness on a 1-5 scale for their clarity, relevance, accessibility and completeness, and literature has been or is scheduled to be updated.

We concluded our third phase of testing in 2025 and are working through the documentation updates, prioritising documents based on the score received and level of potential harm.

## Consumer Support

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We have strong processes in place to ensure clients and their advisers can effectively use the service as intended. We have taken steps to improve some processes we identified where we felt we could improve the support we provide to clients, including vulnerable clients, orphaned clients and deceased clients.

We continue to monitor customer outcomes ensuring that advisers and clients are able to use the service as anticipated, and improvements can be made promptly where required.

# 7IM SIPP

## Products and Services

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As noted in our previous reports, we enhanced our existing product design and lifecycle management framework to ensure that we are assessing the service against the four outcomes of the Consumer Duty, as well as important considerations such as customer vulnerability. In 2025, we continued to review the service using this framework to ensure that the design and distribution remain appropriate for the target market and continue to enable good customer outcomes.

We previously published the target market for the service on our website to ensure that the design and distribution remain appropriate for the target market and continue to enable good customer outcomes. We made a clarificatory update to note the requirements for clients under the age of 18 at the end of 2025, but the target market remains unchanged. You can access the target market [here](#).

## Price and Value

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Alongside our annual product review framework, we completed a fair value assessment evaluating cost, performance and service. Based on this criterion, we have concluded that the 7IM SIPP provides fair value to the target market.

## Consumer Understanding

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Following the second phase of our testing program conducted in 2024 alongside The Wisdom Council, a leading research firm, communications selected for testing were reviewed and rated for effectiveness on a 1-5 scale for their clarity, relevance, accessibility and completeness, and literature has been or is scheduled to be updated.

We concluded our third phase of testing in 2025 and are working through the documentation updates, prioritising documents based on the score received and level of potential harm.

## Consumer Support

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We have robust processes in place to ensure clients and their advisers can effectively utilise the SIPP and make use of the product as they expect to. We have taken steps to improve some processes we identified where we felt we could improve the support we provide to clients, such as vulnerable clients, account transfers and payroll.

We continue to monitor customer outcomes ensuring that advisers and clients are able to use the service as anticipated, and improvements can be made promptly where required.

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03.26

The logo for 7IM, featuring the number '7' followed by the letters 'i' and 'M' in a bold, sans-serif font. The 'i' has a dot above it.