

Making numbers easy - complying with the Customer Understanding objective

31 August 2023

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[“TOBA traps” - general exposure risk under existing TOBAs](#)

The FCA's New Consumer Duty sets higher and clearer standards of consumer protection across financial services, requiring firms to put their customers' needs first. As part of that, the Consumer Duty includes a Customer Understanding objective which requires regulated firms to take steps to ensure customers understand the products that have been recommended to them.

Over recent years, much work has been done on the readability of insurance policy wordings and communications, including our [own ground breaking research](#) in conjunction with leading linguists at the University of Nottingham. However, work on communicating numbers has not received the same level of attention, until now...

Numbers matter

Nearly half of working aged adults in the UK are estimated to have the numeracy skills of a primary school child. Many people are not confident at using numbers in their everyday lives.

Insurance plays a critical role in people's lives, improving their financial resilience. However, insurance can be complex and difficult for consumers to understand. Insurance can also be 'number heavy', with numerous excesses, limits and dates which require the customer to be comfortable with numbers. In many cases insurance policies require the customer to do maths (co-insurance, average conditions, index-linking etc.)

Changing the way in which the industry communicate numbers can make a huge impact and play a role in helping customers make better financial decisions.

Given the importance of communicating numbers clearly, Browne Jacobson has become the first law firm to work with Plain Numbers, a social enterprise company specialising in the clear communication of customers. We are also pleased to announce that Tim Johnson, who leads the firm's commercial insurance practice, has become the [first solicitor in private practice to be accredited](#) as a Plain Numbers practitioner, with other members of the firm's [policy drafting and distribution](#) team to follow shortly.

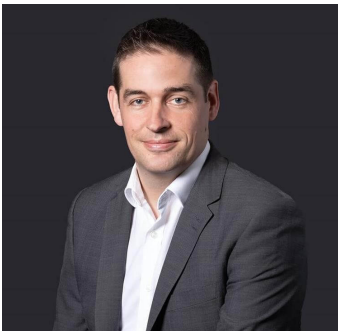
This will enable us to assist [insurance sector](#) clients on the way on which numbers are communicated to customers, which will in turn help consumers make more informed decisions, resulting in better consumer outcomes. By applying Plain Numbers techniques, firms will also be better placed to demonstrate compliance with the Customer Understanding objective within the Consumer Duty.

Please contact us to find out more about how we can assist your [financial services business](#) in communicating numbers clearly to consumers.

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Key contact



Tim Johnson

Partner

tim.johnson@brownejacobson.com

+44 (0)115 976 6557

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