

**20 January 2025**

**Consumer Duty is having a major influence on advice practice - lang cat data suggests**

Nearly three-quarters (72%) of MPS due diligence exercises ranked ‘Target Market’ as the most crucial factor for MPS selection in 2024, according to user data from the lang cat.

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Data from its Analyser MPS software, which assesses all MPS due diligence reports from the past 12 months, shows that advisers do not select primarily on cost. Fees are naturally a vital aspect to assess in CIP spell out CIP selection, however the real-world user data shows that product design and client suitability are very much front and centre – with suitability factors occupying seven of the top ten most important selection criteria.

This suggests that Consumer Duty is having a considerable influence on adviser practice. This matches up with the lang cat’s experience of working with advice firms, where there is clear recognition that Consumer Duty has moved the dial on what it takes to perform compliant and thorough product due diligence. Part of this is a cemented focus on ensuring that target client suitability is being taken seriously when it comes to panel product selections.

**Top 10 most selected features as part of due diligence in 2024**

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|  | **Category** | **Feature** | **%** |
| 1 | About Us | Target Market | 72.41 |
| 2 | Range Features | Underlying Ongoing Charge (OCF) | 67.82 |
| 3 | About Us | Negative Tarket Market | 66.67 |
| 4 | Investor Category | Retail | 65.52 |
| 5 | Range Features | Minimum Investment Criteria | 58.62 |
| 6 | Range Features | Asset Allocation Strategy | 58.62 |
| 7 | Range Features | MPS Charge / Management Fee | 57.47 |
| 8 | Literature | Link to VFM Assessment/Statements | 55.17 |
| 9 | About Us | Unique Selling Point | 51.72 |
| 10 | Range Features | Objective(s) of Range | 50.57 |

*Source: Analyser, the lang cat, 31 December 2024*

**Terry Huddart, Digital director at the lang cat** commented: “Our Analyser methodology has always been built around a client needs first philosophy and Consumer Duty brought a whole new dimension to the importance of that.

“There’s an open debate around whether the MPS sector has become commoditised on cost and performance, but this not what we are seeing. It’s natural to think that, with so many to choose from, cost and performance would be the path of least resistance. It’s great to see that advisers are thinking beyond just those aspects and focusing on the vital factors of their own firm’s investment philosophy and target client definitions.

“Performance is not represented in this data as it comes from the proposition feature screening phase of the process. Instead, it comes towards the end and is naturally looked at in 100% of due diligence exercises. As is underlying portfolio level detail, such as risk rating and costs, again at a separate part of the process.

“As vital as assessing past and ongoing performance is, we’d challenge much of the commentary seen around it. Performance is a combination of returns and volatility, which also speaks to overall client suitability in terms of life stage and attitude to risk among several other factors.”

Analyser’s MPS comparison tool was launched in June 2022 and gives users a way to conduct safe, robust, defensible due diligence in a system which is free from provider influence.

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**Notes to editors:**The lang cat is Leith’s leading (probably) specialist financial services consultancy. The lang cat works with financial advisers and providers, helping them develop new propositions, turn marketing strategy into action and articulate their services in such a way that people without financial services degrees have a hope of understanding them. It aims to make the industry a little bit less corporate and stuffy and a little bit more human.

The lang cat market insight powers Analyser which has been designed to help advice professionals research and conduct due diligence on platforms and MPS providers and ranges. Analyser puts suitability front and centre and gives an audit trail of every decision taken, through a software system that’s fast, accurate and independent. Advice professionals can find further information and sign up to a free 14-day trial at <https://www.langcatanalyser.com/>