# Introduction to Behavioural Economics for Consumer Credit Firms
## 26 April 2019

FLA

**Member Rate**
**£465 + VAT**
**Non-Member Rate**
**£625 + VAT**

For the Financial Conduct Authority, Behavioural Economics is an important approach regulating the Consumer Credit Sector.

As a result firms will need to consider to what extent the practical application of behavioural economics is embedded in their product design, distribution channels, sales strategies and internal processes to ensure that their customers' interests are at the heart of everything they do.

This one day course aims to introduce firms and individuals to the concept of Behavioural Economics and the role it should play in their firms.

**Please note: all FLA events are subject to the application of competition law. Details will be available on the day and are included in the booking form.**

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### About this course

Since 2014, the FCA have published more than 30 Occasional Papers which are research based, and a number of them have a keen focus on Behavioural Economics (BE), both from a consumer and a regulatory perspective.

In 2014, the FCA published its first Occasional Paper and explored the use of BE to understand why consumers made errors when choosing and using financial products, and why these errors persist in the market. In Papers 24 and 25 the FCA extended the research further to consider how behavioural science affects not only consumers but also those who create rules and those who enforce them.

Firms will need to consider to what extent the practical application of BE has a part to play in their product design, distribution channels, sales strategies and internal processes as firms seek to ensure that customers' interests are at the heart of what they do.

This course aims to introduce firms and individuals to the concept of BE, understand some of the research that has been undertaken and consider how this might be used to help firms inform their thinking about managing risk across both product and customer lifecycles.

**This course will seek to explore the following:**

- The FCA's approach to BE
- How BE will be used as a tool to assist the FCA in investigations and market reviews
- Biases and heuristics and how these common human traits affect actions
- How firms can use this knowledge to help inform approaches to product design, delivery, collections and dealing with vulnerable customers

**By attending this course individuals will be able to:**

- Understand the FCA's approach to BE
- Consider the way in which the FCA uses BE in supervising conduct
- Understand the difference between biases and heuristics and give examples
- Understand how BE biases and beliefs affect firms internally and how this might impact their approach to regulatory compliance
- Use case studies to consider how firms increase sales by understanding customer biases

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## Programme Overview

**Registration: 9:30 - Start: 10:00 - End: 16:00 (approx)**

### Introduction and learning objectives

- Trainer and delegate introductions
- Learning objectives for the programme
- Personal objectives for attending

### An introduction to Behavioural Economics (BE)

- What is all the fuss about?
- Why is BE coming to the fore now?
- What BE means on a day to day basis
- How does it affect us as employees?

### Regulatory research and how understanding BE helps change consumer interaction

- FCA approach to BE
- BE in use at the FCA
- Regulatory research programmes

**ACTIVITY – BE in Action**

### Biases and heuristics – what they are and how they influence consumers

- What is a behavioural bias?
- What is a heuristic?
- Discuss and debate examples

**ACTIVITY – How biases and heuristics unconsciously impact decisions**

### Examples of how firms exploit consumer bias

Walk through a case study of a non FS business demonstrating the journey that they force their customers to take with behavioural bias built into the journey

### Behavioural biases in organisations & the impact on a firm's behaviour

- The impact of BE at an organisational level
- Research from the FCA
- How can firms put this to good effect to help improve customer outcomes
- Areas of a business that might be most affected by BE

### Culture and ethics and the impact on how firms behave

- How does culture impact BE?
- What impact does poor rule making having on individual behaviour?
- How firms can avoid making the same mistakes again

**ACTIVITY – Culture case studies for debate**

### Case studies

Consider both firms' and individual behaviour and its effect on the consumer

### Summary & Close

- Review of learning objectives
- Actions to take away
- Next steps

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### In-house delivery option

This programme can also be delivered in-house. The FLA offers bespoke, tailored training solutions that help you achieve your business development objectives. The FLA training team specialises in facilitating change and turning strategic intent into tangible business results.

### What we can do for you:

- Design a bespoke programme that meets your organisation's specific development goals and objectives
- Design training as a one-off exercise, or on a repeated basis as part of your company's development curriculum or company-wide courses, or as part of a major change programme
- Personalise our approach by incorporating your corporate culture and goals
- Provide complete flexibility with regard to location and timings
- Offer differing course levels to cater for the varied experience levels of your staff

For more detailed information regarding any in-house training please contact Jon Dear on **0207 420 9623** or email **jon.dear@fla.org.uk**

### Trainer: Julie Pardy

Julie has been operating in the FS market place since 1986. Her first 20 years in the industry were spent in senior operational , compliance and L & D roles within a number of financial institutions. Her practical application, enthusiasm and detailed knowledge of both regulation and the financial services market place allows her to support businesses in meeting their regulatory requirements.

For the last 9 years Julie has provided regulatory and training support on a consultancy basis to businesses across the whole financial services spectrum. Specialising in FCA regulation with a focus on Conduct Risk, Training & Competence, Approved Persons Responsibilities, Culture and Behavioural Economics. Julie has most recently worked very closely with the British Banking Association to help host a range of SMR webinars and training events to help support firms in implementing the new Senior Managers Regime in Banking.

In the last 2 years Julie has been working with firms not only to help them effectively embed SMCR but also to help them implement system solutions to assist them in managing employee competence and responsibilities.

# Another FLA training date for your diary:

Managing Conduct Risk, 20 May 2019 A practical one day course for managers and staff who need to understand and successfully address the regulatory issues and business challenges of Conduct Risk within their sector.

Key Learning Objectives:

• An understanding of the current regulatory landscape and the FCA's approach to Conduct Risk
• Understand what Conduct Risk is, and how it can manifest itself within businesses
• Consider the nine Conduct Risk drivers and what you can do to mitigate these
• Discuss and debate the Conduct Risks identified by the FCA within the Consumer Credit and Mortgage industries and consider them in the context of your firm
• Know the key business functions that are affected by Conduct Risk and be able to define typical risks that might exist in each area
• Explain the individual responsibility and accountability to the current Conduct Risk agenda based on the regulatory status of the individual

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Please register the following delegate(s) for the above course.

## BOOKING DETAILS - PLEASE USE BLOCK CAPITALS

Company name:

Contact name: Job title:

Address:

Postcode:

Telephone: Email:

## DELEGATE 1

First name:

Surname:

Company:

Job title:

Telephone:

Email:

Your special needs or dietary requirements:

## DELEGATE 2

First name:

Surname:

Company:

Job title:

Telephone:

Email:

Your special needs or dietary requirements:

## DELEGATE 3

First name:

Surname:

Company:

Job title:

Telephone:

Email:

Your special needs or dietary requirements:

## DELEGATE 4

First name:

Surname:

Company:

Job title:

Telephone:

Email:

Your special needs or dietary requirements:

To register please complete this form

Phone: Jon Dear on +44 (0)20 7420 9623 Fax: +44 (0)20 7420 9631 Web: www.flatraining.org.uk Email: training@fla.org.uk

Post: Jon Dear, FLA, Imperial House, 8 Kean Street, London WC2B 4AS

## COURSE FEES

☐ **FLA Member's fee per delegate:** £465 + VAT

☐ **Non-FLA Member's fee per delegate:** £625 + VAT

PAYMENT: Upon registering you will be sent an invoice; payment is required before attending the event.

Please invoice ☐ Provide purchase order no: ☐ Payment by cheque ☐

You can also book online at www.fla.org.uk where you will have the additional option to pay by credit card.

Cancellations all cancellations must be made in writing via email to training@fla.org.uk. Cancellations received more than 30 days prior to the start of the course will incur an administrative charge of £70.00 + VAT per delegate. There is no refund on cancellations made within 30 days of the course start date.

Transferring from one course to another is treated as a cancellation.

You may substitute one delegate for another at no additional cost. Notification must be received in writing by noon of the business day prior to the start of the course.

Data Protection: The Finance & Leasing Association will use the data you provide to process your course registration. We would also like to keep you informed (by post, telephone, email or fax) of other FLA training courses, products and services. If you would like us to send you details of future events, please tick this box: ☐

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