

For financial advisers only

# Product oversight and governance – delivering fair value through our retail products

Here, we outline what we do to make sure we act to deliver good outcomes to meet the consumer duty principle set by the FCA.

## Governance to support good outcomes and fair value

We have specific product governance processes and policies in place, which we follow when developing a new product or service as well as making a significant change to an existing one.

We've designed our **Proposition Development Policy (PDP)** to make sure:

- We understand the target market of our new or amended product.
- We design product features to meet the identified needs of customers in our intended target market.
- Our products provide fair value to customers in our intended target market.

We regularly carry out **Product Lifecycle Management (PLM)** reviews and **separate value assessments** of our products to check whether customers within our intended target markets are buying them, and if they continue to deliver fair value to customers within our intended target market. These reviews consider a wide range of measures, including product suitability, price, claims and service.

We also look at customer groupings to identify outliers which we consider separately.

Our second line (Risk) and third line (Audit) functions carry out regular checks to make sure that we're complying with our product governance policies. Our Proposition Management Forum, which reports into our Customer Committee, monitors the findings of our PLM reviews and value assessments.

## Assessing fair value

Our schedule for PLM reviews is determined by a risk rating which we allocate to each product. This results in us reviewing our higher risk-rated products more frequently.

The FCA requires us to assess the fair value of our products regularly. To achieve this, we'll carry out interim value assessment reviews every year (except on the years we're carrying out a full PLM review). These interim value assessments will consider a range of measures similar to a full PLM review.

We'll report the outcomes of these value assessments into our Proposition Management Forum, who will monitor any findings, support and oversee delivery of recommendations or remedial actions.

## Communicating product governance information and outcomes of value assessments

We've now developed a series of factsheets, covering each of our open products and services, which provide you with:

- The intended target market of the product.
- Specific groups of customers the product is unsuitable for.
- The suggested distribution strategy.
- The features, benefits and characteristics of the product.
- The outcome of the latest value assessment.

You'll find the **product governance and value assessment** factsheets on our website at [Product oversight and governance library](#) which you can find on our Consumer Duty hub – [aegon.co.uk/consumer-duty](https://aegon.co.uk/consumer-duty)

## Collaborating with our distributors

We may ask you, as distributors of our products, to provide us with information to support our governance process and fair value assessments. This could include giving us:

- Details of any additional services you provide, or additional charges you make, that are attached to the provision of our products or services to retail customers.
- Details of distribution strategy to allow us to understand if products are being distributed within the target market.
- Feedback on products and services that Aegon provides, both positive and negative, to allow us to get better insight into the value that customers are receiving.
- Details of any pricing practices you have which may in our opinion, erode customer value.

Where our product governance processes and policies identify any issues relating to a specific distributor(s) or arising from the practices of any specific distributor(s), we'll discuss this directly with the distributor(s) concerned. Where appropriate, we'll agree measures to address any issues.

We'll continue to work with advisers like you, as we collaborate on this major regulatory milestone, with a shared obligation to deliver good outcomes for consumers.

To keep up to date with the latest Consumer Duty news and further resources and insights visit

[aegon.co.uk/consumer-duty](https://aegon.co.uk/consumer-duty)