



FINANCIAL COMPLIANCE EVIDENCE FOR CONSUMER DUTY AND WELFARE

A SERVE LEGAL REPORT

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This report shows how to evidence real-world compliance and good outcomes for vulnerable customers, including FACE risk, across digital, remote and partner-assisted banking journeys. Serve Legal's scenario-based audits reveal where trust drops and harm can occur, turning regulatory expectation into measurable, defensible insight and actionable fixes.

Contents

Introduction	3
Why “Digital Performance” Is Not The Same As “Good Outcomes”	3
Why Customer Experience Feedback Won’t Catch The Problem.....	4
What Serve Legal Tests And Why It Matters	5
Client Data: What Real-World Testing Reveals	5
Turning Audits Into Actionable Intelligence	6
Consumer Duty, Vulnerable Customers, And FACE.....	6
Who Serve Legal Supports	7
Get in Touch with Serve Legal.....	7

Introduction

Banks and financial services firms now have incredible amounts of data accessible to them, about customer behaviour — yet many still struggle to confidently answer the questions that matter most: *Did the customer understand? Did they feel safe? Did we prevent foreseeable harm? Did the journey deliver a good outcome in practice, not just on paper?*

That's because most measurement frameworks are designed to track activity. They're not designed to capture lived experience. You can see where customers click, where they pause, and where they drop off but you can't see the moment trust didn't land, support felt inconsistent, information wasn't clear, or the process was smoother elsewhere. Those are the moments that quietly drive abandonment, complaints, and "silent switching".

This matters even more under FCA expectations through Consumer Duty. The standard isn't simply "we had the right process". It's whether firms act in good faith, avoid foreseeable harm, and support customers to pursue their financial objectives. This includes where customers are vulnerable; that expectation spans the entire journey, across digital, remote, partner-assisted and real-world touchpoints. Crucially, it requires evidence.

Serve Legal helps financial services teams see what customers experience. We run scenario-based financial compliance audits and mystery shopping visits across in person, app/web journeys and customer support channels, then map findings to your standards so you can identify exactly where outcomes are strong and exactly where they break.

Why "Digital Performance" Is Not The Same As "Good Outcomes"

Most digital reporting is excellent at telling you *what happened* and weak at telling you *why it happened*. You can see activity and drop-off. You can see channel usage and conversion. But what you can't see is the moment confidence fell away: when the explanation didn't land, the tone didn't reassure, the handover felt chaotic, or the process became rigid at exactly the wrong time.

That's where commercial risk hides. Customers don't always leave because of prices, offers or a switching bonus. Often, they leave because another provider made the journey feel simpler, safer, and more consistent. If you only measure clicks, you can end up fixing the wrong thing, or blaming churn on the market, while the real driver is a preventable trust gap.

Why Customer Experience Feedback Won't Catch The Problem

Customer experience feedback has a built-in bias: it tends to reflect the voices of customers who completed the journey. It's often gathered at the "perfect" moment, when the customer is calm, satisfied, or already leaving with a successful outcome. That's helpful, but it's not protection.

The customers you most need to understand are the ones you don't hear from. The customer who abandoned onboarding halfway through. The customer who tried to resolve a problem and couldn't. The customer who didn't complain; they just switched. The customer who needed support to be flexible and humane, and found a script or bot instead.

This is why traditional customer experience (CX) can tell you a story that feels reassuring while real-world outcomes are drifting. Mystery shopping and scenario-based audits *simulate* what your surveys rarely capture: what happens when a query isn't dealt with efficiently, when a complaint escalates, when a handover fails, or when a customer is under pressure and the journey starts to work against them.



These are the journeys we test for you, end-to-end, benchmarked to your brand standards and delivered consistently across your international estate.

What Serve Legal Tests And Why It Matters

Serve Legal validates lived experience across the journeys that shape trust, compliance, and retention in practice — across app and web, remote support, and the in-person or partner-assisted touchpoints where financial services still meet the real world. That coverage matters because customers don't experience your channels in isolation. If what happens in support or at a partner location doesn't match what the digital journey promises, customers experience inconsistency, and inconsistency is where trust collapses.

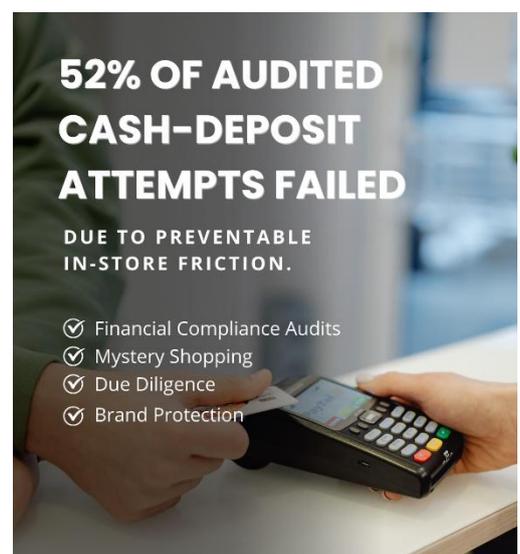
Our audits focus on the moments that most often determine outcomes: onboarding and verification, servicing and support, problem resolution, complaints handling, information clarity, escalation paths, and switching-related scenarios. These aren't abstract checklists. They're built as realistic customer journeys, designed to show what customers actually experience, where they get stuck, and what your teams can realistically fix.

This is also why mystery shopping is now essential for online banks. Digital environments create invisible failure: customers can disengage quietly, hit friction and walk away, or switch without ever submitting a complaint. Switching bonuses might be the headline, but the decision to switch is often made earlier — when the experience feels uncertain, slow, inconsistent, or simply harder than it should be. Serve Legal's scenario design is built to surface those hidden failures by testing the trust gaps and anxiety triggers that drive abandonment and churn, then showing not just what broke, but where it broke, why it broke, and what needs to change to improve outcomes.

Client Data: What Real-World Testing Reveals

Independent validation is powerful because it reveals friction that standard reporting often misses — especially where partners or physical touchpoints exist alongside digital journeys.

In a recent UK cash-deposit journey audit we completed with a nationwide bank, 52% of attempted deposits hit preventable friction. That isn't just inconvenience. It changes customer behaviour. It creates distrust. It undermines fair value. And it pushes customers toward switching decisions they might not otherwise have made.



Turning Audits Into Actionable Intelligence

A report that sits on a drive doesn't change outcomes. Serve Legal is built to make audit findings usable; fast.

With fast turnaround reporting, teams can respond while issues are current, not historic. That means you can reduce friction and strengthen trust before churn becomes inevitable and before the same failure repeats across customers.

We also invest heavily in data, software and automation to make reporting easier to use across an organisation, not just readable in isolation. Our ecosystem can combine interactive dashboards, AI-powered data assurance, and developer-friendly API access, helping your teams track patterns, compare performance, and move from “finding issues” to fixing root causes with confidence.

Consumer Duty, Vulnerable Customers, And FACE

Protecting vulnerable customers is no longer a peripheral compliance issue. Under Consumer Duty, it's a frontline test of whether organisations are delivering good outcomes in practice, not just meeting process requirements. Firms are expected to act in good faith, avoid foreseeable harm, and support customers to pursue their financial objectives. That expectation lands hardest where customers are at greater risk of harm, because what looks like minor friction for one person can become real harm for another.

Vulnerability is rarely neat or obvious. It can be temporary or permanent, visible or hidden, and triggered by health issues, bereavement, redundancy, low financial resilience, or limited financial capability. Many customers never explicitly identify themselves as vulnerable — which means the responsibility sits with firms to recognise indicators and respond appropriately through systems, processes, and frontline behaviours.

FACE matters in this context. Customers experiencing financial abuse and economic abuse may be operating under pressure, fear, and reduced autonomy. The right response can reduce harm; the wrong response can compound it. FACE-linked scenarios allow you to test whether your protections work in practice — whether staff responses are consistent, whether processes flex appropriately, whether recording and handovers prevent repeated distress, and whether the journey supports a safe outcome rather than forcing the customer into avoidable friction.

This is also where firms commonly fall short. Communication can meet disclosure requirements while failing to support understanding. Support can be undermined by long waits, rigid scripts, inconsistent handovers, and low staff confidence. Design choices can unintentionally disadvantage customers with lower resilience or capability.

Value can look fair on paper while vulnerable customers experience avoidable charges because the process is confusing or inflexible.

The regulatory question becomes very simple: how do you know customers are genuinely receiving good outcomes consistently? A policy statement isn't evidence. A training log isn't evidence. Outcomes are evidenced by what happens when a customer is under pressure.

Serve Legal's approach isn't about catching people out. It's about identifying where processes break under pressure, where scripts override judgment, where escalation fails, and where operational gaps create harm. Those issues are rarely deliberate — but operational issues still create harm, and harm still creates regulatory risk.

Who Serve Legal Supports

Serve Legal supports online banks, but we also support the wider estate of banking and financial compliance. That includes FCA-focused compliance testing, support for Buy Now, Pay Later providers and schemes, and in-person customer experience and standards where financial services touch physical environments.

If you operate across digital, partner, and in-store channels, we can validate the full end-to-end journey so experience, compliance, and outcomes stay consistent everywhere. We can support nationwide and international programmes, and align coverage to your footprint and timelines.

This matters because inconsistency is where trust collapses: the app says one thing, support says another, a partner process behaves differently, or a real-world touchpoint adds friction your digital team never sees. Our programmes are designed to expose those joins and give you evidence you can act on.

If you need to prove your journeys work in practice, for real customers, under real conditions, Serve Legal can help you validate outcomes across digital, remote and partner-assisted channels, identify root causes, and act while issues are still current.

Get in Touch with Serve Legal

Website: www.servelegal.co.uk/

Explore our Financial Compliance services: <https://www.servelegal.co.uk/-financial-compliance-tests>

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