

In ACCORD. Know your client - fully

## The Client Preference Ready Badge

### **Free for advice firms, supported by In ACCORD's Accord Initiative Partners**

The Client Preference Ready badge is available to advice firms at no cost. Partner support helps ensure the badge remains neutral, proportionate and accessible across the sector.

## Assessment Criteria & Methodology

The Client Preference Ready badge recognises advice firms that have embedded a structured, consistent and neutral approach to understanding and recording client preferences and objectives (spanning conventional investing, ESG, sustainability and values-based investing) as part of their advice process.

The badge is designed to support good advice practice, strengthen suitability, and align with Consumer Duty without promoting any particular investment approach or outcome.



## Contents

1. What the badge demonstrates
2. What the badge does not assess
3. Who this badge is designed for / not for
4. Assessment scope
5. Assessment criteria
6. Optional indicators
7. Assessment options
8. Badge duration and renewal
9. Governance and transparency
10. Why this matters
11. Applying for the Client Preference Ready badge
12. Frequently Asked Questions
13. Appendix A: Illustrative worked example

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## 1. What the badge demonstrates

A firm holding the Client Preference Ready badge has evidenced that it:

- asks all clients about their investment preferences and objectives (spanning conventional investing, ESG, sustainability and values-based investing)
- records those preferences clearly and consistently
- uses that information appropriately within suitability processes
- applies the approach across the firm, not just with individual advisers

The badge is process-based, not outcome-based.



The badge is designed to support alignment with Consumer Duty by strengthening how client understanding, informed choice and suitability are evidenced in practice (see Consumer Duty FAQ in Section 12).

## 2. What the badge does not assess

The Client Preference Ready badge does not assess:

- fund selection or portfolio construction
- investment performance
- compliance with regulation more broadly
- ESG knowledge or expertise
- sustainability credentials
- ethical positioning

It is not a sustainability badge, an ESG rating or an endorsement of any investment style.

### **3. Who this badge is designed for**

Who the badge is for

The Client Preference Ready badge is designed for advice firms that want a clear, structured and defensible approach to understanding client preferences - regardless of investment style or philosophy.

Who it is not for

Firms seeking a sustainability rating, ESG accreditation or marketing label should not apply.

### **4. Assessment**

The assessment focuses on whether client preference and objective conversations are:

- embedded (part of the firm's core knowing your customer and assessing their needs advice process - see [FCA Factsheet No.021](#) and ensures clients are in a position to make informed decisions)
- understood (advisers know why and how they are used)
- consistent (applied across the firm)
- evidenced (reflected appropriately in documentation such as suitability processes and Consumer Duty monitoring)

Firms may use:

- In ACCORD's Accord Initiative free-to-access templates
- co-branded materials
- network templates
- or their own internally developed documentation

Branding is irrelevant - structure and consistency are what matter.

### **5. Assessment criteria**

To be awarded the Client Preference Ready badge, firms must meet all four criteria.

#### **1) Embedded preference questions**

The firm must demonstrate informed choice via client preference and objective questions are structurally embedded within the core advice stages:

- Pre-meeting, fact-finding, discovery
- onboarding documentation
- suitability report templates
- annual review meeting documentation

All investment clients should be asked for their preferences and objectives.

## 2) Adviser and paraplanner familiarity

The firm must evidence that advisers (and paraplanners, where applicable):

- understand why preference questions are asked
- know how to ask them neutrally and consistently
- know how responses should be recorded
- understand how preferences feed into suitability

This can be demonstrated through CPD, internal guidance, training materials or documented processes - See In ACCORD's Accord Initiative free to access templates and Accord Academy free-to-access training courses.

## 3) Firm-wide consistency

The badge is awarded at firm level. The firm must show:

- consistent documentation and wording
- consistent expectations across advisers
- a shared understanding of how preferences are handled

Isolated examples or individual "champions" are not sufficient - meeting the expectations of Consumer Duty applies to all advisers.

## 4) Suitability integration

The firm must demonstrate that investment preference information is meaningfully considered within suitability processes. This may include:

- reference within suitability reports
- acknowledgement where preferences influence recommendations
- clear explanation where preferences are noted

There is no requirement for a particular investment outcome - only a clear audit trail showing investment preferences were considered.

### **Consumer Duty - what this means for advisers**

The Client Preference Ready badge does not change how you give advice or what you can recommend.

What it *does* is make sure that:

- every client is given the opportunity to express investment preferences in a neutral, informed way
- those preferences are recorded consistently
- you can clearly evidence that preferences were considered

In practice, this supports Consumer Duty by:

- reducing ambiguity around what the client understood and agreed
- strengthening the suitability audit trail
- removing reliance on individual adviser wording or judgement

Importantly, the process does not prescribe an outcome. The requirement is to ask, explain and record - not to force a particular investment approach or outcome.

## 6. Optional indicators

These are common in firms with embedded, well-established processes.

Firms may also choose to evidence and submit one or more of the following, although these are not required for badge award:

- using clear, client-friendly explanatory language
- additional internal guidance or peer review processes

These indicators are not barriers to entry. Firms are not expected to evidence all indicators.

## 7. Assessment options

For each assessment option, In ACCORD provides a clear, structured Assessment Checklist setting out:

- the mandatory criteria
- the evidence required
- optional indicators

This ensures firms understand exactly what is expected and can prepare efficiently, regardless of size or assessment route.

The Client Preference Ready badge uses a proportionate, tiered assessment model.

### Option 1: Structured self-assessment

Designed for smaller firms or early adopters. Includes:

- completion of a structured assessment
- submission of sample evidence (e.g. templates, wording)
- light-touch verification and spot checks

### Option 2: Verified assessment

Designed for larger firms or those seeking additional assurance. Includes:

- review of submitted documentation
- sampling of anonymised suitability material
- confirmation of firm-wide consistency

This is not an audit - it is a process verification exercise.

### Option 3: Network-assured assessment

Designed for networks and large advice groups. Includes:

- network-level application of the methodology
- oversight and periodic review
- consistency across member firms

Unsure which assessment option to choose? Speak to [elly@inaccord.co.uk](mailto:elly@inaccord.co.uk) or [lee@inaccord.co.uk](mailto:lee@inaccord.co.uk).

## **8. Badge duration and renewal**

- The badge is valid for 24 months
- Renewal requires confirmation that processes remain embedded
- Updated evidence may be requested where processes have changed

## **9. Governance and transparency**

To protect credibility, the Client Preference Ready badge operates under clear governance:

- assessment criteria and methodology are publicly available
- badge usage rules are defined
- misuse is monitored and addressed
- criteria are reviewed annually to remain relevant and proportionate

## **10. Why this matters**

Structured preference and objective conversations support:

- clearer suitability
- good client engagement
- reduced risk of misunderstanding
- stronger Consumer Duty outcomes

The Client Preference Ready badge provides a simple, visible signal that a firm takes this aspect of advice seriously and applies it consistently.

## **11. Applying for the Client Preference Ready badge**

The badge application process is designed to be clear, proportionate and supportive, not burdensome.

While timelines will vary depending on firm size and assessment option, the typical process follows these steps:

### **Step 1 - Express interest**

Contact Elly or Lee ([elly@inaccord.co.uk](mailto:elly@inaccord.co.uk) or [lee@inaccord.co.uk](mailto:lee@inaccord.co.uk)) to confirm your interest in the Client Preference Ready badge and indicate which assessment option you expect to use (self-assessment, verified assessment, or network-assured option).

This initial conversation helps ensure the right option, and expectations are set from the outset.

## **Step 2 - Assessment Checklist issued**

The checklist clearly maps each assessment option to the relevant criteria and evidence required. We will provide a structured Assessment Checklist outlining:

- the mandatory criteria
- the evidence required
- optional good-practice indicators

This allows firms to review readiness and gather relevant materials before submission.

## **Step 3 - Submission and review**

Firms submit the completed checklist and supporting evidence. Depending on the assessment option, this may include:

- a light-touch review
- clarification questions
- proportionate feedback where refinements are needed

This stage is collaborative and focused on confirming alignment with the criteria.

## **Step 4 - Assessment feedback (where applicable)**

If minor gaps are identified, firms will receive feedback and an opportunity to address these before approval.

This ensures consistency and protects the credibility of the badge.

## **Step 5 - Approval and badge award**

Once the criteria are met:

- formal confirmation of award is issued
- the Client Preference Ready badge and usage guidance are provided
- firms may begin using the badge in line with the usage rules

Typical timescales

- Self-assessment option: can often be completed within a few weeks
- Verified or network-assured options: may take longer depending on scale and complexity

## 12. Frequently Asked Questions

### **Q. How does the Client Preference Ready badge support Consumer Duty?**

**A.** The Client Preference Ready badge supports firms in meeting the *existing* expectations of the FCA's Consumer Duty by strengthening how client understanding, suitability and informed decision-making are evidenced in practice.

Consumer Duty does not require firms to recommend specific investment approaches or outcomes. It requires firms to demonstrate that they genuinely understand their clients and act in their best interests. The Client Preference Ready badge focuses on exactly that foundation.

In particular, the badge supports alignment with Consumer Duty by helping firms demonstrate:

Clear client understanding (Consumer Duty - cross-cutting rules)

The badge requires firms to embed structured, neutral conversations about client preferences and objectives as part of their core advice process. This supports the Duty's expectation that firms understand not just a client's financial position, but what matters to them and why.

Informed choice ([PS22/9](#) and [FG22/5](#))

By ensuring that all clients are given the opportunity to understand different investment approaches and express preferences without pressure or assumptions, the badge supports informed decision-making. This aligns with the FCA's expectation that clients are equipped with information they can reasonably understand before decisions are made.

Stronger suitability and audit trail

The badge requires firms to show how client preferences are recorded consistently and considered within suitability processes. This creates a clearer, more defensible audit trail showing that preferences were acknowledged and taken into account alongside risk, capacity for loss and objectives.

Consistency and governance at firm level

Consumer Duty applies across the firm, not adviser-by-adviser. The Client Preference Ready badge is awarded at firm level and requires consistent wording, processes and expectations. This supports firms in evidencing that good outcomes are designed into their advice model, not reliant on individual discretion.

Proportionate, outcome-focused practice

The badge does not mandate particular investment solutions. This reflects the FCA's focus on *process and outcomes*, rather than labels or product promotion.

The Client Preference Ready badge does not create new regulatory requirements. It provides firms with a practical, proportionate way to demonstrate that their advice processes are aligned with the Duty's expectations around client understanding, informed choice and suitability.



Example suitability report wording (optional)

*"As part of our Consumer Duty-aligned advice process, we use a structured approach to understanding and recording your investment preferences and objectives. These have been considered alongside your attitude to risk, capacity for loss and overall objectives when forming this recommendation"*

### **Q. Where can we use the Client Preference Ready badge?**

**A.** Firms may use the Client Preference Ready badge in a limited, factual and proportionate way to indicate that they have embedded a structured approach to understanding and recording client preferences. The badge is intended to support transparency and confidence - not to promote a particular investment approach.

Firms may use the badge in the following contexts:

- On their firm websites
- In client-facing literature
- In suitability reports (optional)
- In proposals and pitches (adviser firm proposals, RFP responses, due diligence questionnaires, professional introductions etc)
- On social media and marketing communications

Promotional or exaggerated claims must be avoided.

### **Q. How soon can we use the Client Preference Ready badge?**

**A.** Firms may only use the Client Preference Ready badge once it has been formally awarded. This means:

- the assessment process has been completed
- the firm has met all mandatory criteria
- confirmation of the award has been issued by In ACCORD

The badge must not be used during assessment or preparation stages.

### **Q. Is this an ESG or sustainability badge?**

**A.** No.

The Client Preference Ready badge is not an ESG badge, sustainability rating or ethical certification. It does not assess:

- ESG expertise
- sustainability credentials
- ethical positioning
- investment approaches

The badge recognises how firms understand, handle and document client preferences and objectives, whatever investment pathway the client ultimately follows.

**Q. Is this an audit or compliance inspection?**

**A.** No.

The badge assessment is not an audit and does not replace regulatory supervision. It is a process-based assessment, focused on:

- structure
- consistency
- adviser understanding
- suitability integration

Evidence requirements are proportionate and appropriate to firm size.

**Q. Will holding the badge protect us from regulatory action?**

**A.** No badge can offer regulatory immunity. However, the Client Preference Ready badge helps firms:

- strengthen their suitability audit trail
- evidence consistent client understanding and informed decisions
- reduce the risk of misunderstandings or complaints
- demonstrate a considered, proportionate approach

It supports good practice - it does not replace regulatory responsibility.

**Q. Do we have to use In ACCORD templates to qualify?**

**A.** No.

Firms may use:

- In ACCORD's Accord Initiative free-to-access templates - adapt or adopt
- network templates
- co-branded materials
- or their own internally developed documentation

The assessment focuses on structure and consistency, not branding.

**Q. Is the badge awarded to individual advisers or the firm?**

**A.** The badge is awarded at firm level. This ensures:

- consistency across advisers
- shared expectations
- firm-wide standards

**Q. What evidence will we need to provide?**

**A.** Evidence is proportionate and may include:

- example pre-meeting documentation, questionnaires, fact finds or onboarding documents
- suitability report templates
- internal guidance or training materials
- anonymised examples showing how preferences are reflected

You are not required to submit large volumes of client files. The Assessment Checklist will confirm what is required for your chosen route.

**Q. Does this create additional admin for advisers?**

**A.** No additional client-facing admin is required.

The badge focuses on:

- embedding preference questions into existing processes
- improving clarity and consistency
- supporting advisers to have confident conversations

Most firms already ask some preference-related questions – the badge helps formalise and evidence this.

**Q. What if a client has no strong preferences?**

**A.** That is entirely acceptable. The badge does not require clients to express preferences.

It requires firms to create the opportunity for preferences to be discussed and recorded where relevant. Documenting “no strong preferences expressed” is a valid outcome. In this situation, it may be helpful for the advice firm to confirm a default investment strategy.

**Q. Do preferences have to determine the recommendation?**

**A.** No.

Preferences are one input into suitability - not the sole determinant. The badge requires firms to show that client preferences are:

- considered
- acknowledged
- explained

There is no requirement for a specific investment outcome.

**Q. How long does the badge last?**

**A.** The Client Preference Ready badge is valid for 24 months.

This reflects the need for:

- ongoing embedding
- periodic review
- proportionate assurance

**Q. What happens at renewal?**

**A.** Renewal involves:

- confirmation that processes remain embedded
- updates where documentation or workflows have changed
- light reassessment to maintain credibility

It is not a full reassessment unless significant changes have occurred.

**Q. Can networks or large groups apply centrally?**

**A.** Yes.

The badge includes a network-assured option, allowing:

- centralised application
- consistency across member firms
- oversight supported by In ACCORD

This enables scale without unnecessary duplication.

**Q. How can clients understand what the badge means?**

**A.** A consumer-facing explanation accompanies the badge, clearly stating that it:

- signals structured client understanding
- reflects good advice practice
- does not promote any particular investment approach

The badge is designed to build confidence, not confusion

**Q. Why introduce this badge now?**

**A.** Because expectations around client understanding have increased. Consumer Duty, vulnerability guidance and suitability standards all point in the same direction:

firms should show they genuinely understand their clients - not just their finances.

The Client Preference Ready badge provides a clear, practical way to demonstrate that.

**Q. What about execution only or legacy clients?**

**A.** This applies to clients receiving investment advice.

**13. Appendix A: Illustrative worked example**

Illustrative use of the Accord Initiative Investment Preference Pathway. 💡 **Please note:** firms can use their own proprietary process or another template - this is purely an illustrative example. This illustrative example refers to document templates that are part of the Accord Initiative suitability toolkit, which are free to access for all UK advisers via [www.accordinitiative.com](http://www.accordinitiative.com). Firms may adapt the process, wording or documentation used.

The Client Preference Ready badge assesses structure, consistency and evidencing - not the use of specific templates.

**Why this illustrative worked example meets the Client Preference Ready badge criteria**

This example demonstrates that the firm:

- provides all investment clients with information to support informed choice
- asks all clients about preferences in a neutral, structured way
- records outcomes consistently using a standard approach
- integrates preferences appropriately into suitability

The process below works across all investment pathways and avoids assumptions, labels or predetermined outcomes.

## **Step 1: Pre-meeting informed choice**

### What happens

Ahead of the first meeting (or annual review), every adviser in the firm provides the client with the Investment Preference Pathway document alongside standard onboarding or review materials.

### The document:

- explains the different investment preference pathways (conventional, conventional + ESG, sustainability, values based/ethical)
- makes clear that there are no right or wrong answers
- confirms there is no hierarchy between pathways
- supports clients to arrive at the meeting informed and ready to express a view

This helps ensure that preference discussions are client-led and informed, in line with the Consumer Duty's expectations for informed choice.

### Purpose

To enable the client to understand their options before being asked about preferences, reducing pressure, confusion or leading questions during the meeting.

## **Step 2: Preference discussion and recording (meeting stage)**

At the meeting, the adviser checks that the client has read the Investment Preference Pathway document and answers any questions. The adviser then completes the Investment Preference Pathway Record with the client.

### Example client outcome

### The client confirms:

- they have read and understood the pathway document
- they have selected the investment pathway to meet their preferences and objectives
- they are happy to leave how investments are selected and managed to the discretion of the fund manager recommended by the adviser

### How this is recorded (example)

### On the Investment Preference Pathway Record:

- The client's chosen pathway is selected
- The client confirms they are making an informed choice by ticking the declaration
- No additional questionnaires are requested

This creates a clear, contemporaneous record of informed choice, even where preferences are limited or neutral.

### Step 3: Use within research and suitability

Using the completed Investment Preference Pathway Record, the adviser proceeds with research and recommendation in the usual way.

- fund research remains “business as usual”
- no additional preference questionnaires are required

Suitability report reference (example)

*“As part of our advice process, we provided you with the Investment Preference Pathway document and discussed your investment preferences at our meeting. You confirmed that your preferences are <<<INSERT>>>. You were comfortable leaving investment strategy and fund selection to the discretion of the recommended fund managers that I have selected. This has been taken into account alongside your attitude to risk, capacity for loss and overall objectives.”*

The Investment Preference Pathway Record may be appended to the suitability report to support clarity without over-complicating the main narrative.

Example optional suitability report wording

*“As part of our Consumer Duty-aligned advice process, we use a structured approach to understanding and recording your investment preferences and objectives. These have been considered alongside your attitude to risk, capacity for loss and overall objectives when forming this recommendation”*

### Find out more, ask a question, start the badge assessment process

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