

NEWS RELEASE

# The Consumer Duty Compromise: New Broadridge Research Finds Legacy Regulation is Undermining Customer Understanding

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Comprehension more than doubles with reimagined communications, Broadridge's behavioural science study shows

LONDON, April 24, 2026 /PRNewswire/ -- New research from **Broadridge Financial Solutions Inc.** (NYSE: BR), a global Fintech leader, reveals that legacy Financial Conduct Authority (FCA) disclosure rules may be actively undermining customer understanding, and increasing the potential for customer harm.

The study, **The Consumer Duty Compromise**, finds that legacy regulation for financial communications can significantly reduce customer comprehension. However, when those same communications are redesigned using behavioural science principles and personalised content, understanding more than doubles.

"This research makes clear: legacy rules do present barriers to customer comprehension," said Emily Gore, VP Business Development & Strategy at Broadridge. "If customers don't truly understand the financial implications of their actions, or inaction, we risk falling short of Consumer Duty's core purpose. By applying behavioural science, firms can dramatically improve understanding and drive better customer outcomes. Firms that move early, the report suggests, will not only meet regulatory expectations, they will gain competitive advantage through stronger customer relationships."

## Comprehension doubled, potential harm reduced

In a three-armed randomised controlled trial of 1,500 UK savings customers:

- Only 15% of participants who read the original (control) communication were able to correctly answer key comprehension questions.
- Despite this, over 80% of participants believed all versions were "clear, fair and easy to understand" - exposing a significant gap between perceived and actual comprehension.
- A fully reimagined version, designed to leverage key behavioural principles, more than doubled comprehension
- When personalised numerical examples were included, understanding of the consequences of inaction increased from 32% to 59% - the largest gain across the trial

The findings highlight a critical challenge for firms working to meet Consumer Duty requirements: customers consistently overestimate their understanding of financial communications.

## A challenging context

Senior communications leaders across global and UK banks report feeling caught between compliance demands and delivering genuinely clear communications. Many cited prescriptive legacy rules, rigid templates, and governance complexity as barriers to meaningful progress, even where intent to improve is strong. The findings provide clear evidence of the real impact of legacy rules on the teams working to deliver key messages and on the customers themselves.

## Action on three fronts

The report recommends that firms:

- Continue to advocate for regulatory reform using evidence like this study
- Apply proven behavioural frameworks to maximise understanding within current rules
- Invest in a strategic approach to the governance and improvement of communications. One with the right roles, responsibilities and tools to manage consistent standards and track outcomes.

Beyond regulatory alignment, firms that modernise communications management can expect:

- Improved customer experience and trust
- Stronger brand metrics
- Faster speed to market
- Lower operational costs

## A call for regulatory and industry action

The report suggests the following fixes:

- Continued FCA efforts to identify and remove conflicting legacy requirements
- Strategic approaches to the management and governance of customer communications to ensure consistent standards and support outcome tracking
- The establishment of specialist teams responsible for communications standards and equipping colleagues with the tools and support needed for clear, effective communications

## About Broadridge

Broadridge Financial Solutions (NYSE: BR) is a global technology leader with trusted expertise and transformative technology, helping clients and the financial services industry operate, innovate, and grow. We power investing, governance, and communications for our clients – driving operational resiliency, elevating business performance, and transforming investor experiences.

Our technology and operations platforms process and generate over 7 billion communications annually and underpin the daily average trading of over \$15 trillion in tokenized and traditional securities globally. A certified Great Place to Work®, Broadridge is part of the S&P 500® Index, employing over 15,000 associates in 21 countries.

For more information about us, please visit [www.broadridge.com](http://www.broadridge.com)

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