

# Targeted support playbook

## Updates to consider following PS25/22

### From consultation to "Go-Live"

With the FCA's Policy Statement PS25/22 now published, the "wait and see" phase is over. The door for permissions opens in March 2026, with rules live by April 6, 2026.

The final rules have crystallised the opportunity: a new regulated activity allowing you to offer "ready-made suggestions" to consumer segments. However, the bar for data accuracy, vulnerability management, and disclosures has been raised.

**Updates to our previous playbook will help firms navigate these specific final requirements to launch a compliant, market-leading proposition.**



# Phase 1: Strategic alignment & the "Better Position" test

The goalposts have shifted from "better outcomes" to "**better position**" to distinguish TS from the Consumer Duty.

### Refined opportunity assessment

**New action:** Stress-testing your proposed scenarios against the "Better Position" standard. It is no longer enough to just target a "good outcome"; firms must evidence that the specific intervention puts the customer in a demonstrably better position than receiving no help at all.

**Focus areas:** "Cash drag" (investing excess cash), pension (non-integral) consolidation, and contribution increases remain the "safe harbour" use cases confirmed by the FCA.

### Scope definition (In-house vs. Whole of market)

**Strategic decision:** PS25/22 confirms you can limit TS to your own products, provided this limitation is clearly disclosed. Firms should model the commercial trade-off between a "restricted" TS offer vs. the trust gains of a broader scope to inform decision-making on the TS proposition.

# Phase 2: Proposition & "Ready-Made Solution" design

PS25/22 mandates specific disclosures and labelling.

### The "Targeted Support" label

**New requirement:** Firms must explicitly label the service as "Targeted Support." Thoughtful design of client journeys is required to make this label prominent yet reassuring, ensuring customers understand they are not receiving fully personalised advice.

### Segment design & exclusion criteria

**Critical update:** Firms must disclose the "including and excluding characteristics" of client segments, pre-defining consumer segments on common situations.

**Critical update:** Consumer segments must be 'sufficiently granular' to ensure suitability for those in the segment but not so granular as to suggest individualised advice is required.

**Vulnerability filter:** Consider a "Vulnerability Exclusion Policy." PS25/22 highlights that characteristics making TS inappropriate often correlate with vulnerability. Ensuring these customers are filtered out of the TS journey is crucial and "warm handed over" process to human support or full advice is put in place.

### Annuity journeys

**New rule:** For retirement propositions, we can now design journeys that signpost customers to whole-of-market annuity brokers without the previously proposed mandatory "break" in the journey. This allows for a smoother and potentially higher-conversion retirement path.



## Phase 3: Data architecture & marketing enablement

The intersection of Data Protection and TS is the biggest operational hurdle.

### The "Direct Marketing" unlock

- **Regulatory update:** The Government progressing legislation enabling workplace pension providers to use a "soft opt-in" for TS communications.
- **Action to consider:** Firms should evaluate marketing consent data to identify the "addressable audience" under these new rules. This will facilitate design of the "warm-up" communication campaigns to maximise the "soft opt-in" conversion before the April 2026 go-live.

### Data verification checkpoints

**New standard:** PS25/22 allows firms to rely on existing data but requires them to take "reasonable steps" to ensure it is current. Implementing "Data Confirmation" screens at the start of every TS digital journey (e.g., "Is your salary still within X band?") is likely to be the best route to satisfy this rule without impacting conversion.

## Phase 4: Operational readiness & governance

Monitoring is simpler, but the "price" transparency requirement is stricter.

### Cost disclosure protocol

**New rule:** If a product suggested via TS has different charges than if accessed directly (or via advice), this must be disclosed. However, TS costs may also be recovered through cross-subsidisation, so long as fair value principles are adhered to.

**Action to consider:** Review pricing architecture to ensure "fair value" consistency. If TS carries a premium or discount, script the mandatory disclosure to be transparent and compliant.

### "One-off" monitoring framework

**FCA concession:** The FCA acknowledged that TS suggestions are often "one-off." Firms should consider updating monitoring frameworks to focus on point-of-sale suitability (segment accuracy) rather than the ongoing suitability monitoring required for full advice. Additionally, periodic reviews of ready-made solutions and their suitability for segments should be carried out



## Phase 5: Permissions & the "March Gateway"

# Getting authorised on time is now the critical path.



### Variation of permission (VoP) application

**Immediate action:** TS is a new regulated activity. We prepare your VoP application pack now to be ready for the March 2026 gateway opening.



### VoP readiness pack

**Deliverable:** A "VoP Readiness Pack" including your target market definitions, process maps, and the "Better Position" evidence logs required by the FCA for authorisation.

## Other Key "PS25/22" considerations for firms

### 1 "It's Not Just 'Advice Lite'"

"Better Position" test is a unique regulatory standard. It requires a different evidence base than the "Suitability" reports used for full advice.

### 2 The Marketing Opportunity

The "Soft Opt-In" for workplace pensions, in progress under government legislation, is a massive commercial win. It offers the opportunity to activate dormant back-books of workplace members.

### 3 Appointed Representatives (ARs) Are Out

Firms that distribute via ARs need to consider that PS25/22 currently excludes ARs from offering TS. TS must be built within the directly authorised entity.

### 4 April 2026 Deadline

The timeline is tight. To launch in April, the VoP application must be solid by February.

# How we can help

The rules are clear and the clock is ticking to April 2026 – aro can help accelerate your firm's preparation...

## **Customer experience that converts (Not just complies)**

Targeted Support fails if customers don't engage. We don't just design for compliance; we design for trust and action.

## **Operational design for scale & profitability**

Offering support to the mass market only works if the economics stack up. We design the operational engine to be robust, low-cost, and risk-controlled.

## **Transformation delivery: De-risking your launch**

We can provide the delivery expertise to get you through the March authorisation gateway and into the market on time.