

## Guidance

# Consumers and consumer harms

### Using this guidance

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You must submit information about your association's consumer protection strategies as part of your professional standards scheme application. This guidance will help you to understand and complete [Submodule 3.1](#) and the Consumers and consumer harms [template](#).

This guidance explains the submodule's terms and requirements, which focus on understanding the position of people who may be affected by limiting your members' occupational liability. Broadly, the submodule asks:

- Who are the consumers of your members' services?
- Who else may be affected?
- What consumer harms would be addressed by your scheme?

### Understanding the requirements for this submodule

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Consumers use a variety of services provided by a range of occupational groups, and generally expect these services to be accessible, affordable and high quality. When these expectations are not met and harm results, consumers also expect to be able to seek redress.

A major aim of this submodule is to develop harm prevention processes. For example, coordinating interprofessional expertise to develop workable consumer remedies, and including these in your association's established improvement cycle.

It is critical that consumer protection measures are embedded into your members' activities. This is in line with [Module 4 – Professional risk management strategies](#).

## Consumers

This submodule asks about the consumers of your members' services. It asks you to:

- identify the consumers or clients (particularly if these include vulnerable people)
- describe the types of services that scheme participants provide or will provide
- describe different services that members may provide to different types of consumers
- identify the harms associated with providing these services.

It also asks how you communicate these harms to members and consumers through the scheme, including how you inform consumers of access to redress.

A claim could be brought by a person other than a client or direct consumer of your member's services, so we also ask who else could be affected by your members' work, and for examples.



## Consumer harms

There are technical and non-technical aspects of providing a service, and both can result in harm.

The **non-technical** aspects of providing a service are how your members will interact with and behave towards consumers. For example, if an association or its members do not follow the basic principles of professional conduct this could harm consumers.

The **technical** aspects include elements such as members' competency and their responsiveness to clients' needs. For example, technical advice may be static and not responsive, which may not meet consumer expectations.

The following table gives further examples of both categories:

Category	Professional activity	Consumer harm example
<b>Non-technical</b> (behavioural interaction)	Market practice	Vulnerable or disadvantaged consumers suffer from financial loss.
	Delivery or provision of goods and services	Consumers suffer from delays or loss of time.
<b>Technical</b> (exclusive, competency based)	Personal information / privacy / data protection	Consumers suffer from inappropriate use or inadequate protection of their data.

## Questions

This section explains the relevance of the information we ask for in the Consumers and consumer harms [template](#).

### Types of clients and types of work

**Questions 1 to 3** ask about the types of clients who use or will use your members' services. If your proposed scheme includes different limits of liability for different types of clients, **Question 4** asks you to estimate the percentage of clients that each limit will apply to.

We ask for this information so that we can establish a consumer or client profile of your association. We then use this to assess the scale and depth of your client base.

You may have unsophisticated and sophisticated consumers who need different protections. For example, a homeowner extending their home may need more protections than a large corporation building an office block.

You may also have vulnerable consumers who need different protections. Various circumstances can make consumers vulnerable, including physical, psychological or financial hardship and challenges such as their language or cultural background making it more difficult to engage in the market. People who would not usually be considered vulnerable may also be vulnerable because of specific circumstances, such as in situations of high stress or trauma.

Consider all consumer groups when completing this part of the template.



## Consumer harms or potential harms

**Questions 5 to 7** ask you to describe the harms or potential harms to consumers arising from your members' work.

This information helps us understand the range of strategies and processes that will effectively protect against harm.

When determining the likely extent and forms of consumer harms, you may find it useful to set up a reflective forum of key internal and external stakeholders and consumers. At regular meetings, the group could analyse and discuss significant harm issues and related knowledge. The aim would be to identify areas for interprofessional coordination and devise suitable remedies.

## Improvement and consumer protection outcomes

**Questions 8 to 10** ask about:

- your association's detailed plans to address consumer harms and risks
- the role and responsibilities of your association's executive and governing body in assessing the effectiveness of these strategies within a framework of continuous improvement
- how you communicate these strategies and how you assess and improve this communication.

If your clients or consumers include unsophisticated or vulnerable consumers, the strategies should consider what protections or help might be needed for these people.

We ask for this information so that you can show the scale and quality of the harm prevention strategies underpinning your scheme. The questions aim to show how elements such as governance, communication and stakeholder participation work together to ensure that strategies operate effectively.

The information you provide will also help us to identify any gaps and recommend appropriate actions to address them.

**Questions 11 to 13** ask about how your association will assess the effectiveness of your strategies, and the improvement cycle for these strategies.

Practical measures showing the effectiveness of your strategies are vital. These could be qualitative (such as measures of satisfaction) or quantitative (such as actual numbers or dollar amounts). You should state how they are going to measure the effect of the strategy.

We ask how your association uses data sources, collation and assessment processes to identify and manage consumer harms through, for example, consumer representation on your review programs. Data sources are varied and include information from the regulators, press and social media, legal decisions, insurance claims, your complaints and disciplinary system, member surveys, member feedback and other associations.

The longer-term objective is for your association to have an improvement plan that draws on principles such as these:

Principle	Explanation
<b>Zero harm tolerance</b>	Placing overriding priority on 'zero harm' behaviour and improvements that are responsive and capable of ensuring that your association, members and consumers are as harm-free as possible.



Principle	Explanation
<b>Harm-free culture</b>	Fostering and supporting an association culture in which people are willing to report consumer harm incidents.
<b>Continuous learning</b>	Learning from consumer harm incidents across your association's industry and other industries to continuously strengthen your expertise, systems and performance.
<b>Partnership and collaboration</b>	Understanding that recommended improvements require proper planning and resourcing, collaboration and consultation across your membership and consumers.

These broad principles emphasise the importance of change that is sustainable, accountability-focused and results-driven.

Note that the information on continuous improvement of your harm prevention strategies is also linked to our annual reporting process – see [Module 6 – Annual Professional Standards Report](#).

## Related modules

We also assess other consumer protection processes as part of your application. These are covered in the following modules and submodules:

- [2.4 – Scheme compliance plan](#)
- [4 – Professional risk management strategies](#)
- [4.1 – Codes of ethics and practice](#)
- [4.2 – Consumer complaints system](#)
- [4.3 – Disciplinary system](#)
- [6 – Annual Professional Standards Report](#).

## Copyright and document control

<b>Document version</b>	1.0
<b>Last endorsed</b>	New document
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<b>Written by</b>	Director, Professional Standards Regulation
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## Revision history

Version	Approved by	Approval date	Effective date	Sections modified
1.0	PSC	18 June 2021	1 July 2021	This is new guidance

## Disclaimer



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