thrive

Consumer Duty

Price & Value Assessment

Product Details.

Description of the product

Thrive is a benefits management platform designed to provide access to a curated range of employee benefits via a digital interface. The product does not provide regulated financial advice and is limited to facilitating access and engagement with third-party benefit providers. The value delivered is dependent on appropriate distribution and clear communication of the nature of the service. Where distribution occurs outside of intended regulatory permissions, there is a risk that the value proposition may be undermined.

Target Market.

Could the customers vulnerabilities impact full/value use of the product?

Yes. Customers may exhibit vulnerabilities including low financial literacy, limited digital capability, or reliance on employer-provided benefits without full understanding. These factors may reduce their ability to fully assess or utilise the benefits available.

The identified incident increases risk where customers may rely on perceived regulatory status of introducing parties, potentially impacting informed decision-making.

Do cognitive or behavioral biases of customers impact on the value of the product to the customer?

Yes. Customers may demonstrate:

- Trust bias / halo effect (assuming all parties are appropriately authorised)
- Authority bias (placing reliance on perceived regulated status)

These biases may reduce scrutiny of the service and impact the customer's ability to assess value, particularly where distribution arrangements are unclear.

Nature and costs of the Product.

Do any aspects/limitations of the product prevent the average target customer from fully enjoying the product?

The product relies on correct positioning and compliant distribution. Where introductions are made through entities not aligned with appropriate regulatory permissions, customers may not receive the intended level of explanation or support, which could impact their ability to fully realise value.

Does the product allow for comparison to other products in the market?

Yes. The platform operates within a competitive market and can be compared with other employee benefit platforms. However, non-standard distribution arrangements may reduce transparency if not clearly communicated.

Total maximum cost, including all fees / commission payments

The product operates on a SaaS pricing model (typically £6 per employee per month). There are no hidden customer-facing fees associated with access to the platform. No additional costs were introduced to customers as a result of the identified IAR arrangement.

Maximum possible cost of contingent charges [i.e. late payment fees]

None applicable to end users of the platform.

Non-financial costs [i.e. data use by the firm]

Customers provide personal data to access and use the platform. This is proportionate to the service provided and managed in line with data protection requirements.

Will the product have a finite lifespan? If yes, explain the relationship between the lifespan and the price to the customer. Explain why the overall price is good value.

The product is ongoing with no fixed end date. Value is derived continuously through access to benefits. Value remains appropriate over time provided distribution remains compliant and aligned to intended use

Is it likely the customer will renew at the end of the contract period? If so, explain why the overall price is good value [must factor in any price increases at renewal].

High, given the ongoing nature of employer-sponsored benefits. Pricing is stable and transparent, and continued access to benefits supports ongoing value.

Taking all of the above into account, explain why the product offers fair value to the target customer

The product offers fair value through low-cost access to a wide range of curated benefits, delivered via a digital platform. The identified issue relating to the IAR arrangement introduced a risk that distribution was not aligned to intended regulatory permissions, which could undermine value delivery. This has been reviewed and remediated to ensure alignment with regulatory expectations.

Taking all of the above into account, explain why the product offers fair value to vulnerable customers

The platform provides simplified access to benefits, which can support vulnerable customers.

Costs.

Identify the market rate for the product

The pricing is consistent with comparable employee benefit platforms in the UK market.

Is the final price paid by the customer significantly higher than either the total cost for manufacturing and distribution or above the market rate? If so, is there an added benefit to the service which means the customer is receiving fair value?

No. Pricing is aligned with market norms and reflects the digital platform, curation, and user experience provided.

No additional layers of remuneration were introduced that would increase the cost to the customer as a result of the IAR arrangement.

Pricing.

Is differential pricing used by the firm and if so explain the objective and justifiable reasons for doing so?

No. Pricing is consistent across customers and not impacted by distribution channel.

List each group where the pricing is different and explain why the value is fair, factoring in cost and market rate for that group of customers.

Not applicable.

Is there another product offered by the firm which offers similar benefits for a lower cost? Explain the reasons for the difference [i.e. enhanced customer service]

There are alternative platforms in the market; however, Thrive differentiates through:

- Curated benefit selection
- Integrated user experience
- Employer-focused design

These features justify the pricing structure.

Distribution Arrangements.

Does the distributor have access to all appropriate information from the manufacturer to be able to understand the value that the product is intended to provide for the customer?

Generally, yes. However, in the identified case, the IAR arrangement did not fully align with intended regulatory permissions, creating a risk that the distributor may not have had appropriate authority to perform the activity.

Does the distributor understand:

- Intended benefit of the product
- Value to be provided to customer by the product
- Characteristics, financial goals and needs of the target market
- The level of pricing set
- Quality of service required to represent good value
- Potential impact of distribution arrangements

Product understanding was present; however, the structure of the arrangement created ambiguity regarding regulatory permissions, which could impact appropriate representation of the product.

Are there any renumeration arrangements with the distributor which may impact the value customers receive?

No remuneration structures were identified that would directly impact customer pricing or create unfair value outcomes.

Are proposed distribution arrangements consistent with the value of the product?

The identified IAR arrangement was not fully consistent with FCA expectations regarding the use of regulatory permissions and therefore presented a risk to fair value.

Explain how the distribution arrangements support the value of the product

Following the incident, distribution arrangements have been reviewed and aligned to ensure all introducing parties operate within appropriate regulatory permissions, supporting fair value delivery.

Findings.

Does the product in its current form offer fair value?

Yes, subject to distribution being conducted in line with appropriate regulatory permissions.

Explain why the product provides value for the target market

The product provides cost-effective access to a wide range of benefits through a user-friendly platform. Value is realised when customers engage with appropriately authorised and compliant distribution channels.

Explain why the product provides value for the vulnerable customers in the target market

The platform simplifies access to benefits; however, additional safeguards are required to ensure vulnerable customers are not adversely impacted by misunderstandings regarding regulatory status.

If the product is sold as part of a package, does the overall package offer fair value?

Not applicable.

Are there any adverse findings in this assessment?

Yes. An adverse finding was identified relating to the use of an IAR arrangement that was not aligned with FCA expectations regarding regulatory permissions.

Set out mitigating actions to occur prior to distribution or remedial action to prevent foreseeable harms to current customers

The following actions have been implemented:

- Appointment of Thrive as an Appointed Representative (IAR) of a Directly Authorised third party with the appropriate regulatory permissions
- Clarification of permitted activities for all introducing parties
- Strengthened onboarding and due diligence processes
- Updated contractual arrangements to reflect the new IAR structure
- Enhanced monitoring and governance oversight under the Principal firm
- Staff training on regulatory boundaries and permissions

These actions ensure that Thrive operates within an appropriate regulatory framework, mitigate the risk of recurrence, and support alignment with Consumer Duty requirements.