

Indicators of Harm and Intolerable Harm

INTOLERABLE HARM

Risk to life or physical injury

Customers have suffered a consequential irreversible loss and/or financial impact

Firms receive an increasing amount of media attention and customer complaints

Firms have had to cease trading due to a lack of mandatory insurance cover

Firms are unable to easily¹ put their customers back into the correct financial position or reverse any non-financial impacts

Firms are having to take action to avoid insolvency through a mix of redundancies, replanning their strategic and business objectives, closing lines of business or plant

Specific to Retail Customers and SMEs

- Customers are seeking litigation
- Significant life changing impact on current living or trading circumstances
- Customers are suffering significant distress²

Specific to Medium – Large Companies

- Significant loss of reputation leading to financial distress
- Destabilisation of a firm's safety and soundness³

Firms should be cognisant that vulnerable groups of customers will be additionally harmed during a disruption⁴

HARM

Customers are disadvantaged and dissatisfied

A number of customers have complained

Adverse financial situations can be remedied by the firm⁵

Protracted disruption that has been or can be resolved

INCONVENIENCE

No adverse financial impact

Short term effect

Consumer issues has been rectified and compensation received, but may still be unhappy

These factors can also be combined with an additional metric related to a % of customers/transactions affected

¹ Page 18, 3.8 Para 6, FCA, PS21/3 Building Operational Resilience

² Page 50, Para 75, FCA CP19/32 dated 01/12/2019

³ Para 3.7 PRA, PS6/21 Operational Resilience: Impact Tolerances for Important Business Services - [link](#)

⁴ Page 18, 3.9 Para 3, FCA, PS21/3 Building Operational Resilience

⁵ Page 18, 3.8 Para 6 FCA, PS21/3 Building Operational Resilience