



FINANCE & TECHNOLOGY RESEARCH CENTRE

Adviser Forum

Investment Forum

Executive Summary

**Meeting held on 16th September 2010 at
Royal Institute of British Architects, 66 Portland Place, London, W1B 1AD**

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Competition Act reminder

- The role of this Forum is to facilitate business efficiencies in the personal finance sector for the benefit of advisers, providers and most importantly consumers.
- All present are reminded of the requirements of the Competition Act and members' attention is drawn to the guidelines, which are available.
- In essence, all Members shall refrain from any conduct or participation in any activities which could lead to a restriction of competition between the Members or any third party who is a competitor of a Member or Product Provider or which could in any other way lead to an infringement of UK and/or EC rules on competition law.
- Output of the meeting must be complete, we will pause before each new section to agree and summarise the issues covered.
- Role of the chairman is to steer the group clear of conversations that may impinge on the act.
- If the chairman fails to do this, delegates should point this out in the meeting and if the situation does not change should leave the meeting.

Meeting format

Unless explicitly agreed to the contrary, statements are not attributed to organisations or their representatives.

Agenda

- This pack contains the slides presented at the Investment Forum meeting held on **16th September 2010**.
- Slides with **purple banner** represent the meeting presentation; slides with **gold banner** represent additional views and conclusions from the meeting. Members' comments, additional text and actions are shown in **purple text**.

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Attendees

Adviser Firm Attendees

2plan	Jon Story	ThreeSixty	Brod Whiting
National Australia Bank	Geoff Stewart	True Potential	Simon Dick
Origen	Peter Fairweather		

Product Providers, Platforms and FM Groups

Aviva Wrap	Mark Moran	IFDS	Kate Webber
Canada Life	Richard Thaw	IMA	Dave Broadway
Funds Network	Alan Walsh	Standard Life	Ross Dunlop

F&TRC

Ian McKenna, Helen Clark, Jess Prasannan

Nicky Jordan (part meeting) & Chris Watkins (part meeting)

Apologies

Apologies		
7IM	Euroclear	Royal Bank of Scotland
AEGON Scottish Equitable	Invesco Perpetual	Scottish Life
AIFA	Lighthouse	Skipton
Artemis	Met Life	Standard Life
Clairville York	Prudential	Axa
Sesame Bankhall Group	Cofunds	Scottish Widows
Zurich		

Executive summary

<p>Key messages from adviser firms</p>	<ul style="list-style-type: none"> • Propositions are required for all client segments not just the high end and adviser firms seeking better ways to service such clients. • Propositions need to be aligned against time and service to ensure that they are effective. • Data for key clients will need to be cleansed to enable bulk electronic updates of data e.g. Contract Enquiry download. • Advisers need to move to operating within a structured fee model as it is thought new business will drive the bulk of the fee work. • Streamlining servicing will be key to reducing operating costs. 	<p>Pages 15-16</p>
<p>Adviser defined investment strategies</p>	<ul style="list-style-type: none"> • Essentially advisers want a tool that will enable the selected strategy to be input and then transact seamlessly with the chosen provider for relevant information to be passed back to the adviser system as required without the need to rekey data. • Meeting identified the need to look at the use of fund codes as a way of overcoming some of the challenges of delivering STP. • F&TRC have agreed to verify views that STP can be delivered using a process that will need to embrace unique fund identifiers for every fund including mirror funds. And the view that this would need to be implemented throughout the life cycle of the investment from quotes onwards e.g. E-new business, servicing etc. F&TRC to explore this with product providers, platforms and software vendors. 	<p>Pages 17 - 26</p>

Executive summary

<p><i>RDR and Adviser remuneration</i></p>	<ul style="list-style-type: none"> • Advisers confirmed that there is a requirement for deduction under Adviser Charging and they want the flexibility to set up models as required with providers. • Providers and Fund Managers are waiting for the FSA to issue the Consultation Paper with the draft rules which is due to be issued in November 2010. • The Group will revisit the subject of adviser charging at the January Investment Forum meeting once the FSA Consultation Paper has been issued. 	<p><i>Pages 27 - 31</i></p>
<p><i>Commission statements for legacy business</i></p>	<ul style="list-style-type: none"> • Firms have adopted EDI, but this has been raised again due to the quality of the data provided and the number of paper statements • The key issues seem to fall into 3 distinct communities: <ol style="list-style-type: none"> 1. Life companies (small and large) – produce EDI but lack quality 2. Offshore divisions of UK Life Companies – still delivering mostly paper statements in contrast to their UK counterparts 3. Fund Managers – both lack of quality and mostly paper • A set of proposals were discussed and accepted by the meeting – further details can be found in the main meeting document. 	<p><i>Pages 32 - 35</i></p>

Objectives

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|---|---|
| • Review outcome of adviser planning sessions and agree which issues put forward by advisers can be taken forward and next steps. | ✓ |
| • Review the activity undertaken to document adviser requirements to support their investment strategies, areas of friction and system integration capabilities/limitations and agree next steps. | ✓ |
| • Understand if there is a need for existing commission paper statement services to be improved as some providers are still delivering paper statements. | ✓ |

Actions

IM

Date of meeting	No.	Task name	Resource name	Deadline	Comments
13/05/2010 08:00	30	Scottish Widows, Scottish Life, Aviva Wrap and threesixty services have agreed to participate in a teleconference to design a short list of questions that can be put to a range of tool vendors about how they support lifestyling products.	Scottish Widows, Scottish Life, Aviva Wrap, threesixty services & F&TRC	02/07/2010 17:00	Complete
13/05/2010 08:00	31	F&TRC will invite a range of tool vendors to respond to the questions created by the Forum Group concerning how they support lifestyling products, information will be collated and distributed to Forum members for review.	F&TRC	30/07/2010 17:00	This activity is on hold due to other priorities. F&TRC would like to understand how much interest to research this area as firms do not appear to see this as an issue.
13/05/2010 08:00	32	Host an initial teleconference between interested providers, platforms and advisers to discuss what is needed to support adviser investment strategies. Standard Life, Aviva Wrap & Elevate have already confirmed their participation in this activity	Standard Life, Aviva Wrap, Elevate & F&TRC	09/07/2010 17:00	Complete
13/05/2010 08:00	33	F&TRC to document additional requirements concerning supporting adviser investment strategies from the call and distribute to all Forum members.	F&TRC	09/07/2010 17:00	Complete though publication delayed until October
13/05/2010 08:00	34	F&TRC to host a second call with providers, platforms (and advisers though this may be optional) to determine what 'building blocks' exist to support adviser investment strategies (e.g. Quote, Switch & Apply, licences, integration, e-Applications) and wha	Standard Life, Aviva Wrap, Elevate & F&TRC	20/08/2010 17:00	Complete.
13/05/2010 08:00	35	F&TRC to forward details of COB requirements concerning KFD illustrations supplied by the IMA to all providers and platforms at the meeting	F&TRC	20/05/2010 17:00	Complete
13/05/2010 08:00	36	F&TRC to contact Prudential, Standard Life, Scottish Life and Scottish Widows to establish the best way of achieving adviser engagement in Contract Enquiry Legal Framework discussions.	Prudential, Standard Life, Scottish Life, Scottish Widows & F&TRC	18/06/2010 17:00	On hold for now as issue has been deferred until Q1 2011 due to other priorities.

New actions

Date of meeting	No.	Task name	Resource name	Deadline	Comments
16/09/2010	55	F&TRC to verify views that STP can be delivered using a process that will need to embrace unique fund identifiers for every fund including mirror funds. And the view that this would need to be implemented throughout the life cycle of the investment.	F&TRC	19/11/2010	
16/09/2010	56	F&TRC to speak to distributor firms and document specific issues with EDI they experience plus, confirm which adviser businesses have deployed OCR for the purpose of scanning paper commission statements.	F&TRC	19/11/2010	
16/09/2010	57	F&TRC to facilitate meetings with the smaller Life Companies/International arms of L&P providers and Fund Managers who have been identified by advisers as not providing e-commission services to identify how this requirement could be progressed.	F&TRC	19/11/2010	
16/09/2010	58	F&TRC to ensure that the relevant questions concerning transparency (based upon Good Practice Guidelines published by Forum on the subject of financial planning tools) are added to relevant surveys so that platforms and providers can be benchmarked.	F&TRC	NA	Delivery date for this action will vary according to the different survey publication dates. Information will be presented back to the group when it becomes available.
16/09/2010	59	F&TRC to look back through surveys to identify who is undertaking New Business Tracking and report back in November.	F&TRC	19/11/2010	
16/09/2010	60	F&TRC to include questions in the next Wrap survey asking which platforms can support platform to platform re-registration in a timely manner, if the process is automated and if not, the turnaround time for paper based solutions.	F&TRC	NA	Delivery date for this action will be 2011 following the publication of the e-Excellence Wrap research.

2011 dates

NJ

- Meeting calendar 2010

- Last Investment Meeting date for 2010 is 25th November.

- Investment Forum Meeting dates

- 17th February
- 26th May
- 8th September
- 30th November

- Meeting venue for all dates will be:

- Chartered Institute of Arbitrators, 12 Bloomsbury Square, London WC1A 2LP.

Adviser Forum Meeting Calendar 2011

Key	Meeting type	Who attends
	Investment Forum	Adviser Firms, Product Providers, Fund Mgt. Groups
	Corporate Forum	Adviser Firms, Product Providers, Employee Benefit Providers
	Protection Forum	Distributors, Product Providers, Re-insurers
	E-Services Forum	Technology vendors, Product Providers, Platforms

2011

January 11						
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February 11						
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28						

March 11						
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April 11						
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May 11						
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30	31					

June 11						
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July 11						
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August 11						
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September 11						
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October 11						
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31						

November 11						
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December 11						
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