



FINANCE & TECHNOLOGY RESEARCH CENTRE

Adviser Forum

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# Investment Forum

## Presentation & Output

Meeting held on 17<sup>th</sup> February 2011 at



**The Chartered Institute of Arbitrators (CI Arb), 12 Bloomsbury Square, London, WC1A 2LP**

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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, that are available.
- In essence, all Members shall refrain from any conduct or participation in any activities that 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 that 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.

# Agenda

- This pack contains the slides presented at the e-Services meeting held on 17<sup>th</sup> February 2011.
- Slides with a  represent the meeting presentation; slides with a  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

Honister Capital	Positive Solutions
Clairville York	Origen
National Australia Bank	threesixty services
Sesame Bankhall	True Potential
Royal Bank of Scotland	

## Platforms, Providers & Fund Managers

7IM	Funds Network
AEGON	Standard Life
Aviva Wrap	IFDS
Scottish Life	Prudential
Canada Life	Skandia

## F&TRC

Poppy Achilles, Ian McKenna, Helen Clark, Paul Hart and Antonia Blake (via conference call)

## Apologies

Cofunds	Skipton	AIFA
Zurich	Nucleus	Invesco Perpetual
Met Life	2plan	Artemis
AWD Chase De Vere	Axa Wealth	IMA
	Canada Life	Scottish Widows

# Executive summary

## *STP for investment business: key points from the meeting*

- Some of the larger IFA businesses stated that they are looking for STP services to be live considerably in advance of 2013, so that they can test and adapt their working practices but are concerned that Providers/Platforms are:
  - not stating publically what they will be doing.
  - not making it clear exactly what will be delivered and by when.
- All the advisers present agreed that STP should concern not just the initial transaction but all ongoing servicing requirements. This is important to understand in the context of what STP means to advisers and the definition they apply to this term.
- The common consensus from advisory firms was that if Platforms/Providers cannot support them in the manner in which they wish to conduct their business they would no longer deal with them.
- On the topic of data security conversations with Product Providers suggest that Advisers are the Data Controllers and as such are ultimately responsible. The software or service provider is only the data processor.
- F&TRC commented that previous initiatives to deliver electronic new business projects had faltered as a result of providers and advisers being unable to agree liability agreements. It would be important to ensure such issues did not impede developments this time around.
- The issue of inconsistent implementation of standards was raised and its implications e.g. a CMS may prioritise Providers that they can integrate with quickly and efficiently over those who need bespoke work.
- Extensive discussion took place over the value of portals in the investment space, with many present seriously questioning their value and their future role in this area.

**Slides**  
**11 - 20**

# Executive summary

<p><b><i>Contract Enquiry/ e-valuation type services: are advisers getting what they need?</i></b></p>	<ul style="list-style-type: none"> <li>• Advisers are seeking a greater level of granularity of data e.g. premium history and withdrawals. Plus, need to understand <u>specifically the contracts supported by Contract Enquiry at plan level</u> rather than just stating “we support Contract Enquiry for pensions”.</li> <li>• During the meeting a number of providers stated that there was a need to see what more could be done to reduce error rates. F&amp;TRC suggested this matter be put on the e-Services Forum agenda for May.</li> </ul>	<p><b><i>Slides</i></b></p> <p><b><i>21 - 25</i></b></p>
<p><b><i>Adviser remuneration: round table discussion</i></b></p>	<ul style="list-style-type: none"> <li>• Significant discussion took place on the subject of adviser remuneration, this included capturing information which will be supplied back to Origo to assist their work on Adviser Remuneration.</li> <li>• The meeting confirmed that a further consultation has been published by FSA on pensions and adviser charging, but rules for investments are delayed pending the publication of various EU documents.</li> </ul>	<p><b><i>Slides</i></b></p> <p><b><i>26 - 33</i></b></p>
<p><b><i>Risk profiling tools: meeting feedback to FSA consultation paper</i></b></p>	<ul style="list-style-type: none"> <li>• F&amp;TRC stated that in 2007 and 2008, the Investment Forum group undertook an extensive project to identify and document the key information investment planning tool suppliers (i.e. Providers, Platforms, software vendors) should make available to an adviser.</li> <li>• The majority of Advisers confirmed that they were still not getting the information they need from their tools suppliers.</li> <li>• F&amp;TRC suggested that the initial good practice paper on investment planning tools was probably in need of a review in light of the recent FSA paper but need to await publication of final rules.</li> </ul>	<p><b><i>Slides</i></b></p> <p><b><i>34 - 35</i></b></p>

# Objectives

## Objectives

- |  |   |
|--|---|
| • Host discussion on STP issues, impacts on advisers and what needs to happen next.  | ✓ |
| • Advisers to confirm if Contract Enquiry/e-valuation type services are delivering what they need to support their wealth management and B2C propositions. | ✓ |
| • Review questions submitted by Origo on subject of adviser remuneration and agree a process for collecting feedback                                       | ✓ |

# Actions

IM

Date of meeting	No.	Task name	Resource name	Deadline	Comments
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	F&TRC are continuing to document issues from a wider group of adviser businesses. Agreed that F&TRC would contact True Potential, and Honister Capital to confirm if they were still keen to pursue this issue. Other advisers were invited to confirm whether they too wished to engage in this.
16/09/2010	57	F&TRC to facilitate meetings with the smaller Life Companies/International arms of L&P providers and Fund Managers that have been identified by advisers as not providing e-commission services to identify how this requirement could be progressed.	F&TRC	19/11/2010	Awaiting dates from True Potential so meeting arrangements can start. F&TRC will then contact other adviser firms, IFDS and fund management groups to progress the issue of e-commissions. Addressing the issue with Life Co's will follow.
24/11/10	80	Prudential to submit a list of questions to F&TRC (on behalf of Origo working party) for adviser feedback to support their work to update Origo standards in preparation for RDR. The IMA and Artemis are also invited to do the same.	Prudential	24/12/10	Complete
24/11/10	81	F&TRC to contact Funds Network to develop a problem definition document concerning the need to develop a consistent approach for the delivery of product and fund data to integration partners (CMS vendors, portals, tool vendors etc).	Funds Network	17/12/10	Complete
24/11/10	82	F&TRC to circulate the problem definition document regarding the delivery of product and fund data to integration partners and to the wider provider and platform community to assess the scale of issue.	F&TRC	22/12/10	Complete
24/11/10	83	Raise the issue of developing a consistent approach for the delivery of product and fund data at the e-Services Forum meeting in January 2011.	F&TRC	27/01/11	Complete
24/11/10	83	F&TRC to redistribute the projection rates working group recommendations, concerning projected growth rates to the group.	F&TRC	17/12/10	Complete
24/11/10	84	F&TRC to speak to Aviva about the impact of RU64 regulatory update on growth rates.	F&TRC	20/12/10	Complete

# New actions

Date of meeting	No.	Task	Resource name	Deadline	Comments
17/02/11	10	F&TRC to work with Providers to identify the high level feedback that is required from Advisers concerning their requirements for STP.	F&TRC and Product Providers	25/03/11	
17/02/11	11	F&TRC to contact Advisers and ask them to feedback their comments and views on requirements for STP, in advance of the next Investment Forum meeting.	F&TRC and Adviser firms	25/04/11	
17/02/11	12	F&TRC to look at all the different actors creating some form of standardisation or interfaces for STP and what the scope of their different activities are e.g. Origo, IMA, EMX/Euroclear, SWIFT, and Calastone.	F&TRC	29/04/11	
17/02/11	13	F&TRC have agreed to look at the data items they currently collect from the providers in the e-Excellence studies and assess if this is picking up whether providers support premium history and withdrawals information.	F&TRC	08/04/11	
17/02/11	14	F&TRC have agreed to review the e-Excellence Adviser Software survey (i.e. CMS study) to see if the research investigates if CMS vendors are capable of displaying premium history and withdrawals information.	F&TRC	08/04/11	
17/02/11	15	If necessary, F&TRC will capture at a detailed product type level which contracts are supported by real time individual contract messaging and bulk downloads for valuations reporting.	F&TRC	03/06/11	
17/02/11	16	Ian McKenna agreed with True Potential to have an offline discussion to establish which providers are using proprietary product names to identify contracts within Contract Enquiry.	Ian McKenna	25/03/11	
17/02/11	17	F&TRC to put the issue of Contract Error rates onto the e-Services agenda for May. Session should seek to identify strategies that could be deployed to further reduce error rates for CE users	F&TRC	05/05/11	
17/02/11	18	F&TRC to re-issue the tools good practice notes to meeting delegates and the recommendation to review the document is to be put forward to the next Investment Forum meeting, where a set of next steps will be agreed.	F&TRC	17/02/11	Action complete, document issued to attendees straight after the meeting.
17/02/11	19	F&TRC to speak with advisers about the impact of RU64 and how this will affect the way advisers compare a PP to a Stakeholder contract, where advice charges are involved.	F&TRC	03/06/11	

# 2011 dates

- **2011 Investment Forum Meeting dates**

- 7<sup>th</sup> June (was originally scheduled to take place on 26<sup>th</sup> May)
- 8<sup>th</sup> September
- 30<sup>th</sup> 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
	Workplace Forum	Adviser Firms, EBC's, Benefit Portals and Employee Benefit Providers
	Protection Forum	Distributors, Product Providers, Re-insurers
	E-Services Forum	Technology vendors, Product Providers, Platforms

