



FINANCE & TECHNOLOGY RESEARCH CENTRE

Adviser Forum

Investment Forum

Executive Summary

Meeting held on 7th June 2011 at

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

The contents of this pack, in whole or in part, are to be treated as confidential and circulation beyond the Forum members or subscribers requires written confirmation from F&TRC in advance. Any unauthorised distribution renders the distributor liable for the subscription cost of the document distributed for each third party they are passed on to.

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 **Investment Forum** meeting held on **7th June 2011**.
- 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**.

<i>Agenda</i>	<i>Page</i>
• Attendees & apologies	4-5
• Executive Summary	6-7
• Objectives and actions	8-10
• AOB – Next Forum dates	11

Attendees

Adviser Firm Attendees			
Honister		threesixty services	
Origen		True Potential	
Positive Solutions			
Platforms, Providers & Fund Managers			
Axa Wealth		IFDS	
Artemis		IMA	
Aviva		Legal & General	
Canada Life		Prudential	
Cofunds		Scottish Life	
Elevate		Scottish Widows	
Funds Network		Standard Life	
IFDS		Skandia	
F&TRC			
Ian McKenna, Helen Clark, Antonia Blake & Nigel Ogram			

Apologies

Apologies		
Clairville York	Tenet	AIFA
Royal Bank of Scotland	Skipton	Nucleus
Sesame Bankhall	Lighthouse	Zurich
Aviva Wrap	AEGON	National Australia Bank
7IM	HSBC	Invesco Perpetual
Met Life	Friends Life	

Executive summary

<p>FSA CP11/8</p>	<ul style="list-style-type: none"> • Providers and distributors agreed that regulatory reporting is mission-critical • Distributors stated that back office systems must support advisers by providing the facility to record and report charges data. • VAT uncertainty needs to be clarified without alerting HMRC to a possible revenue opportunity. • Providers need to clarify their intentions for supporting of legacy remuneration systems.
<p>EDI Commissions</p>	<ul style="list-style-type: none"> • Provider support and quality of messaging is still variable. • Mis-labelling of payments is a continuing concern, resulting in additional workload and cost for distributors. • A working party is to be established, with 2 to 3 L&P providers, 3-4 distributors, 2-4 fund management companies and the main CMS vendors. • F&TRC to generate Problem Definition Document for the issues that need to be addressed in this area
<p>STP models</p>	<ul style="list-style-type: none"> • Contrary to some earlier comments, it is now accepted by providers that distributors regard their CMS as a central hub, through which it is expected that data <u>must</u> flow. • Ultimate regulatory responsibility/liability from the consumer perspective remains with the adviser, regardless of the systems employed. However in the event of losses, firms should be able to recover losses from suppliers if the supplier has been negligent. The ability to meet such potential claims is likely to be a major factor in choosing their technology partners. In practice a strong CRM, delivering secure and robust integrations will serve to substantially de-risk adviser operating processes. • It is important for Providers to support CMS efforts to improve STP process.

Executive summary

Risk profiling tools	<ul style="list-style-type: none">• The meeting generally accepted the rationale behind the FSA paper. However, the FSA have raised many questions but answered few. It was agreed that it would be beneficial to work with the leading planning tools providers in order to create some generic guidance that could provide more clarity to advisers.• Advisers seem to be fixated on establishing whether a system is “one of the FSA nine”, rather than following the recommendation to work with the system provider to understand limitations• F&TRC to engage with Skandia and Fidelity to build terms of reference.
Contract Enquiry/e-valuation	<ul style="list-style-type: none">• All parties agreed that there was confusion between the use of real-time valuations and bulk data downloads.• It was accepted that there is more detail in real-time-valuations, but that bulk download suffered less errors.• Consensus that provider willingness to assist needs to be communicated consistently to the CMS vendors
AOB - security audits of 3rd parties	<ul style="list-style-type: none">• Providers confirmed they are conducting audit checks on firms they supply data to.• F&TRC asked if there was any assistance we could give to assist the process.• Consensus was that action is not required for now.

Objectives

<i>Objectives</i>	
FSA CP11/8 – Impact on advisers: Understand the key impacts on Adviser Firm back office systems	✓
EDI Commission – agree next steps	✓
STP – confirm where the Client Management System is used during the Advice Life Cycle and the next steps to move this forward	✓
Risk Profiling requirements – understand where manufacturers and software suppliers can help support Advisers in this area to meet FSA requirements	✓
Contract Enquiry – Agree if the Premium History and Withdrawals items should be included in the message	✓
Discuss the recommended solutions for greater adoption of Contract Enquiry	✓

Actions

Date of meeting	No.	Task	Resource name	Deadline	Comments
17/02/11	IM12	<p>Standardisation of STP</p> <p>F&TRC to look at all the different factors 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.</p>	F&TRC Ian	Aug 11	Problem Definition Document (PDD) to be created
17/02/11	IM15	<p>Real time messaging and bulk download valuations</p> <p>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.</p>	F&TRC Ian	01 Sept 11	F&TRC to create a PDD as this is a considerable task, in order to investigate how best to address.

New actions

Date of meeting	No.	Task	Resource name	Deadline	Comments
07/06/11	IM50 Link IM51 Supersede IM16	<p>Create PDD with group to establish next steps to address distributor issues with EDI commissions & OCR for scanning</p> <p>F&TRC to establish who wants to take part in a group to progress EDI issues– to include 2-3 Life & Pension providers, 3-4 distributors, 2-4 fund management companies and the main CMS vendors to:</p> <ul style="list-style-type: none"> PDD to be agreed at the next Investment Forum then taken to e-Services Forum to agree next steps 	<p>Distributors Life Companies/ International arms of L&P providers and Fund Managers</p> <p>F&TRC Nigel & Paul</p>	08 Sept 11 then 22 Sept	<ul style="list-style-type: none"> In the meeting Honister reaffirmed their commitment, and True Potential repeated their resource challenges. F&TRC to identify an additional distributor and other parties. <p>Eservices Forum 22 September consider</p> <ol style="list-style-type: none"> What else needs to be done? What does 'Good Practice' look like? What is crucial to progress?
07/06/11	IM51 See E67	<p>Terms & reference for risk profiling tools</p> <p>Help advisers understand better what they need to know.</p> <p>F&TRC to work with Fidelity and Skandia to build a Terms of Reference for risk profiling tools. This will also require 3-4 adviser firms to support.</p> <p>Post meeting note: In Eservices, Distribution Technology, Capita Financial Software and Royal London offered their support.</p>	<p>Skandia, Fidelity, Distribution Technology, Capita, Royal London F&TRC Jess</p>	8 Sept 11	<ul style="list-style-type: none"> Identify whole universe of participants Create a straw man Conference call to establish terms of reference <p>See also E67</p>

2011 dates

- 2011 Investment Forum Meeting dates

- 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
	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

2011

January 11						
M	T	W	T	F	S	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

February 11						
M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

March 11						
M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

April 11						
M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

May 11						
M	T	W	T	F	S	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

June 11						
M	T	W	T	F	S	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

July 11						
M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

August 11						
M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

September 11						
M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

October 11						
M	T	W	T	F	S	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

November 11						
M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

December 11						
M	T	W	T	F	S	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						