



FINANCE & TECHNOLOGY RESEARCH CENTRE

Adviser Forum

---

## e-Services Forum

# Executive Summary

Meeting held on 21<sup>st</sup> July 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, 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.

# Introduction & Agenda

- This pack contains the slides presented at the **e-Services Forum** meeting held on **21<sup>st</sup> July 2011**.
- Slides with a **purple banner** represent the meeting presentation; slides with a **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>Pages</i>
• Attendees and apologies	4
• Executive Summary	5-6
• Objectives and actions update	7-10
• AOB – Next Forum date	11

# Attendees & Apologies

Attendees	
Avelo	Distribution Technology
Capita Financial Software	Axa Wealth
Focus Business Solutions	Aviva
IFDS	Canada Life
Plum Software	Friends Life
Selectapension	Pershing
SSP	Royal London Group/Scottish Life
	Scottish Widows
<b>F&amp;TRC</b>	
Ian McKenna, Antonia Blake, Jess Prasannan, Nigel Ogram	

Apologies			
JCS IFA Professional	Cofunds	Prudential	Technical Connection
LV=	Morning Star	Durell	Intelliflo
Evalue	FE	Aegon	Standard Life
Zurich	Funds Network		

# Executive summary

<p><b>Investment Forum</b></p> <p><b>STP</b></p>	<ul style="list-style-type: none"> <li>Increasingly, Distributors are requiring STP to assist their processes.</li> <li>Distributors see STP as a significant de-risking opportunity.</li> <li>Requirements are often varied and CMS systems must build flexibility into their systems in order to support the advisers' requirements.</li> </ul>	<p><b>Slides</b></p> <p><b>11-17</b></p>
<p><b>Investment Forum</b></p> <p><b>Assessing suitability</b></p>	<ul style="list-style-type: none"> <li>Distributors confirm that they believe assistance from technology vendors to increase their understanding of each risk profiling tool would be very useful for the market.</li> <li>F&amp;TRC agreed to re-visit previous research and to engage with distributors and systems vendors to develop a collaborative document to help advisers.</li> </ul>	<p><b>Slides</b></p> <p><b>18-21</b></p>
<p><b>Investment Forum</b></p> <p><b>CP11/8</b></p>	<ul style="list-style-type: none"> <li>Distributors at the Investment Forum had confirmed that it is business-critical that back-office systems support the proposed additional data reporting.</li> <li>CMS providers present affirmed their confidence in delivering the functionality required to meet CP11/8.</li> <li>CMS companies confirmed that continued commission mis-labelling is an issue that providers could help to address, in order to reduce the time and cost of their rectification.</li> </ul>	<p><b>Slides</b></p> <p><b>22-26</b></p>
<p><b>Workplace Forum</b></p> <p><b>Premium collection</b></p>	<ul style="list-style-type: none"> <li>Distributors confirm a desire for improved technology support, with efficiency of providers' systems being a key consideration as to which providers to recommend.</li> <li>Delegates agreed that auto enrolment would present a significant opportunity for advisers and that efficient premium collection would be high on the priority list with support for auto-enrolment becoming a key influencer.</li> </ul>	<p><b>Slides</b></p> <p><b>27-36</b></p>

# Executive summary

<b>Workplace Forum</b> <b>- NEST</b> <b>discussions</b>	<ul style="list-style-type: none"> <li>• F&amp;TRC reported a very positive reaction to NEST's presence at the last Workplace Forum.</li> <li>• F&amp;TRC are seeking answers to a series of questions to NEST. Please see responses on slides 39 &amp; 40</li> </ul>	<b>Slides</b> <b>37-40</b>
<b>Workplace Forum</b> <b>- Group risk</b>	<ul style="list-style-type: none"> <li>• Delegates at the E-services Forum agreed with the findings from the Workplace Forum, that Group Risk is poorly supported by technology.</li> <li>• It was agreed in that the forum should look into the Group Risk functionality of back office systems for the renewal process and how this might be automated.</li> </ul>	<b>Slides</b> <b>41-46</b>
<b>Workplace Forum</b> <b>- Multiple agency</b> <b>servicing</b>	<ul style="list-style-type: none"> <li>• It is now apparent that multiple agency servicing is possible, as at least two providers (plus NEST) confirmed their ability to support it.</li> <li>• Delegates agreed that the subject should remain on the agenda, in order to monitor increasing adoption.</li> </ul>	<b>Slides</b> <b>47-50</b>
<b>Protection Forum</b> <b>- Remuneration</b>	<ul style="list-style-type: none"> <li>• Delegates agreed there is now a strong business case to look at Protection Remuneration Post-RDR as issues such as the adoption of XML messaging are accelerating.</li> <li>• Providers recognised that the complexity and therefore cost of the following processes could be reduced:             <ul style="list-style-type: none"> <li>• Reinstatement,</li> <li>• Signature Collection</li> <li>• Tele-interviewing</li> </ul> </li> <li>• While providers "have the bonnet up" on remuneration systems generally because of RDR, it was suggested that a review of systems to support protection remuneration is timely.</li> </ul>	<b>Slides</b> <b>73-78</b>

# Objectives

## Objectives

- |   |   |
|---|---|
| • Agree next steps for creating practical guidelines for Advisers on Assessing Suitability    | ✓ |
| • Understand Software Supplier's capacity to deliver reporting solutions to meet CP11/8       | ✓ |
| • Provide update on streamlining Contribution Collection processes in light of Auto-Enrolment | ✓ |



# Actions

Date of meeting	No.	Task	Resource name	Deadline	Comments
27/01/11	E007	<p><b>Messaging Schema sharing Cofunds &amp; Origo working group</b></p> <p>Cofunds to confirm to F&amp;TRC if they are able to willing to share details of their messaging schema with the Origo working group.</p>	Cofunds & F&TRC Ian Mckenna	25th Feb 2011	<p>Cofunds have been contacted. The action is to be kept open until the data is suitable for sharing.</p> <p>Awaiting advice from Cofunds</p> <p>F&amp;TRC to liaise with Cofunds before the October meeting</p>
05/05/11	E42	F&TRC to add a study of the process for Investments from an advisers view point to the agenda of the next Investment Forum.	F&TRC	7 <sup>th</sup> June	Completed. Information included in this pack.
05/05/11	E43	F&TRC to establish the progress of Origo's STP liability study on data exchange and bring back to the next Investment Forum	F&TRC & Origo	7 <sup>th</sup> June	<p>Complete.</p> <p>The answer from Michael Roe at Origo is that there isn't a specific study being conducted into the liabilities arising from data exchange under STP. The issue of liability is covered under the Origo legal framework, which was last updated at the end of 2010. The latest version of the framework is V3 and its available for download from the Origo website</p>
05/05/11	E44	<p><b>3<sup>rd</sup> party security audits</b></p> <p>F&amp;TRC to ask manufacturers whether there is interest in collaboration to address security audits of 3<sup>rd</sup> parties</p>	F&TRC Jess & Manufacturers Life Platform	Raised at Investment Forum 7 <sup>th</sup> June	<p><a href="#">Moved to a holding list for reinstatement when agreed.</a></p> <p>Raised at the Investment Forum meeting 7<sup>th</sup> June and after discussion it was agreed that it was not necessary to pursue at this time in light of higher priorities to the group.</p>
05/05/11	E45	<p><b>ECJ Gender Ruling</b></p> <p>It was agreed that the subject of the ECJ ruling would be kept on the agenda with updates from the Protection Forum.</p>	F&TRC	Raised at Protection Forum 16 <sup>th</sup> June	This subject is not included in this meeting due to higher priorities however, it will be re-added to future meetings as agreed with members.

# Actions

Date of meeting	No.	Task	Resource name	Deadline	Comments
05/05/11	E46	<p><b>How many firms provide CE to Providers?</b></p> <p>F&amp;TRC to identify with Providers</p> <ul style="list-style-type: none"> <li>• How many firms are using CE</li> <li>• % of CE by CMS /BMS versus the Extranet</li> <li>• How many products sit on CE v Extranet</li> </ul>	F&TRC Helen & Ian	30th Sept 11	
05/05/11	E47	<p><b>Updating documentation for current practice</b></p> <p>It was agreed that the following documents should be updated to represent current practice, during Q3 2011.</p> <ul style="list-style-type: none"> <li>• Product Provider policy formats</li> <li>• CE Collaboration Guide</li> <li>• Error Messages in Plain English</li> </ul> <p>F&amp;TRC to collect amendments from all members of the Eservices Forum.</p>	F&TRC Jess	30th Sept	
05/05/11	E48	<p><b>Confirm use of Origo Contribution Collection Standard</b></p> <p>F&amp;TRC to email members to confirm whether anyone is using the Origo Contribution Collection Standard.</p>	F&TRC Nigel & All members	7th June	Complete
05/05/11	E49 See WP59	<p><b>Mapping Contribution Collection Models</b></p> <p>F&amp;TRC to gather from members their existing Contribution Collection models where one exists to map out to share with NEST. Cross reference with results from Workplace Action 32</p>	F&TRC Jason & All members	7th June	To be cross referenced with a similar study in the workplace Forum (WP59)

# New actions

Date of meeting	No.	Task	Resource name	Deadline	Comments
21/07/11	E67 Also see IM51	<p><b>Terms &amp; reference for risk profiling tools</b></p> <p>Help advisers understand better what they need to know.</p> <p>F&amp;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>In Eservices, Distribution Technology, Capita Financial Software and Royal London offered their support.</p>	<p>Skandia Fidelity Distribution Technology Capita Royal London</p> <p>F&amp;TRC Jess</p>	TBC	
21/07/11	E66	<p><b>F&amp;TRC to engage with back-office system providers to understand which systems offer support for advisers in respect of Group Risk business</b></p> <ul style="list-style-type: none"> <li>The depths to which the facilities are being used, if applicable.</li> <li>Back office system to nominate their users to assist.</li> </ul>	F&TRC	20 October meeting	

# 2011 dates

- E-Services Meeting dates
  - 20<sup>th</sup> October

- 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	31					

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						