



FINANCE & TECHNOLOGY RESEARCH CENTRE

Adviser Forum

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# e-Services Forum

## Executive Summary

Meeting held on 5<sup>th</sup> May 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, 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

- 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**.

<b>Agenda</b>	
• <b>Competition Act &amp; Agenda</b>	2-3
• <b>Attendees and apologies</b>	4
• <b>Executive Summary</b>	5-6
• <b>Objectives and actions</b>	7-9
• <b>AOB and next Forum dates</b>	10

# Attendees & Apologies

Attendees			
Avelo		Morning Star	
Intelliflo		Morning Star	
Capita Financial Software		Aegon	
Capita Financial Software		Axa	
Focus Business Solutions		Aviva	
Funds Network		Assureweb	
Plum Software		Canada Life	
Durell		Friends Life	
Selectapension		Scottish Life	
Selectapension		Scottish Life	
SSP		Scottish Widows	
SSP		Prudential	
F&TRC			
Ian McKenna, Antonia Blake, Jess Prasannan, Nigel Ogram			

Apologies			
JCS IFA Professional	LV=	Cofunds	Zurich
IFDS	Legal & General	Met Life	Standard Life

# Executive summary

<p><b>STP:</b> What do distributors mean by STP?</p>	<p>Advisers had previously confirmed that they would expect transactions such as the following, to be executed using STP:</p> <ul style="list-style-type: none"><li>• Lump sum investment contract (Bonds)</li><li>• Regular investment contract (Pensions)</li><li>• Top ups</li><li>• Fund switches</li><li>• Rebalancing portfolios and Sell instructions.</li></ul> <p>In this meeting it was agreed by all parties that STP should consider the end-to-end process not just new business.</p>
<p><b>STP Models:</b> which models will advisers adopt and who will be their key integration partners?</p>	<p>Four models were previously discussed with advisers, though it was recognised that there is another model involving research providers and CMS. CMS – 3<sup>rd</sup> Party Research Tool – Provider/Platform – CMS</p> <p>Advisers have expressed a clear wish to have the CMS (or Business Management System - BMS) as the hub of all their business data and not have to re-enter data in providers systems. By executing such changes as STP, Advisers believe that they are de-risking their own business and those of provider/platforms /business partners. They wish to be able to plug and play and don't see that a single solution provider will be able to provide all that is needed.</p> <p>Currently, some Providers supply more data than software providers hold. Ideally, Providers and CMS should all implement complete messages as per the data standard.</p> <p>The objective of creating one core hub or business management system may be difficult to achieve but is essential for operation in a cost cutting environment as now.</p> <p>In the Protection Forum, F&amp;TRC are mapping electronic new business processes for advisers and providers that show that the processes do not make the customer experience easy. Each provider has differences in their process and more mapping will be done and shared with this group.</p>

# Executive summary

<p><b>STP:</b> Understanding liability issues.</p>	<p>It is understood that Origo have carried out some analysis of the liability issue relating to data exchange. F&amp;TRC is to establish the progress of Origo's STP liability study and bring back to the next Investment Forum.</p> <p>There are two main areas identified:</p> <ul style="list-style-type: none"> <li>• Data protection and security.</li> <li>• Accuracy/data corruption.</li> </ul> <p>F&amp;TRC to ask manufacturers whether there is interest in collaboration to address security audits of 3<sup>rd</sup> parties</p>
<p><b>ECJ Gender ruling and its impact on protection business.</b></p>	<p>So far the impact of the ECJ ruling has not been fully explored. At the meeting Parties present had not started to have talks with providers yet. Portals are happy to work with providers to work out a way to capture the right data and it was agreed that issues to consider should include the accuracy of quotes and a better customer experience.</p> <p>This topic will be carried forward on the agenda to the next meeting.</p>
<p><b>Contract Enquiry error rates.</b></p>	<p>The discussion of the meeting considered how to approach improving contract error rates.</p> <p>It was agreed that more information needs to be gathered and that F&amp;TRC will identify with Providers the following:</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 versus the Extranet?</li> </ul> <p>It was also 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><b>The impact of NEST.</b></p>	<p>Ian McKenna updated the group on his meeting with NEST. NEST were open to discussion. They have not yet bottomed out their data model and have expressed an interest in the Contribution Collection work being carried out by Adviser Forum. All attending parties were keen to work in collaboration with NEST.</p>

# Objectives

## Objectives

- |  |   |
|--|---|
| • Understand how liability agreements for STP will work, key things advisers must be made aware of and the responsibilities of each party in the chain.                        | ✓ |
| • Host a brief discussion on the recent ECJ ruling on concerning gender and how this will impact the protection market and software vendors who support advisers in this area. | ✓ |
| • Agree what initiatives firms can undertake to address the issue of CE error rates.   | ✓ |
| • Update attendees about work on Contribution Collection processes within the context of Auto Enrolment  | ✓ |



# Actions

Date of meeting	No.	Task	Resource name	Deadline	Comments
27/01/11	004	F&TRC to contact Cofunds to build a strawman model that demonstrates the “core” and “optional” activities STP could deliver to advisers.	F&TRC,Cofunds	10/02/11	Complete
27/01/11	005	F&TRC to validate and review the strawman with advisers to better understand what they expect STP to deliver in terms of core and optional activities.	F&TRC	04/03/11	Complete
27/01/11	006	Are advisers undertaking research/due diligence when considering if their technology vendors can deliver the level of STP they are looking for? F&TRC to raise with advisers at the Investment Forum meeting on 17/02.	F&TRC	17/02/11	Adviser firms do undertake some form of research but it does not seem to go into the required level of depth necessary to this.
27/01/11	007	Cofunds to confirm to F&TRC if they are able to willing to share details of their messaging schema with the Origo working group.	Cofunds	25/02/11	Cofunds have been contacted. The action is to be kept open until the data is suitable for sharing.
27/01/11	008	F&TRC to test STP models 1-4 with a range of adviser firms to validate them and to identify if there are any other possible models out there.	F&TRC	25/03/11	Complete
27/01/11	009	F&TRC to contact Standard Life for a briefing and update concerning developments for CE for Wrap. Information to be shared with all Adviser Forum member firms.	F&TRC,Standard Life	11/02/11	Complete

# New actions

Date of meeting	No.	Task	Resource name	Deadline	Comments
05/05/11	42	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. See Investment Forum pack 7 <sup>th</sup> June
05/05/11	43	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	
05/05/11	44	F&TRC to ask manufacturers whether there is interest in collaboration to address security audits of 3 <sup>rd</sup> parties	F&TRC Jess & Manufacturers Life Platform	To be raised at Investment Forum 7 <sup>th</sup> June	
05/05/11	45	It was agreed that the subject of the ECJ ruling would be kept on the agenda with updates from the Protection Forum.	F&TRC	To be raised at Protection Forum 16 <sup>th</sup> June	
05/05/11	46	F&TRC to identify with Providers <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	To be raised at Investment Forum 7 <sup>th</sup> June	
05/05/11	47	It was agreed that the following documents should be updated to represent current practise during Q3 2011. <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> F&TRC to collect amendments from all members of the Eservices Forum.	F&TRC Jess	30 <sup>th</sup> Sept	F&TRC to work out a plan to update current practice documents with business/CMS providers Life offices and platforms.
05/05/11	48	F&TRC to email members to confirm whether anyone is using the Origo Contribution Collection Standard. Cross reference with results from Workplace Action 31	F&TRC Jason & All members	7 <sup>th</sup> June	
05/05/11	49	F&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	F&TRC Jason & All members	7 <sup>th</sup> June	To be cross referenced with a similar study in the workplace Forum

# 2011 dates

- E-Services Meeting dates

- 21<sup>st</sup> July

- 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
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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
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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
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17	18	19	20	21	22	23
24	25	26	27	28	29	30

May 11

M	T	W	T	F	S	S
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23	24	25	26	27	28	29
30	31					

June 11

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20	21	22	23	24	25	26
27	28	29	30			

July 11

M	T	W	T	F	S	S
					1	2
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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
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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
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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	