



FINANCE & TECHNOLOGY RESEARCH CENTRE

Adviser Forum

e-Services Forum

Executive Summary

**Meeting held on 28th April 2010 at
Chartered Institute of Arbitrators, 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

- This pack contains the slides presented at the e-Services meeting held on 28th April 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 & Apologies

Attendees

1 st Software	JCS Software
The Exchange	LV=
Assureweb	Mastek
AXA	Plum Software
Aviva	Prudential
Capita FS	Scottish Life
Easylink	Scottish Widows
Figureout	Scottish Widows
Friends Provident	Standard Life
Friends Provident	Selecta Pension
Intelliflo	SSP
James Hay	Zurich

FTRC

Poppy Morgan, Ian McKenna & Helen Clark

Apologies

All My Plans	Cofunds	AEGON Scottish Equitable
Canada Life	Focus	L&G
MetLife	Fidelity Funds Network	Trend Micro

Executive summary (1)

<p><i>Redefining information requirements for 21st Century</i></p>	<ul style="list-style-type: none"> • Widespread recognition that demand for online information was set to increase and the services that were being used today would need to undergo a significant upgrade if they are to deliver against emerging requirements of adviser businesses and consumers alike. • However, Providers stated that RDR was eating up a significant amount of resource so trying to fix/update all electronic messaging services would be unrealistic. • Responding to RDR changes means there are numerous constraints on resource so in the short term Providers would seek to improve e-messaging services wherever possible though recognised the longer term goal should be to ensure that such services are fit for purpose. • F&TRC suggested Providers conduct a wider review of current and future (i.e. RDR relevant) information needs however there appeared little appetite amongst providers to do this. 	<p><i>Slide 14</i></p>
<p><i>Supporting lifestyle funds</i></p>	<ul style="list-style-type: none"> • Contract Enquiry does not fully support lifestyle products though given the increase in the number of such funds/products being sold Product Providers believe this will become a requirement in the near future. • Product Providers stated it would be appropriate to raise this issue with advisers again at the forthcoming Investment Forum meeting (13/05) to understand what they needed to support such products. 	<p><i>Slides 11 - 12</i></p>

Executive summary (2)

<p>Fund Codes and Good Practice Guidelines</p>	<ul style="list-style-type: none"> • F&TRC stated that this Group had been looking at the issue of find codes for nearly 18 months and it was encouraging to see a number of Providers adopting one or some of the “ideal” solutions identified by Forum. As a result these Providers were better placed to protect and retain the clients they had accumulated. • Given all of the information now gathered on the subject of fund codes and their role within the planning process F&TRC stated that it would be appropriate to develop a good practice statement for the marketplace based on the guidelines. 	<p>Slides 14 - 20</p>
<p>Support for client portal</p>	<ul style="list-style-type: none"> • Client portal access is a key development area for most advisory businesses. • Yet a significant amount of work needs to be done in the area of data integrity, consistency & functionality in order for there to be an increase in confidence levels sufficient to increase client portal access levels substantially. • Key issue for Product Providers seems to be understanding the volume of messaging requests they were likely to receive via client portal sites. • F&TRC stated that there was a need to create a common understanding as to what is needed to ensure Legal Framework continues to be fit for purpose as adviser firms need to understand impacts of this on their businesses e.g. Will it affect client TOB's? • F&TRC have asked Providers to bring an update of the meeting on CE legal framework and its impact on advisers to Investment Forum (13/05). 	<p>Slides 21 - 27</p>

Executive summary (3)

Information security

- F&TRC are in the process of designing a document to enhance adviser awareness of information security issues, the initial focus being email security.
- A number of software vendors, product providers and platforms have kindly provided details of the approach they take to securing communications with advisers where client data is being exchanged.

The collage features several documents:

- Adviser Guide to secure communication v0.4**: A document from F&TRC (Finance & Technology Research Centre) with a 'DRAFT' watermark.
- "Email is like a postcard"**: A document explaining that email is a default email entity which transmits business communications with their customers and is not secure, and that with the appropriate security in place, emails are at risk of being intercepted by individuals who control information in a network.
- Where are the email "hotspots"?**: A diagram showing a flow from 'Client' to 'Adviser' and 'Adviser' to 'Software', with a central box labeled 'Adviser sends and receives email'.
- Efficient amounts of "sensitive" client data particularly attractive to criminals in financial crime especially fraud identify substitution theft**: A document discussing the risks of sensitive client data.

Slide 28

Objectives

Objectives

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|--|---|
| • Review feedback on feasibility of proposed solutions concerning use of fund codes to support Adviser Investment Propositions and consider what else needs to happen. | ✓ |
| • Review feedback concerning B2B2C services highlighting areas of concern/development/improvement | ✓ |

Actions

Date of meeting	No.	Task name	Resource name	Deadline	Comments
27th January 2010	1	FTRC to contact Providers to understand the scale of change required and ascertain the feasibility of delivering one of the 'fixes' in respect of fund code mapping. Findings to be reported back to Forum	F&TRC	31st March	Complete.
27th January 2010	2	F&TRC to approach providers to establish: how many funds Providers have with external/internal codes and what % of their investment business this represents.	F&TRC	31st March	Information has been requested but not supplied.
27th January 2010	3	F&TRC to add the issue of valuing with profits funds to the list of issues for parties to address. F&TRC will look at resourcing and will allocate time to this issue when resource becomes available.	F&TRC	TBC	On hold as other priorities are being addressed.
27th January 2010	4	F&TRC to contact Scottish Life to understand their concerns about Lifestyle funds and how advisers keep pace with changing asset allocations in order to deliver accurate and reliable information to their customers. To be discussed at Investment Forum on 25th Feb	F&TRC	25th February	Complete.
27th January 2010	5	F&TRC to contact LSE to confirm whether they re-use closed fund codes.	F&TRC	31st March	Complete.
27th January 2010	6	CMS Vendors with B2B2C portals to confirm to F&TRC clients experiences when using e-valuation services, the problems clients face and to identify key improvement areas	F&TRC	19th March	Complete.
27th January 2010	7	F&TRC do not currently have platform representation at the weekly conference calls, and it's felt that wrap providers may not be being represented in the ABI discussions so it's important that they are included. Funds Network to contact F&TRC with contact details of a colleague who may be interested in joining the call	F&TRC	19th February	Funds Network were unable to put forward a suitable representative to take part in the weekly conference calls however some platforms have since provided their feedback to the Working Group's proposals offline.
27th January 2010	8	Now awaiting ABI discussion outputs. Once received O&M, Selectapension, the Exchange and Assureweb to provide details of what practical problems there may be in instigating ABI proposals.	F&TRC	5th March	ABI paper has not yet been published so F&TRC are unable to pursue this action until it is.
27th January 2010	9	Organisations with secure communication solutions already in place to contact F&TRC to discuss what they are and how they operate.	F&TRC	5th March	Complete.

New actions

Date of meeting	No.	Task name	Resource name	Deadline	Comments
28th April	23	F&TRC to raise the issue of how advisers manage lifestyle funds/products at the Investment Forum on 13/05.	F&TRC	13/05/2010	Complete.
28th April	24	F&TRC to consolidate all of the learning and collateral acquired on the subject on fund codes and their role within the financial planning process and to translate that into a good practice statement for the benefit of the market based on the guidelines.	F&TRC	31/05/2010	
28th April	25	F&TRC to request that Providers to bring an update of the meeting on CE legal framework and its impact on advisers to Investment Forum (13/05).	F&TRC	13/05/2010	Complete.
28th April	26	F&TRC to issue document to all firms who attended e-Services Forum to review the document and provide feedback to it. Also, to ask firms to review the information they have supplied about the secure communication solutions they support to ensure it has been represented accurately.	F&TRC	28/05/2010	
28th April	27	F&TRC to contact portals again to obtain their response as to whether they have updated their TPD definitions held in their systems to match the changes made by the ABI.	F&TRC	31/05/2010	
28th April	28	F&TRC to raise the issue of portal support for multi benefit contracts at Protection Forum (10/06) with advisers and providers to establish what steps could be taken to take this issue forward.	F&TRC	10/06/2010	
28th April	29	F&TRC to raise the issue of mirror fund charges with advisers at the next Investment Forum meeting (13/05) to seek their views on what issues are experienced when trying to identify such charges.	F&TRC	13/05/2010	Due to more pressing agenda item this issue was not raised at investment Forum on 13/05. F&TRC will seek to raise it at the following meeting on 16/09.

2010 dates

- E-Services Meeting dates
 - 15th July
 - 20th October

Adviser Forum Meeting Calendar 2010

Key	Meeting Type	Who attends
	Investment Forum	Adviser Firms, Product Providers, Platforms, Fund Management Groups
	Corporate Forum	Adviser Firms, Product Providers, Employee/Flexible Benefits Providers
	Protection Forum	Advisers and Product Providers
	E-services Forum	Technology vendors, Product Providers, Platforms

