



## Adviser Forum

# Adviser, Wrap & Wealth Management meeting

## Executive Summary

**Meeting held on Wednesday 21 January 2009 at  
IAMC International Centre, 12 Bloomsbury Square, London WC1A 2LP**

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# Competition Act reminder

PM

- 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.
- 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.

- This pack contains the slides presented at the Adviser L&P meeting held on 21 January 2009.
- 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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Adviser Members	
2Plan	Clairville York
Bankhall	Park Row
Bluefin	Skipton
Wrap & Wealth Management Groups	
BNP Paribas	Infocomp
Capita	Infocomp
Capita	Parmenion
Cofunds	Prudential
EMX	Standard Life
EMX	Standard Life
Funds Network	
FTRC	
Ian McKenna, Poppy Morgan & Gordon Steyn and Pete Bainbridge for part of Agenda	

APOLOGIES		
Artemis	BDO Stoy Hayward	Royal Bank of Scotland
Origen	Heath Lambert	Lifetime Group
TISA	IMA	Three Sixty Services
Invesco Perpetual	Lighthouse Group	AIFA
7IM	Ascentric	Axa Elevate
Macquarie Bank	Skandia	

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<p><b><i>Fund identification codes</i></b></p>	<ul style="list-style-type: none"> <li>• F&amp;TRC have been advised that following an audit inspection one adviser firm may be facing a bill from a fund code supplier for using their codes.</li> <li>• It would appear that adviser firms are still unclear as to what they will / will not be charged for by fund code suppliers.</li> <li>• The meeting recognised the importance of identifying sources of fund ID codes that could be used without advisers incurring costs in order to avoid the need to pass extra charges on to consumers.</li> </ul>
<p><b><i>Platform to platform re-registration: changes to The Law of Property Act</i></b></p>	<ul style="list-style-type: none"> <li>• The legal barrier to using electronic messages to process platform to platform re-registration requests (P2PRR) will now disappear.</li> <li>• Legislation to amend the legal requirements concerning the transfer and renunciation of title to authorised investment funds have been laid in Parliament, conclusion to be reached in the next few weeks.</li> <li>• The FSA is to alter its collective investment scheme rules (in the COLL Sourcebook) to ensure that these are consistent with the amended legislation (should happen in January).</li> <li>• The IMA industry guidance on this issue is due to be published shortly. The IMA have kindly allowed F&amp;TRC to make a draft copy of the document available advisers.</li> <li>• Distributors have stated that there is a need to understand in more detail how electronic instructions will work in practice.</li> <li>• <b>What does remain a barrier to P2PRR is the willingness of fund management groups, TPAs and platforms to implement the necessary solutions.</b></li> </ul>

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<p><b><i>Engaging with the fund management community on the subject of re-registration processes</i></b></p>	<ul style="list-style-type: none"> <li>• Distributors have stated fund managers should consider process automation as a benefit as efficient processing capabilities are likely to give them competitive edge.</li> <li>• Fund managers are likely to find adoption of efficient re-registration processes a key selection criteria for inclusion in adviser product panels.</li> <li>• TCF obligations mean that advisers may feel unable to place client assets with organisations that do not offer electronic re-registration as they would be seen as imposing unacceptable barriers to moving assets in the future.</li> </ul>
<p><b><i>Treatment of transaction history when re-registering assets</i></b></p>	<ul style="list-style-type: none"> <li>• Extensive discussion took place on the subject of how transaction histories will be treated for assets that are moved to another platform.</li> <li>• Distributors have stated that in their view the platform is the ideal place to record all transaction details.</li> <li>• In the event of a client moving to another platform such information will still need to be made available.</li> <li>• There is a lack of clarity as to how advisers will be able to access information on ceding platforms. Distributors have stated this is an area that warrants further investigation as this scenario will become a reality in future so processes need to be in place to cater for it.</li> <li>• F&amp;TRC flagged a concern that if advisers are restricted from accessing transaction history data from ceding platforms this will impact the usefulness of financial planning tools, especially those that require such information.</li> </ul>

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<p><b><i>Data security and email encryption</i></b></p>	<ul style="list-style-type: none"> <li>• Email is widely used by advisers to communicate with clients, with their business as well as other parties such as platforms and providers.</li> <li>• A significant amount of client information which is covered by the DPA is included in emails but not encrypted. <b>A recent study suggested as much as 80% of all emails sent by IFA's breach the DPA.</b></li> <li>• <b>The FSA will be paying close attention as to how advisers use email during their visits later this year.</b></li> </ul>
<p><b><i>Removing potential barriers to the free flow of information</i></b></p>	<ul style="list-style-type: none"> <li>• In the current environment advisers are restricted from passing details of any contract information they have received in the form of a Contract Enquiry to a platform unless the adviser has permission from the Product Provider to do so.</li> <li>• It is recognised that there is a need to get this particular clause removed from the legal framework as it does pose a barrier to the movement of information between distributors, CMS vendors and platforms.</li> <li>• Prudential have agreed to table this issue at an Origo meeting taking place on 5 February.</li> </ul>
<p><b><i>RDR, advisers and platforms</i></b></p>	<ul style="list-style-type: none"> <li>• F&amp;TRC are due to meet with the FSA RDR implementation team to discuss some of the practical challenges advisers, providers and platforms may have implementing their proposals.</li> <li>• The meeting is due to take place on 17<sup>th</sup> February 2009. Forum attendees are invited to submit agenda items they would like us to raise by 10<sup>th</sup> February.</li> </ul>

## Objectives

<ul style="list-style-type: none"> <li>Update parties on legal changes that will remove a significant barrier to the use of electronic re-registration messages.</li> </ul>	
<ul style="list-style-type: none"> <li>Consider specific issues concerning CMS and platform integrations and understand adviser requirements in these areas.</li> </ul>	<p><b>Not covered</b></p>

Ass. Group	Date of meeting	No.	Task Name	Resource Group	Resource Names	Deadline	Notes
WRAP&WM	Wed 22/10/08	325	FTRC to liaise with Capita (TPA) to understand what can be done to engage more of their peers on this issue.	FTRC	IM	Fri 12/12/08	

Ass. Group	Date of meeting	No.	Task Name	Resource Group	Resource Names	Deadline	Notes
WS	Wed 10/12/08	338	Put the issue of CE and legal framework to advisers at January Wrap & Wealth Management meeting.	FTRC	PMG	Wed 21/01/09	Complete

Ass. Group	Date of meeting	No.	Task Name	Resource Group	Resource Names	Deadline	Notes
WS	Wed 10/12/08	341	F&TRC have agreed to approach advisers to understand how they record commission and at what level is this done.	FTRC	PMG	Wed 21/01/09	Due to happen 17/02

Ass. Group	Date of meeting	No.	Task Name	Resource Group	Resource Names	Deadline	Notes
WS	Wed 10/12/08	343	F&TRC stated they would be seeking clarification from distributors on the outstanding integration priorities areas in January 2009.	FTRC	PMG	Wed 21/01/09	Complete

# New actions

Ass. Group	Date of meeting	No.	Task Name	Resource Group	Resource Names	Deadline	Notes
WRAP&WM	Wed 21/01/09	349	Forum attendees are invited to submit specific issues they would like us to raise with the FSARDR implementation team by 10th February.	FTRC	PMG	Tue 10/02/09	F&TRC have emailed all meeting attendees and have requested
WRAP&WM	Wed 21/01/09	350	Cofunds to pass information to F&TRC (that can be shared with Forum members) on the subject of fund codes, specifically any information that clarifies the circumstances in which an adviser may be charged for using such codes.	FTRC	PMG	Fri 20/02/09	Information received from Cofunds. Complete.
WRAP&WM	Wed 21/01/09	351	F&TRC to approach IMA to obtain a copy of the industry guidance paper covering re-registration processes between advisers, fund managers and platforms and forward to advisers for review.	FTRC	PMG	Fri 13/02/09	information has been received from the IMA, F&TRC will distribute to advisers shortly.
WRAP&WM	Wed 21/01/09	352	Distributors have agreed to make the information available to F&TRC concerning the top 10 fund management groups with who they conduct business as part of work to raise their awareness of demand for re-registration.	FTRC	PMG	Fri 13/03/09	F&TRC will contact FM groups once the information has been received to stress the importance advisers place on the automation of re-registration processes.
WRAP&WM	Wed 21/01/09	353	FTRC to host an initial call with interested advisers to assess their requirements concerning the movement of transaction history data when re-registering assets between /off platform.	FTRC	PMG	Fri 27/02/09	
WRAP&WM	Wed 21/01/09	354	Prudential have agreed to the issue of amending CELF to accommodate the need for advisers to pass on Contract Enquiry data to third parties such as platforms on the 5th of February at an Origo meeting where CELF will be raised.	L&P	Prudential	Thu 05/02/09	F&TRC have asked Prudential for an update.

# 2009 dates

## Adviser Forum meeting calendar 2009

Bank holidays & dates to be avoided
  Adviser Forum core meeting dates
  Wider Stakeholder meeting dates

### Main Forum meetings:

- Adviser, Wrap and Wealth Mgt:**

- 22 April
- 15 July
- 21 October

- Adviser and Life & Pension Providers:**

- 25 February
- 20 May
- 23 September
- 18 November

- Adviser only:**

- 18 March
- 24 June
- 10 December

