



Adviser Forum Wider Stakeholder Meeting

Executive Summary

Meeting held on Tuesday 27 January 2009
IAMC International Centre, 12 Bloomsbury Square, London WC1A 2LP

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Competition Act reminder

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- 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 member's 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.

Agenda

- This pack contains the slides presented at the Wider Stakeholder meeting held on 27 January 2009.
- Slides with **lilac 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 **gold text**.

<i>Agenda</i>	<i>Slide</i>
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Attendees and apologies

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ATTENDEES	
AEGON Scottish Equitable	Norwich Union
Axa	Plum Software
Capita Financial Software	Prudential
Capita Financial Software	Scottish Widows
Clerical Medical	Skandia
Friends Provident	SSP
GB Group	Standard Life
IFA Systems	The Exchange / 1 st Software
Intelliflo	Trend Micro
Legal & General	True Potential
Metlife	
FTRC	
Ian McKenna, Poppy Morgan & Gordon Steyn	

Apologies		
The Hartford	Assureweb	Differentis
Distribution Technology	Scottish Life	JCS
Zurich	Scottish Provident	Focus Solutions

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Fund identification codes

- There is a pressing need to understand which fund code suppliers will levy charges on any advisers receiving and holding fund code data in their systems.
- 4 adviser firms have been audited by a fund code supplier and have now been billed for storing fund code data within their systems.
- The industry has developed a range of services (e.g. quotes, electronic new business applications, tracking messages, Contract Enquiry etc) that have imbedded within them fund codes and are being passed to advisers on a daily basis. There is a possibility that advisers have already been exposed the risk of receiving a bill for storing this information.
- The development of new services are also reliant on using fund code data thus might create a risk for advisers in the future.
- Parties have suggested that the industry must seek clarification from the major fund code suppliers as to whether they will charge advisers for holding such information.
- It would be good practice and in the consumer interest to use fund identification codes that did not incur any costs on the adviser.
- However, if advisers will be expected to pay for using such codes then they will need to be notified in advance.

Email encryption

- Email is widely used by advisers to communicate with clients, with their business as well as other parties such as platforms and providers.
- A significant amount of client information which is covered by the DPA is included in emails but not encrypted. **A recent study suggested as much as 80% of all emails sent by IFA's breach the DPA.**
- **The FSA will be paying close attention as to how advisers use email during their visits later this year**

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<p><i>E-new business services</i></p>	<ul style="list-style-type: none"> • The view of many providers and some portals is that there is a “perception gap” amongst advisers as to the extent of services that are available to them. • At the same time parties stated that whilst their firms have invested significant sums in developing e-new business services many had yet to see any return on investment. • The meeting however also recognised that the low take up of e-new business services across the adviser community could also be down to the lack of promotion. • Some parties stated that they had not developed marketing material to support their developments though this was encouraged.
<p><i>Contract Enquiry Collaboration Guide</i></p>	<ul style="list-style-type: none"> • The general consensus from parties was that the Collaboration Guide would be a very useful document for advisers seeking to implement Contract Enquiry. • Parties agreed that the main audience for this document should be advisers rather than Client Management Systems and Providers as both would have process in place to support implementations. • This document will be presented to advisers at the February L&P Forum meeting where their commitment to using this document will be sought.

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Contract Enquiry and error messages

- A number of Providers have now supplied “plain English” definitions of their error messages, plus details of what actions an adviser can take to rectify such errors from occurring in the future.
- Providers recognise that the optimal solution would be supply all of this information within each error message they send back to an adviser, a position wholly supported by the client management systems.
- However, Providers stated that this would take some time to implement such improvements.
- Parties recognised that waiting for the optimal solution to be delivered might take some time so there was a need to look at tactical solutions. Discussion concerning possible tactical solutions would be deferred to the next meeting.

Objectives

Objectives	Achieved
<ul style="list-style-type: none"> Present draft v0.2 of due diligence framework that advisers have developed and request firms to feedback to document. 	<p>Deferred</p>
<ul style="list-style-type: none"> Agree how Contract Enquiry Collaboration Guide can be taken forward by parties. 	<p>✓</p>
<ul style="list-style-type: none"> Establish how each of the Client Management Systems will be using the information supplied by Providers concerning error messages. 	<p>Further activity identified before this can be agreed</p>

Ass. Group	Date of meeting	No.	Task Name	Resource Group	Resource Names	Deadline	Notes
WS	Thu 27/11/08	333	F&TRC have agreed to approach CMS vendors, portals and providers to understand which parties can generate ICRN numbers.	FTRC	PMG	Fri 16/01/09	Closed, not proceeded with as the action refers to longer terms solutions that do not exist yet.
WS	Thu 27/11/08	334	F&TRC to issue the CE collaboration guide to CMS vendors for review and feedback	FTRC	PMG	Mon 22/12/08	Has been issued for review and will be discussed today
WS	Thu 27/11/08	335	Providers to confirm which of the error messages they send relate to a "software issue" or "user issue" and review the text so that language is in "plain english".	FTRC, LP Providers	PMG, All Providers	Fri 16/01/09	Information that has been received has been passed to CMS vendors and outstanding providers have been chased.
WS	Thu 27/11/08	336	F&TRC to approach distributors to discuss their specific requirements for e-new business and report findings back to this group.	FTRC	PMG	Tue 27/01/09	Some discussions have taken place and initial feedback will be presented today
WS	Thu 27/11/08	337	Parties suggested it might be useful to have a session with the FSA data security team on this in the near future. F&TRC will contact the FSA to establish whether they would be amenable to this.	FTRC	PMG	Mon 22/12/08	F&TRC did approach FSA but due to other commitments they are not able to join us today.

New actions

Ass. Group	Date of meeting	No.	Task Name	Resource Group	Resource Names	Deadline	Notes
WS	Tue 27/01/09	354	F&TRC agreed to contact the Investment Management Association to confirm if there were any other fund code suppliers.	FTRC	PMG	Fri 27/02/09	
WS	Tue 27/01/09	355	1st and AEGON Scottish Equitable to pass on any information they have from the LSE clarifying their position on charging advisers for using fund codes.	Client Mgt Sys, Provider	1st Software, AEGON Scottish Equitable	Fri 20/02/09	Information from 1st Software has been received and F&TRC are currently reviewing this.
WS	Tue 27/01/09	356	F&TRC stated they were considering creating a FAQ document for advisers considering email encryption and asked attendees to provide input as to what issues such a document should contain.	FTRC	PMG	Fri 27/02/09	
WS	Tue 27/01/09	357	F&TRC to distribute a copy of the Capita Financial Solutions on email encryption to meeting attendees.	FTRC	PMG	Fri 13/02/09	
WS	Tue 27/01/09	358	F&TRC to approach providers to understand which will be making improvements to their error messages and the timescale for delivering these.	FTRC	PMG	Fri 27/03/09	
WS	Tue 27/01/09	359	F&TRC confirmed they already held information relating to Provider CE operating hours so would be able to make this information available to Quay once they have re-confirmed with providers that the information was accurate.			NA	F&TRC have contacted Providers and information has been received from the majority. Information has been passed to Quay and will also be passed to the other CMS vendors.

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

2009 meeting dates:

- 29th April
- July 1st
- October 7th
- F&TRC advised that the next meeting will take place on 29 April (not 7 May as previously shown on the calendar).
- The meeting calendar to the right reflect the new date.

