



Adviser Forum Wider Stakeholder Meeting

Executive Summary

Meeting held on Wednesday 1 July 2009
IAMC International Centre, 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.

Agenda

- This pack contains the slides presented at the Wider Stakeholder meeting held on 1 July 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.

| Agenda | Slide |
|----------------------------------|-------|
| • Attendees and apologies | 4-5 |
| • Executive summary | 6-8 |
| • Objectives and actions | 9-10 |
| • AOB: | 11 |

Attendees

| ATTENDEES | |
|---|-----------------|
| 1 st Software | Legal & General |
| AEGON Scottish Equitable | Plum Software |
| Aviva | Scottish Widows |
| Easylink | Scottish Life |
| Elevate | Selecta Pension |
| Figure Out | Selecta Pension |
| Focus Solutions | Skandia |
| Financial Express | SSP |
| Friends Provident | SSP |
| Funds Network | Staff Care |
| Intelliflo | Standard Life |
| JCS | True Potential |
| FTRC | |
| Ian McKenna, Poppy Morgan & Helen Clark | |

Apologies

| Apologies | | |
|-------------------------------------|----------------------------------|-------------------------------------|
| 7IM | Trend Micro | BNP Paribas |
| Assureweb | Zurich | Prudential |
| The Exchange | Ascentric | Capita Financial Software (Weblive) |
| Capita Financial Software (Enabler) | Capita Financial Software (Quay) | Axa |
| Cofunds | Distribution Technology | Metlife |

Executive summary

| | | |
|---|---|---|
| <p><i>Removing restrictions to allow free movement of Contract Enquiry data to 3rd parties</i></p> | <ul style="list-style-type: none"> • Advisers are currently 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. • Providers are looking at updating the existing Contract Enquiry “Legal Framework” to remove this restriction. • However, Providers do not want to prioritise spend on this at the moment. If budget becomes available it will be progressed later this year, otherwise it will be included in the 2010 Origo Business Plan. | <p><i>Slides</i> <i>11-12</i></p> |
| <p><i>Improving e-valuation services</i></p> | <ul style="list-style-type: none"> • Supplying ongoing information to clients at present is a major cost for advisers, particularly at the portfolio update stage, and this makes servicing an expensive activity. • The June 09 RDR Consultation Paper states that they will allow service to be a differentiator “where Product Providers differentiate themselves by offering different levels of service, this can, of course, be taken into account...” i.e. an adviser can charge customers more for servicing products of providers who do not provide highly automated services. | <p><i>Slides</i> <i>13-16</i></p> |
| <p><i>Communicating new service launches and enhancements</i></p> | <ul style="list-style-type: none"> • In some cases Providers have developed e-services following adviser firm demand e.g. Contract Enquiry to support Whole of Life contracts, but these have not been adopted by CMS vendors. • CMS vendors have stated that new service implementations are dependant upon their users demonstrating a demand. • In turn, the Adviser business case is dependant on critical mass being achieved i.e. service is being delivered by enough Providers to allow significant process automation. • To reduce lag time between a service being launched and adopted, and to assist firms make a case to implement, CMS vendors have asked Providers to communicate details of new service launches and enhancements as early as possible. | <p><i>Slides</i> <i>17-18</i></p> |

Executive summary



| | | |
|--|---|--|
| <p>Improving error messages</p> | <ul style="list-style-type: none"> • CMS vendors have stated work is needed to improve the “contract not found” message. • “Contract not found” covers a multitude of different reasons as to why the error has occurred. • No active commitment from Product Providers to addressing this issue thought it might be addressed as part of an overall service review project. • F&TRC have suggested that to accelerate this, it would be sensible to collect MI from CMS vendors to document which Providers this issue most affects. • This information could then be shared back with affected Providers to help them make the business case to push for improvements. | <p>Slides</p> <p>19-24</p> |
| <p>Fund ID codes</p> | <ul style="list-style-type: none"> • A number of issues regarding how fund ID codes are being used, within messaging services e.g. Contract Enquiry, have been identified plus, the issues this creates for advisers. • Parties recognise the need to develop good practices in this area. • Parties exchanged views at the meeting and put forward a number of suggestions that could be included within a good practice statement. F&TRC are now developing this statement. | <p>Slides</p> <p>27-33</p> |
| <p>Asset allocation data</p> | <ul style="list-style-type: none"> • Advisers using asset allocations data when providing clients with investment advice may not always be aware that the information can be out of date (e.g. information can range from being 30 to 290 days old). • It is recommended that any organisations e.g. Platforms, tools providers, Product Providers, Client Management Systems etc showing asset allocation data should include the date on which that data is based clearly in any screens presented to advisers. • Skandia and True Potential have adopted these good practice recommendations and F&TRC will be canvassing other organisations to determine whether they also plan to do so. | <p>Slides</p> <p>34-36</p> |

Executive summary

| | | |
|--|--|----------------------------|
| <p>Enabling legacy product information for advisers</p> | <ul style="list-style-type: none"> • Advisers need the ability to service legacy contracts, as well as new business. • Providers who cannot support this requirement may even find both new and existing business under threat. • Aviva stated that they can now support details of all legacy contracts electronically. Currently the information is only available via their extranet although they do have plans to plug this service into some CMS vendors. • F&TRC have agreed to review Product Provider responses to the e-Excellence research to see if other Providers also have similar plans and to make this information available to parties. | <p>Slide 37</p> |
| <p>Improving integration processes</p> | <ul style="list-style-type: none"> • Integration partners need to develop processes to assist them work more effectively • F&TRC have been working on an initiative to create a mechanism through which integrating parties can update their processes and capabilities thus creating a central repository which parties can use as a resource. • Feedback to the results was mixed. • A Provider and Platform agreed to share details of their integration templates to see if further information could be extracted to improve upon what had already been gathered. | <p>Slides 38-39</p> |
| <p>Supporting Unipass for advisers based offshore</p> | <ul style="list-style-type: none"> • Currently, advisers based offshore e.g. Channel Islands and Isle of Man do not have access to Unipass Certificates. • Product Providers stated that it was on a list of “things to address” however it had not received prioritisation hence the lack of progress. • F&TRC pointed out that some Product Providers were planning to make Unipass mandatory and if they did without resolving this issue they would create a situation where advisers based offshore would effectively be locked out from using their services. | <p>Slides 40</p> |

Objectives

PMG

| Objectives | Achieved |
|--|---|
| <ul style="list-style-type: none"> Establish what work is needed to improve existing valuation services so they meet adviser requirements e.g. improving error messages. |  |
| <ul style="list-style-type: none"> Understand what appetite there is to continue developing central repository to hold details of integration partners and their approaches to integration. |  |

| Ass. Group | Date of Meeting | No. | Task Name | Resource Group | Resource Names | Deadline | Notes |
|------------|-----------------|-----|--|----------------|----------------|--------------|---------------------------------|
| WS L&P | Wed 29/04/09 | 384 | F&TRC to look at current versus future adviser service requirements taking into account RDR and client requirements. | F&TRC | PMG | Tue 30/06/09 | Models to be worked up by F&TRC |

| Ass. Group | Date of Meeting | No. | Task Name | Resource Names | Deadline | Notes |
|------------|-----------------|-----|--|------------------------|--------------|---|
| WS | Wed 01/07/09 | 390 | Skandia and Standard Life agreed to provide an update on CELF update offline. | Skandia, Standard Life | Mon 06/07/09 | Information received, see meeting pack |
| WS | Wed 01/07/09 | 391 | F&TRC to check e-Excellence research studies and extract information concerning Provider service launches. | Helen | Fri 31/07/09 | |
| WS | Wed 01/07/09 | 392 | F&TRC to collect Contract Enquiry data, specifically error message MI, from CMS vendors for period April – July 2009. | PMG | Fri 31/07/09 | |
| WS | Wed 01/07/09 | 393 | Product Providers to forward details of any questions they would like adviser firms to respond to concerning how they plan to use Contract Enquiry. | PMG | Fri 24/07/09 | |
| WS | Wed 01/07/09 | 394 | F&TRC to develop a good practice statement concerning the use of fund ID codes within messaging services. | PMG | Fri 07/08/09 | 1st Software to review the draft statement prior to it being released to all parties for comment. |
| WS | Wed 01/07/09 | 395 | Financial Express to confirm what the date within their fund code information represented e.g. when the sector was last updated | PMG | Fri 24/07/09 | |
| WS | Wed 01/07/09 | 396 | F&TRC to also engage with other price feed/asset allocation providers to understand if their data set includes the same information (as detailed in action 395) | PMG | Fri 14/08/09 | |
| WS | Wed 01/07/09 | 397 | F&TRC to contact all parties at the meeting (who display asset allocations data to advisers) to understand if they too are following good practice recommendations and displaying the data | PMG | Fri 31/07/09 | |
| WS | Wed 01/07/09 | 398 | F&TRC stated that they would revisit the e-Excellence studies to see if other Product Providers had similar plans and make this | Helen | Fri 07/08/09 | |
| WS | Wed 01/07/09 | 399 | Aviva and Skandia to forward integration template documents onto F&TRC. | | NA | Templates to be reviewed by JCS and SSP to confirm if the level of information contained |

Forum Meeting Dates PMG

- **Adviser, Wrap & Wealth Management meeting dates:**
 - 15 July
 - 21 October

- **Adviser and L&P meeting dates:**
 - 23 September
 - 18 November

- **Wider Stakeholder meetings (with L&Ps)**
 - 7 October

Adviser Forum meeting calendar 2009

| Key | Meeting Type | Who Attends |
|-----|-------------------------------------|--|
| | No meeting | Dates to be avoided e.g. bank holidays and school holidays |
| | Adviser and Life & Pension Provider | Adviser Firms and Product Providers |
| | Adviser, Wrap & Wealth Management | Adviser Firms, Platforms, Fund Managers and TPA's |
| | Wider Stakeholder (L&P) | Client Management Systems, Portals, Product Providers, Platforms and TPA's |

