



Adviser Forum

Adviser and Life & Pension Provider meeting

Executive Summary

Meeting held on 18 November 2009

IAMC International Centre, 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.

- This pack contains the slides presented at the Adviser L&P meeting held on 18 November 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	Positive Solutions
Bluefin Group	Sesame
Bluefin Group	Sesame
Skipton	threesixty services
Origen	True Potential
Provider members	
Axa	LV=
AEGON Scottish Equitable	Scottish Widows
Aviva	Scottish Life
Friends Provident	Skandia
Legal & General	Standard Life
FTRC	
Ian McKenna, Poppy Morgan, Helen Clark	

Apologies			
Zurich	AIFA	Lighthouse Group	Prudential
MetLife	Clairville York	Royal Bank of Scotland	

Executive summary

<p><i>RDR: deducting fees from products</i></p>	<ul style="list-style-type: none"> • Firms believe there is an urgent need to flag to the FSA that whilst they are willing to implement the changes proposed the Regulator should seek to formalise the rules sooner rather than later, or, extend the timetable. • Providers have stated that the scale of the change is on the same scale as the last Pensions ‘A Day’ in 2006. • Parties felt this to be a significant enough issue to warrant further attention and have agreed upon a course of action (see main pack for details).
<p><i>RDR: adviser research requirements</i></p>	<ul style="list-style-type: none"> • Providers and advisers share the view that the portal community has not kept pace with developments and as a result the value they delivered to the IFA marketplace is being eroded. • Both advisers and providers are keen to ensure that research systems can assist firms, deliver advice and financial products to consumers in a cost effective manner. • Parties concluded that the emergence of competitors in this area was a welcome development especially if it encouraged existing vendors within the space to improve the quality of their services.

Executive summary

<p>Projection rates</p>	<ul style="list-style-type: none"> • All parties concurred that the possibility of providers adopting different projection rates was a highly undesirable situation i.e. this would make product comparison virtually impossible. • However, firms also recognise the FSA’s reason for intervening in this area and agree that the way in which projections are used need to be reviewed. • A short term working group is being established to develop a consumer friendly approach to illustrations and this will include both adviser firms and providers (see main pack for details).
<p>Contract Enquiry statistics</p>	<ul style="list-style-type: none"> • Improvements to Contract Enquiry service is crucial to any adviser firm seeking to reduce operating costs and deliver cost effective services to customers and will be even more important for those operating RDR models. • There is significant support from advisers and providers for the new style Contract Enquiry analysis. • Rationale behind this activity is to help Providers identify service issues and whether these are unique to their business or industry wide.
<p>Contract Enquiry Legal Framework</p>	<ul style="list-style-type: none"> • Providers confirmed that Origo plan to address the issue of legal framework in H1 2010. • F&TRC stated that given the closeness of this timescale it would be sensible not to pursue any further activity on this issue via Forum.

Objectives	Achieved
<ul style="list-style-type: none"> Review update from AIFA concerning RDR 	<p>✓</p>
<ul style="list-style-type: none"> Discuss outcome of adviser workshops on subject of research processes and systems and agree a series of next steps to take this issue forward. 	<p>✓</p>
<ul style="list-style-type: none"> Discuss the issue of projection rates and agree what action is needed. 	<p>✓</p>

Date of meeting	No.	Task name	Resource name	Deadline	Comments
23/09/2009	410	Liaise with AIFA to obtain clarification from FSA whether product comparisons need to include all adviser charges or, just product charges. Comment made at meeting that the FSA's stance on this will be dependant upon the outcome of discussions taking place	Poppy,AIFA	13/11/2009	F&TRC meeting with AIFA held 12/10 and updates received.
23/09/2009	411	Set up a workshop with advisers to determine their collective product/solution research requirements. This will need to consider the impact of segmentation as different clients will have different requirements.	FTRC,Advisers	06/11/2009	Workshop held with Bluefin Group, Clairville York, Positive Solutions and Sesame on 10/11.
23/09/2009	412	AIFA to seek clarification on issue of charging VAT on fees.	Poppy,AIFA	06/11/2009	F&TRC meeting with AIFA held 12/10 and updates received.
23/09/2009	413	Advisers to consider how portals/research systems will need to respond to their needs to deduct charges from products and how the impact of this will need to be shown within any quotes/product illustrations. This action will be addressed at the same as action 411.	FTRC,Advisers	13/11/2009	Deferred following meeting with AIFA as Directive could take a further 12 months i.e. Q4 2010.
23/09/2009	414	Liaise with AIFA to clarify FSA proposals concerning disclosure:What is the definition of manufacturing and administration costs? What is the adviser expected to disclose?	Poppy,AIFA	06/11/2009	F&TRC meeting with AIFA held 12/10 and updates received.
23/09/2009	415	Liaise with AIFA to understand FSA comments in CP concerning "free provision of software" and seek clarification as to what is meant by this.	Poppy,AIFA	06/11/2009	F&TRC meeting with AIFA held 12/10 and updates received.
23/09/2009	416	F&TRC to re-issue July Forum meeting notes to all attendees post the meeting as it contains update on fund codes and adviser charging.	Poppy	09/10/2009	Issued 15/10. Complete.

New actions

Date of meeting	No.	Task name	Resource name	Deadline	Comments
18/11/2009	427	F&TRC and Providers to produce a high level document detailing the scale of development work Providers will need to undertake, dependencies they will face and realistic timescale for delivering new systems to cater for adviser remuneration.	F&TRC,Providers	18/12/2009	
18/11/2009	428	F&TRC to seek a meeting with AIFA and FSA to discuss the RDR timetable.	F&TRC	18/12/2009	It has been agreed that 2/3 Providers will also be asked to join this meeting.
18/11/2009	429	F&TRC to work with adviser firms to document their research processes for different products sets, identify the systems they use to gather this information and the information they need to fulfil the process.	F&TRC & Advisers	NA	Whilst a desirable activity firms believe other issues are more pressing so F&TRC will prioritise accordingly and identify a timescale for when this activity could be met.
18/11/2009	430	F&TRC to establish appropriate contact at the FSA who is responsible for the work on projections rates.	F&TRC	19/11/2009	FSA team responsible for this work have contacted F&TRC and have stated they are keen to understand more about the work planned in this area and would like to maintain a dialogue on the issue.
18/11/2009	431	Providers to identify if they wish to engage in the working group that is being established to address issue of projection rates, if so, identify an appropriate contact from their business for F&TRC to contact.	F&TRC	27/11/2009	F&TRC have emailed all Providers with this request. Metlife and Aviva have already forwarded details of their contacts
18/11/2009	432	F&TRC to develop a project scope (this is to be done in conjunction with some advisers and providers prior to the projection rate project commencing).	F&TRC	04/12/2009	
18/11/2009	433	F&TRC to publish a projection rate project timeline, project deliverables, stakeholder list and teleconference dates by mid December.	F&TRC	16/12/2009	



2010 dates

PMG

Adviser Forum Meeting Calendar 2010

Key	MeetingType	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

2010

January 10

M	T	W	T	F	S	S
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4	5	6	7	8	9	10
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February 10

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March 10

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April 10

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May 10

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31						

June 10

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July 10

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August 10

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September 10

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October 10

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November 10

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December 10

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