

# Compliance News – For IFAs

'We are committed to providing IFAs with a periodic free newsletter and value for money additional compliance services – Please support us!'

## JUNE 2013 Edition

Regular newsletters since 2004 – see our new website [www.compliancencenews.org](http://www.compliancencenews.org)

**Welcome to Compliance News:** This free bulletin is issued by Compliance News Limited to over 21,000 IFAs and compliance staff in the UK. The aim is to get the distribution up to 25,000. If this can be achieved, more free updates and assistance will be available to the readers.

Please would you ask any other IFAs you know to register for the bulletin by emailing Compliance News via [compliance@ifahelpline.co.uk](mailto:compliance@ifahelpline.co.uk)

**Introducing the Editor:** Phil Dibb has over 20 years experience in financial services. He worked at PIA / FSA from 1997 to 2002 and now runs his own Compliance Consultancy firm. He also recently achieved Chartered status.

Phil spends the majority of time training IFAs on compliance and T & C issues. In addition he is Chairman to a number of regional Compliance forums held around the UK and also a member of the Association of Professional Compliance Consultants.

### COMPLIANCE NEWS PREMIER SERVICE

IFAs can subscribe to the Premier Service to receive a wide range of up to date **forms, templates and procedural documents** to assist with the running of their business. All forms are issued direct to subscribers and most are in word format so that they can be made firm specific. In addition subscribers are kept up to date by e-mail on the key regulatory issues of the day with advice as to the steps your business should take to mitigate against any risks that these issues may present.

Recently designed documents include:

#### **June 2013 Income Drawdown Technical test**

#### **June 2013 Pension Transfer Specialist Technical test**

General IFA – Annual Testing

Data Protection Test

Structured CPD Record Sheet

Product Consideration Form (for IFA's post RDR)

Pension Switch checklist

Drawdown checklist

Post RDR Retail Client Agreement

**The Premier Service is available from only £175 per firm for the year.**

**We believe that the Premier Service will save a typical firm at least 50 hours each year. See page 8 for full details of how to subscribe or e-mail**

[compliance@ifahelpline.co.uk](mailto:compliance@ifahelpline.co.uk)

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## 1. BRAW UPDATE – NEW REGIONAL SESSIONS NOW KNOWN

During June 2013 the FCA are reviewing a number of firms in the South Central area; in particular a number of face to face meetings will take place at Fontwell Park racecourse. The main method of assessment is either an online assessment or face to face interviews.

The next regions to be reviewed will be as follows:

September & October 2013– South Yorkshire & East Midlands (DN, HD, HU, HX, LE, LN, NG, PE, S, WF, YO)

November 2013 – London West (HA, KT, SM, SW, TW, UB, W, WC, WD)

March 2014 – Wales & Severn (CF, CH, CW, GL, HR, LL, LD, NP, SA, SY)

For further details, please see the following link:

<http://www.fca.org.uk/firms/being-regulated/meeting-your-obligations/risk-awareness>

Premier Service subscribers will receive our updated BRAW document very soon.

**\*\* BRAW TRAINING \*\*** To register your interest for our planned BRAW training please email [compliance@ifahelpline.co.uk](mailto:compliance@ifahelpline.co.uk) with BRAW Training in the subject box.

## 2. \*\* STOP PRESS \*\* UPDATE \*\* PENSIONS TECHNICAL TESTS \*\*

We have just updated the following two written tests for our subscribers:

**Income Drawdown Technical test (answers on a separate sheet)**

**Pension Transfer Specialist Technical test (answers on a separate sheet)**

SUBSCRIBERS WILL AUTOMATICALLY RECEIVE COPIES BY 18/06/2013

If you are advising in these two areas you should properly consider how you can show that your advisers are competent.

## 3. SUPERVISOR COURSES

We are planning to run five Supervisor refresher courses in September across the UK. This is an all-day course, covering the key elements of Training & Competence and how they affect IFAs. We will cover a wide range of T & C topics, including observations, different levels of monitoring, risk-based supervision and how to document 'maintaining competence'.

**Six hours of structured CPD will be provided.**

If you are looking to attend a supervisor course please let us know by emailing [compliance@ifahelpline.co.uk](mailto:compliance@ifahelpline.co.uk) with 'Supervisor Course' in the subject box and please also include your preferred region. Courses cost approximately £190 per person depending on venue costs.

## 4. PENSION SWITCHING & INCOME DRAWDOWN

The FCA has recently run sessions on pension switching and income drawdown and it is clearly an area that they will be keeping a keen eye on.

Our Premier Service subscribers have recently been provided with links to 2 YouTube clips we have published covering these topics. Updated checklist documents have also recently been issued.

## 5. FURTHER STRUCTURED CPD SESSIONS – PROVIDING 7 HOURS OF CPD

During April we ran 2 very successful full day events which provided attendees with 7 hours of Structured CPD. The sessions included technical presentations on VCTs, EIS, Investment Trusts, Structured Products, Guaranteed Funds and Esoteric Investments in SIPP or SSAS. Further sessions are planned throughout the year. *Priority to attend these events will be given to Premier Service subscribers.*

As a reminder, individual advisers must undertake a minimum of 35 hours CPD (Continuing Professional Development) per year, of which at least 21 hours must be Structured.

For ease and continuity within businesses, we are generally recommending that our subscribing firms embrace the CII on-line CPD recording system. In the past, the CII operated a 'credits' based system – this has now ended. It is now just hours. The links below give you additional information.

[http://www.thepfs.org/knowledge/technical-articles/article/?content\\_nodeid=19035](http://www.thepfs.org/knowledge/technical-articles/article/?content_nodeid=19035)

<http://www.cpd.cii.co.uk/demo/ChangesToTheCPDScheme.pdf>

[http://www.cii.co.uk/media/2957765/cii\\_cpd\\_scheme\\_faqs\\_v8.pdf](http://www.cii.co.uk/media/2957765/cii_cpd_scheme_faqs_v8.pdf)

Our main concern is that when an individual's CPD is checked by the CII (the CII are to check approximately 10%) – this could potentially delay any renewal of an SPS if the CPD is not sufficiently detailed / or to the correct standards. As everyone will know ... no SPS ... means you cannot advise as a CF30 (very few exceptions exist).

Please email us with "structured CPD interest" in the subject box for more information.

## 6. GABRIEL / REGULATORY RETURNS

**Are you ready for the Section K changes? To register your interest, please email Lisa (email below) please do not leave it until the day before your GABRIEL is due.**

This area has becoming very complex and the changes for firms throughout 2013 will mean this return will take more time to complete (the APFA estimating 3 days per year will be spent on this as per their article shown via the link below) and will also challenge the data systems and records at firms. The key changes are:

- o Section K Adviser Charging
- o Section I changes
- o Complaints returns
- o Professional standards returns

As this whole area has moved on significantly since the days of the PIA annual questionnaire, we are involved in the launch of a new service – Regulatory Returns Limited. This will provide a dedicated full time service for all Regulatory Returns for directly authorised IFAs (Non MiFid). This service includes:

- o Ad-hoc queries
- o Sanity checking your 6 monthly returns
- o Ongoing help with preparation & input
- o ONA Registrations

The service from Regulatory Returns Ltd launched on 1<sup>st</sup> March 2013. To receive a summary of help available please email [lisa@regulatoryreturns.co.uk](mailto:lisa@regulatoryreturns.co.uk) or telephone 0113 2782971

<http://www.apfa.net/news/press.php?id=344>

## 7. REGULATORY FEES

Following on from the above, please note that your annual/period fees to the regulatory authorities i.e. FCA, FSCS and FOS are calculated utilising the information submitted within your GABRIEL report, in particular Section J. It is therefore imperative that you are collating and reporting the correct information in order to prevent the FCA questioning errors within the data and revising your fees.

Below is a link to the FCA website; by inputting your section J data you may now receive an estimate of your proposed fees.

[http://feecalc.fsa.gov.uk/feecalc.asp?fy=2013\\_2014&sc=consultation](http://feecalc.fsa.gov.uk/feecalc.asp?fy=2013_2014&sc=consultation)

## 8. FINANCIAL OMBUDSMAN SERVICE (FOS) - UPDATE

**GOOD NEWS !!!** Please see page 134 on the recent annual report via the following link <http://www.financial-ombudsman.org.uk/publications/ar13/ar13.pdf> Only 1% of all FOS cases were disputes involving IFAs. We believe that one of the IFA trade bodies should be shouting about this from the roof tops. We have written to Paul Lewis of the BBC's Moneybox about this, could you also write to him?

Mr P Lewis  
Moneybox  
BBC Radio 4  
BBC Broadcasting House  
London  
W1A 1AA

The latest figures published by FOS in their annual review show that the number of complaints they are dealing with continues to rise. Whilst the vast majority relate to PPI it is important to note that there has been a 27% increase in pension cases and a 42% increase in cases relating to investment-linked products.

## 9. BAN ON THE PROMOTION OF UCIS TO ORDINARY RETAIL INVESTORS

The FCA are in the process of banning the promotion of UCIS and certain close substitutes to ordinary retail investors. Please ensure all your advisers are aware of this.

Whilst the IFA industry knows these investments / funds as "UCIS" the other common abbreviation is "NMPs" meaning Non-Mainstream Pooled Investments. We understand that during 2012 ordinary investors put £2.5bn into such investments.

Please see below the link to the final rules relating to the banning of promotion of UCIS

<http://www.fca.org.uk/news/promotion-of-ucis-ban-ordinary-retail-investors>

## 10. IFA RESEARCH TOOL – Trial licences available

Compliance News are delighted to announce that we are now able to offer licences to the largest provider of 'IFA Research' across the UK. Up to now, this has generally only been available to their own network members, however, we have now agreed a deal for our readers. For more information, please email us with 'Research' in the subject box.

## 11. REMOTE FILE CHECKING SERVICE – A flexible alternative for IFA firms.

Following a number of firms having FSA visits recently, below are five key areas which are regularly focused on when client files are reviewed. In our opinion, it is very important that your own files can clearly demonstrate the following:

- Issue of Regulatory documents / client agreements / agreement of payment method & services to be provided.
- File to show full 'know your client records', linking in needs, priorities, objectives, liquid cash funds and affordability with the client's attitude to risk.
- Research: To demonstrate that non-provider led research has taken place.
- Suitability report / letter: To link the client's circumstances / ATR / objectives with the advice.
- Follow-up documentation and a clear record of 'what happens next'; including any review dates (in particular drawdown cases).

Through our sister company Just CRS Limited, we are able to provide a remote file checking service to IFA firms on a 'pay as you go' basis. The costs are: £65 + VAT per remote client file review with summary sheet (excluding multiple transaction files or higher risk cases such as drawdown, structured products or PP switching) or £95 + VAT per drawdown / PP switching (up to 3 into 1) remote file check. Please contact Katherine Horgan at [katherine@justcrs.co.uk](mailto:katherine@justcrs.co.uk) or 07815 767204.

## 12. COMPLIANCE FORUMS

Further forums are being planned for 2013. These sessions generally start at 10.00am and finish at 1.00pm with the cost usually in the region of £65.00 per person. To register your interest for future forums, please email [compliance@ifahelpline.co.uk](mailto:compliance@ifahelpline.co.uk) with "Compliance forum" in the subject box.

If you have a Boardroom or meeting room available to you, which can easily seat 12 people, you may wish to consider hosting a forum (no delegate costs for host firm). Please make contact.

## 13. THE PROTECTION REVIEW

The Protection Review is an independent organisation dedicated to the promotion of protection to the consumer via intermediaries. See <http://protectionreview.co.uk/> We understand all protection products are covered. The aim is to ensure every client has appropriate cover in place.

John Murray (Compliance Consultant in South West London) has kindly offered the following: As every client has a "protection gap" which is unique to him/her. This has to be assessed, costed and covered. Efficient advisers will always include this in reports.

John is offering a summary of the recent seminar with extracts from the important slides (there were 222) in a word document with the appropriate website links, for only £25. This has been prepared by John and you will get various ideas from these.

Please email [compliancebackup@gmail.com](mailto:compliancebackup@gmail.com) with your firms details and you will be sent the bulletin with an invoice.

#### 14. MMR – MORTGAGE MARKET REVIEW WEBCAST

For those firms with mortgage permissions, we recommend the owners and directors watch the following 52 minute FCA webcast.

<http://www.fca.org.uk/news/mmr-webcast>

#### 15. UPDATED SELF-EMPLOYED ADVISER CONTRACT

We are in the process of updating this contract document to reflect recent changes. This has now become a very detailed document and covers various areas including adviser liabilities, ongoing obligations and client ownership. If you have not reviewed your firms document recently, this should be considered.

All our subscribers will automatically receive a copy by 25<sup>th</sup> June 2013.

#### 16. PREMIER SERVICE RECENTLY ISSUED UPDATE EMAILS

In addition to the forms you have access to – we also issue regular email updates – our minimum standard is every six weeks but below is what was actually issued to all subscribers recently:

June 2013 – NEST adviser charging conference call to listen into

Email news update 97 – Issued 15/05/13 - FCA logo use / Pension switching & drawdown / CPD / Auto-enrolment. Includes Youtube clips on pension switching & drawdown.

April 2013 – BRAW conference call to listen into

Email news update 96 – Issued 27/03/13 - FCA Statutory status disclosure

Email news update 95 – Issued 25/03/13 - FCA / Gabriel help / Structured CPD

Email news update 94 – Issued 13/03/13 - General Update - FCA / Auth & Regulated / Updated Product consideration form

Updated Excel of all post RDR forms – Issued 12/03/13

Email news update 93: Issued 27/02/13 – FSA Post RDR Survey info / CCL update

Email news update 92: Issued 05/02/13 – Structured CPD – detailed information

Email news update 91: Issued 10/01/13 – FSA Reporting updated / GPPP's / Updated CIDDs

Please also see the home page of [www.compliancenes.org](http://www.compliancenes.org) for the current Excel list of all our documents.

**Is your existing compliance provider issuing such support for £175pa (small firms) ?**

## 17. COMPLIANCE NEWS PREMIER SERVICE – The annual costs is per firm

We believe this service will save a typical IFA firm at least 50 to 80 hours per year.

### **MOST DOCUMENTS ARE SENT ELECTRONICALLY ON 'WORD'**

**Benefit:** You have access to **all the forms** we have, at no extra charge. We will send a wide range of IFA forms / guidance on a regular basis to you in 'word' document format. In addition, wherever possible we will try and assist with individual requests.

**– Small IFA firms with 1 to 10 advisers - £175 p.a. PER FIRM**

**– IFAs with 11 to 25 advisers and up to 9 AR's - £275 p.a. PER FIRM**

**To register:** Please complete the back page with your details, enclosing a cheque made payable to Compliance News Limited.

The following is a list of just some of the documents, which will be issued.

Generic Knowledge test for advisers  
Post RDR IFA Research form  
Reference Request forms  
Conflicts of Interest Policy  
Data Security documents  
Copies of relevant FSA guidance  
Anti-Money Laundering Annual test  
Updated Terms of Business letters (RCA)  
Compliance / Risk Mitigation plan,  
Compliance Audit forms,  
Updated Observation forms  
Adviser Role / Job Description templates  
Risk Assessment / calculator of adviser,  
Fit & Proper adviser annual declarations,  
Client agreements / Fee agreements,

IFA Research / Committee minutes  
Customer Satisfaction Surveys,  
Maintaining Competence (T & C) form,  
Suitability Letter templates,  
File completeness checking forms,  
Blank reference request forms, diary template,  
Disaster Recovery / Continuity plan,  
Provider Research summary forms,  
Recruitment checklists  
TCF forms – Too many to list  
New IDD (SCDD) documents  
Mortgage advice/file checking forms  
Personal account dealing declaration  
Compliance Board Report templates,  
BRAW help.

*“Whilst the above list may appear to be comprehensive the real benefit to most subscribers is being able to email a request and receive a template. We are generally able to help with 90% of all requests”*

Recent feedback from our subscribing IFA firms.....

*‘Thanks Phil, an invaluable service’*

*‘The BRAW telephone conference call was really helpful’*

*‘.....the updated Excel spreadsheet of all the forms is a great idea – keep up the good work’*

### **PRICES HELD UNTIL 31<sup>st</sup> July 2013**

**We are considering a small increase in subscription costs for NEW subscribers. The costs shown on the last page are only available for payments received by 31<sup>st</sup> July 2013.**

### **Compliance News Premier Service – Any questions?**

If you cannot decide whether this service will be of benefit, or if you have any questions as to how many documents you will get / have access to, we will be glad to call you to answer any queries.

Please send a quick email to the address below with 'Premier News Enquiry' in the title box and we will call you.

[compliance@ifahelpline.co.uk](mailto:compliance@ifahelpline.co.uk)

Tel: 0113-2583111

**18. COMPLIANCE NEWS PREMIER SERVICE – HOW TO SUBSCRIBE**

**SHOULD YOU WISH TO SUBSCRIBE TO THE COMPLIANCE NEWS PREMIER SERVICE OR REGISTER YOUR INTEREST FOR ANY OTHER SERVICE, PLEASE COMPLETE THIS SHEET AND POST / SCAN TO:  
 Compliance News Limited, 19 Henley Close, Rawdon, Leeds, LS19 6QB  
[compliance@ifahelpline.co.uk](mailto:compliance@ifahelpline.co.uk)**

**Compliance News Premier Service (cost for 12 month membership):** This service provides copies of all the popular documents (200+) we offer, mainly in 'word' format.

**SUBSCRIBERS TO THE PREMIER SERVICE WILL AUTOMATICALLY BE ENTITLED TO ALL THE DOCUMENTS DETAILED AT NO EXTRA COST (PLUS OTHERS WE DESIGN DURING YOUR SUBSCRIPTION).**

<b>Compliance News Premier Service – Small IFA firms with 1 to 10 advisers.</b> Firms who do not have more than 10 IFAs or 3 Appointed Rep's, do not provide Compliance/Commercial services to other IFAs and agree not to pass on the material to external firms.	<b>Cost £175</b> Please tick
<b>Compliance News Premier Service – IFAs with 11 to 25 advisers and up to 9 AR's.</b> Firms who do not have more than 25 IFAs or 9 Appointed Representatives, do not provide Compliance / Commercial services to other IFAs and agree not to pass on the material to external firms.	<b>Cost £275</b> Please tick
<b>Compliance News Premier Service – Large IFAs, Networks and other Compliance consultancies.</b> Please contact us, as costs vary depending on size and activity.	<b>Please contact us</b>
Please note that the prices quoted above are for IFA firms, which are directly authorised with the FCA. Compliance News Limited reserves the right to increase the prices for other organisations, such as networks and those who also provide compliance support, that may require copies of certain documents.	

**Please make cheques payable to Compliance News Limited and post to the address at the top of this form. An invoice marked as 'paid' will be issued with all orders.**

**Name/Contact:**  
**Firm:**  
**Address:**  
**Tel:** **Are you an authorised firm? Yes / No**  
**Email:**

Should you wish to receive further information on a particular topic, please complete the form below.

<b>Compliance News – Additional Services</b>			
	<b>Tick (☞)</b>		<b>Tick (☞)</b>
Research Tool (free trial licence)		Supervisor Refresher Course – to be fully documented as <b>Structured CPD</b>	
Remote file-checking by Just CRS		B.R.A.W. telephone conference call	
<u>GABRIEL</u> help / Sense check / Discussion on the <u>new 'Section K'</u> data		B.R.A.W. face to face training course	
Annual refresher training day at your firm – To cover Anti-Money Laundering / Complaints Handling / Data Security / General IFA market post RDR talk / adviser testing / adviser training plans and if required 'Explain To Me Exercise' (T & C skills) – all run and led by Phil Dibb.			

**Name:** **Firm:**  
**E-mail:** **FCA Number:**

**Post to: Compliance News Ltd, 19 Henley Close, Rawdon, Leeds, LS19 6QB**