ASSOCIATION OF PROFESSIONAL COMPLIANCE CONSULTANTS.

Best Practice Working Group

Date and Time	Thursday 19th November
Venue	Via Zoom

Attendees by Zoom (11) – Please remember to keep your video on so we can see you!	
Dean Ritchie – Chair	Elly Dowding
Jo Connolly - Deputy Chair	James Kelly – DWF
Bev Robertson (APCC)	Karen Malin – The GI Consultant
Andy Sutherland – Conduct Culture	Vicky Pearce – B-Compliant Ltd
Chris Yates – Reality Compliance	Vickie Connolly - Huntswood
Christian Markwich - TCC	
Andrew Jacobs - DWF	

Agenda:

- Introduction
- Update on the PI market
- Update on post 1st October changes and how this is impacting ongoing work.
- Outline and discuss the WG's objectives

Introduction

Dean Ritchie – welcomed us all with a brief introduction then passed over to Andy Sutherland to start us off with PI.

Update on the PI market

Andy Sutherland – Andy shared his screen so we could all see his spreadsheet of PI insurance providers – Andy added detail to the comprehensive list and this allowed Dean to add his comments about a recent interview with a PI insurer and IFA where the PI insurer appeared to focus on VCT etc rather than DB – which Dean found odd.

Dean is going to contact Tim Little (an underwriter) to see if a few of us can meet with him to get more of an idea how the PI insurers assess IFAs.

360 are currently linked with Generali.

We spoke briefly about liability and it was mentioned that 'Zoe Riley (FCA, Edinburgh) had said that te firm would be liable for advice, rather than the individual.

This lead us on to talk about our concerns that the FCA will start to review more DB files and make comments on cases where they're not actually looking at the bigger picture (Andy had come across one such case recently).

Victoria Ellison commented (by proxy) that more than one of her clients may have to relinquish their DB permissions because they can't get PI cover…

Update on post 1st October changes

Christian (Apricity) has seen clients who are charging for abridged advice, to clients who clearly wouldn't transfer, after they've **offered really poor quality triage** – this appears to be very poor practice.

Apricity are **pre-checking all abridged advice** – this is great practice.

The FCA have a checklist on their website for consumers to go through to see whether they may have received unsuitable advice – copied in as an appendix to these minutes – page can be found at: https://www.fca.org.uk/consumers/defined-benefit-pension-transfers/advice-checker

Sandy asked what level of **fees** we'd come across for **abridged advice**. We all agreed that any 'free' abridged advice appears very much like contingent charging.

The responses around the table ranged from £500 > £2,000 (plus VAT), with £1,500 being the median.

WG's Objectives

We have defined the objectives for the group in the terms of reference as:

- To review and discuss issues involving Defined Benefit Transfers and Retirement outcomes in general.
- To support members and facilitate a deep and practical understanding of matters as they emerge and develop.
- To engage and build relationships with regulatory bodies were appropriate.

- In between main WG meetings, 2-3 members meet 2-3 times to work on key issues and feedback to the main group

Please email Dean or Tor if you have any other objectives you'd like to work towards or issues you'd like to cover.

Actions - Dean to contact Tim Little to arrange a meeting re what PI insurers are looking at

- All to contact the chairs with objectives and issues

Next Meeting – January 2021 – Merry Christmas and a Happy New Year to you all!

Check your DB transfer advice

If you agree with any of the following statements, you may be more likely to have received poor advice.

Statements
Your adviser did not ask you for all of the following: • information about you and your family, and how much income you need to support your family during your retirement • information about you and (if relevant, your spouse/partner’s) employment, current income and spending, tax position, entitlement to state pension or state benefits • information about your health (and partner’s health, if relevant) • your and your spouse’s other pensions, investments and debts, and any dependency on state benefits (and partner’s details, if relevant) • your priorities and spending plans for your retirement • how much risk you felt comfortable with and the extent to which you were prepared to accept a reduced lifestyle in retirement if investments performed poorly
Your adviser did not check your knowledge and understanding of DB and DC pension schemes, and their risks and benefits, or explain these so you could understand what you were giving up.
Your adviser did not consider how you could achieve the retirement you wanted, including early retirement, by keeping your DB scheme.
The pension you transferred was your only or largest guaranteed pension, and you had few other assets to support yourself in retirement.
Your adviser recommended you transfer and purchase a similar guaranteed lifetime income (an annuity), even though you were in average or good health.
Your adviser did not show how you could meet at least your essential income needs such as paying bills and rent from your DB scheme for your lifetime because they focused on one or more of the following: • giving you flexibility and control of your pension • maximising the death benefits payable in the event of your death • helping you achieve early retirement

Statements
• helping you take a larger tax-free lump sum
You did not believe the DB scheme employer would continue in business, and your adviser did not show how your retirement needs might be met if the DB scheme was taken over by the Pension Protection Fund.
You are now in a scheme, recommended by your adviser, where the charges you pay are much higher than you expected.
Your adviser recommended you transfer to maximise the potential for good investment returns and did not show you how your income might reduce, not keep pace with inflation or not last your lifetime if investments returns were poor or charges were high.
You are now in a scheme, recommended by your adviser, where your funds are invested in hotels or student accommodation, storage pods, leisure developments, parking schemes, forestry, precious metals/stones or other unusual investments.
Your adviser recommended, in writing, that you should not transfer but: • hinted you should do so anyway • did not explain the value of your existing DB scheme • did not explain the risks of a transfer • gave you a list of the risks of proceeding with a transfer against advice without making these personal to you

If you do not agree with any of these statements then it is more likely you received good DB transfer advice.

If you agree with at least one statement above, then it is possible that you may have received poor DB transfer advice and you might have a valid complaint.

If you were always going to transfer, no matter what your adviser said about the disadvantages, it is less likely that you have a complaint.