

Taking the politics out of Regulation

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The information that follows is based on our understanding of current taxation, legislation and HM Revenue & Customs practice all of which are liable to change without notice.

This is just for UK advisers – it's not for use with clients

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Learning Objectives



By the end of this session, you will be able to:

Understand key aspects of the thematic review of retirement income advice

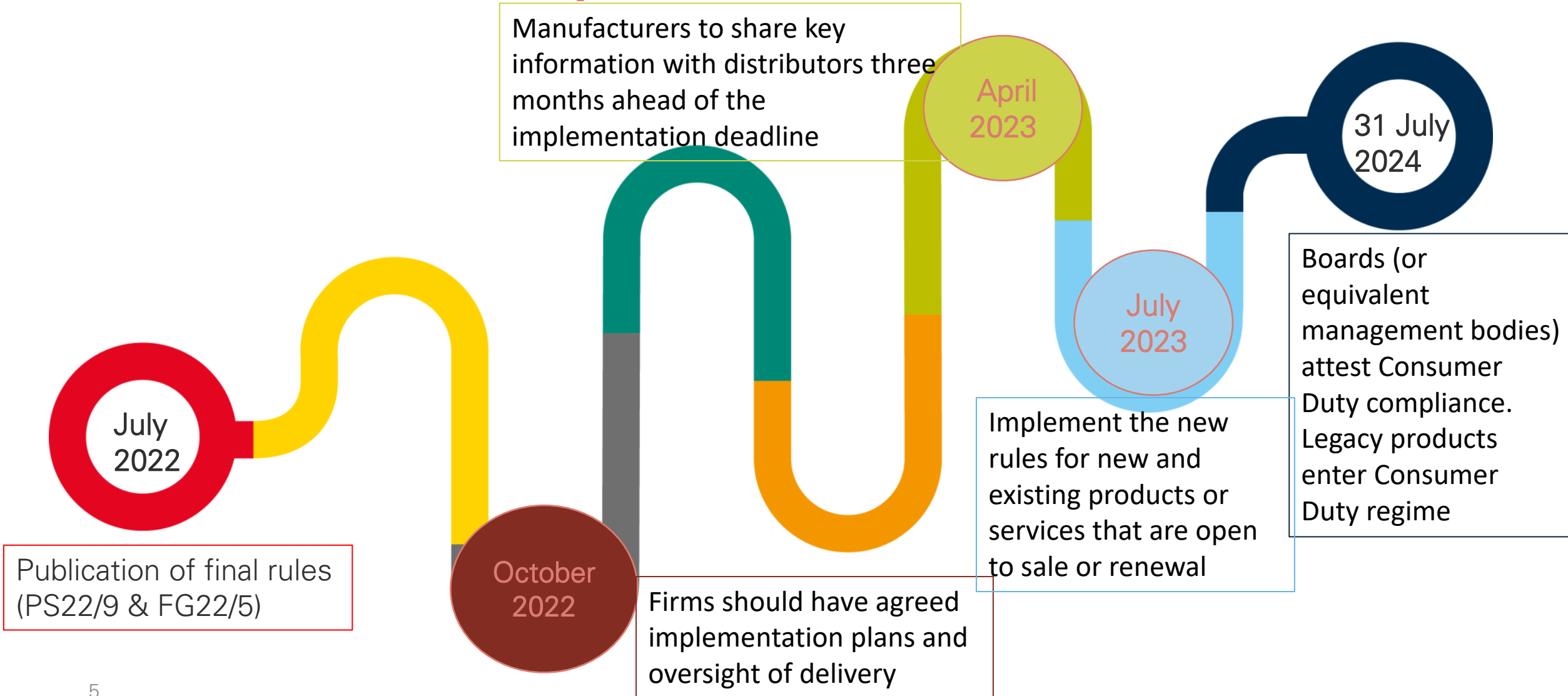
Identify key areas that should be reviewed for retirement income advice

Consider other aspects of retirement income advice in relation to consumer duty

Key areas of focus

- Lack of necessary client information
- Risk Profiling and Capacity for loss
- Cashflow modelling
- Ongoing Service and Fees
- Reviewing the RIAAT
- Disclosure requirements
- Due diligence
- FCA data survey and reviewing existing processes
- Other useful information

Consumer Duty - timeline



February 2024 FCA letter

Q1. Have you reviewed the delivery of ongoing advice as part of your Consumer Duty work, in particular when assessing fair value?
Yes/No

Q2. If you did review it, please also confirm if you made any changes? Yes/No
Please be prepared to provide further information to the FCA on this point if we ask for it.

Q3. Please complete this table:

Time period	Number of clients due a suitability review as part of your financial advice ongoing service	Number of clients who received a suitability review as part of your financial advice ongoing service	Number of clients who paid for ongoing advice but whose fee was refunded as the suitability review did not happen
2023			
2022			
2021			
2020			
2019			
2018			
2017			

What should I do now?

1. Get familiar with the FCA Thematic Review
2. Read the Dear CEO and Cash Flow Modelling letters
3. Get familiar with the Retirement Income Advice Assessment Tool
4. Review ongoing service and fees
5. Due diligence process
6. Create a consistent process which starts with gathering correct information

Help is at hand

FCA data survey and reviewing existing processes

<https://www.fca.org.uk/publication/corporate/retirement-income-advice-survey.pdf>

Personal Finance Society guide on income drawdown

www.thepfs.org/media/10129449/good-practice-guide-advised-pension-income-drawdown-c1.pdf

Personal Finance Society consumer duty toolkit

<https://www.thepfs.org/news-insight/consumer-duty/>

Help is at hand – M&G Wealth

Retirement Income aims and objectives checklist

www.mandg.com/dam/pru/shared/documents/en/frpm100580106.pdf

EGR methodology

www.mandg.com/dam/pru/shared/documents/en/11/quarterly-update-building-blocks-framework.pdf

Drawdown and CD board attestations

www.mandg.com/dam/pru/shared/documents/en/cd100644506.pdf

Consumer Duty and ongoing adviser services

<https://www.mandg.com/dam/pru/shared/documents/en/cd100758401.pdf>

The building blocks

Evidence based income strategy



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