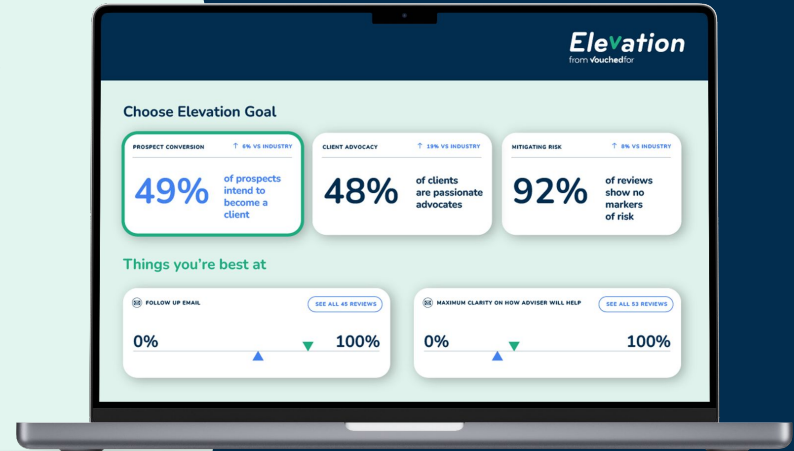


How to evidence value when the FCA comes knocking

15th May 2024

Elevation
from **vouchedfor**



Our panel



Alex Whitson
Managing Director
VouchedFor



Sandy McGregor
Head of Policy
SimplyBiz

In the next 45 minutes, we'll share

- **The story so far** - the latest from the FCA on value, and what's upcoming
- **Must haves** - the questions you should be prepared to answer, and the data points you need to answer them.
- **Shortcut to success** - 9 ways collecting client feedback makes evidencing easy
- **Practical action:** 3 things you should do after this webinar
- **Questions**

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The story so far...

31st July 2023

Consumer Duty
rules start

15th Feb 2024

FCA writes to
top 20 firms re:
ongoing advice

20th Mar 2024

Retirement Income
Review report
published

31st July 2024

First Annual Board
Report due

How the FCA is defining value

Evidencing value is a core focus of your Consumer Duty response and the FCA's 'ongoing advice' review.

Value is created and perceived by all the things that go around the product:

- service quality
- enhanced levels of customer service
- trust and peace of mind
- additional benefits
- expertise within a certain advice area
- ease of access to obtain support.

Value requires ongoing work - it's much more than just a box-ticking exercise.

The latest from the FCA's ongoing advice review

FCA questions 20 biggest firms about ongoing advice services



20 of the largest advice firms have been contacted by the regulator (Reuters/ Toby Melville)

By **Alina Khan**



The Financial Conduct Authority has written to 20 of the biggest advice firms requesting information about their ongoing advice services on the back of the consumer duty.



CONSUMER DUTY | 15 FEB, 2024

FCA quizzes 20 biggest advice firms over ongoing service concerns

The regulator has raised concerns about firms not providing an annual review for clients paying ongoing advice fees, particularly in light of the consumer duty.



Financial Conduct Authority | Mar 20 2024

FCA finds ongoing advice issues in 231 firms



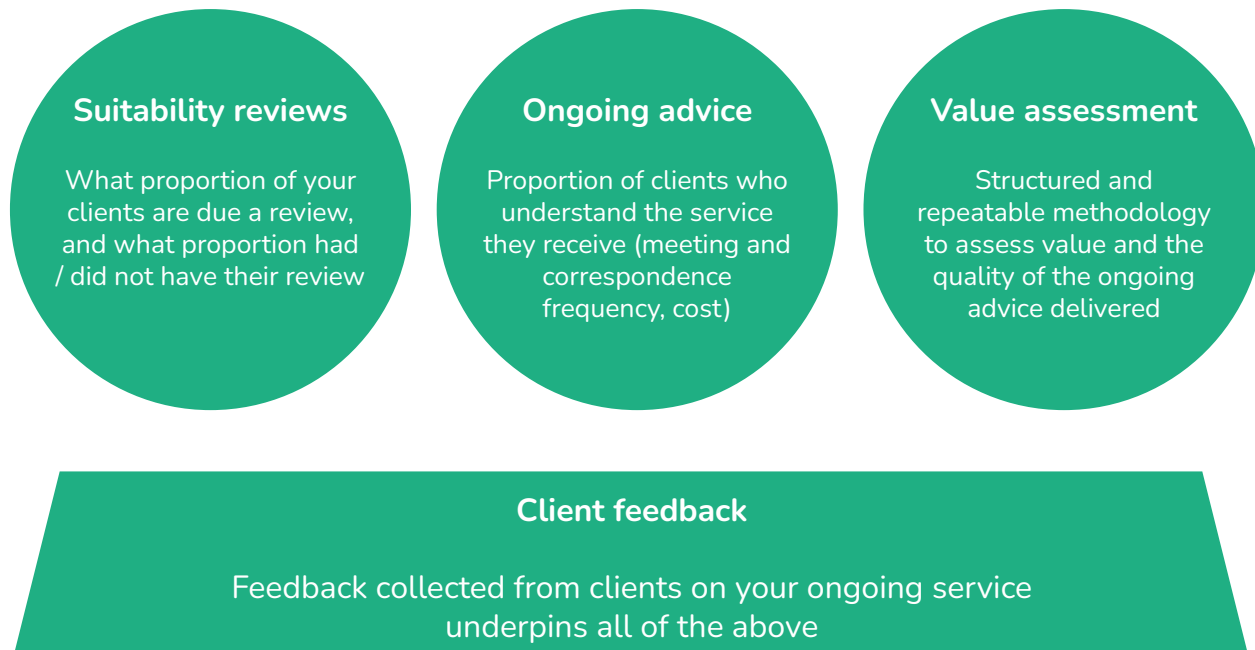
St James's Place sets aside £426m provision for client refunds for service complaints

- St James's Place set aside £426m for potential client refunds

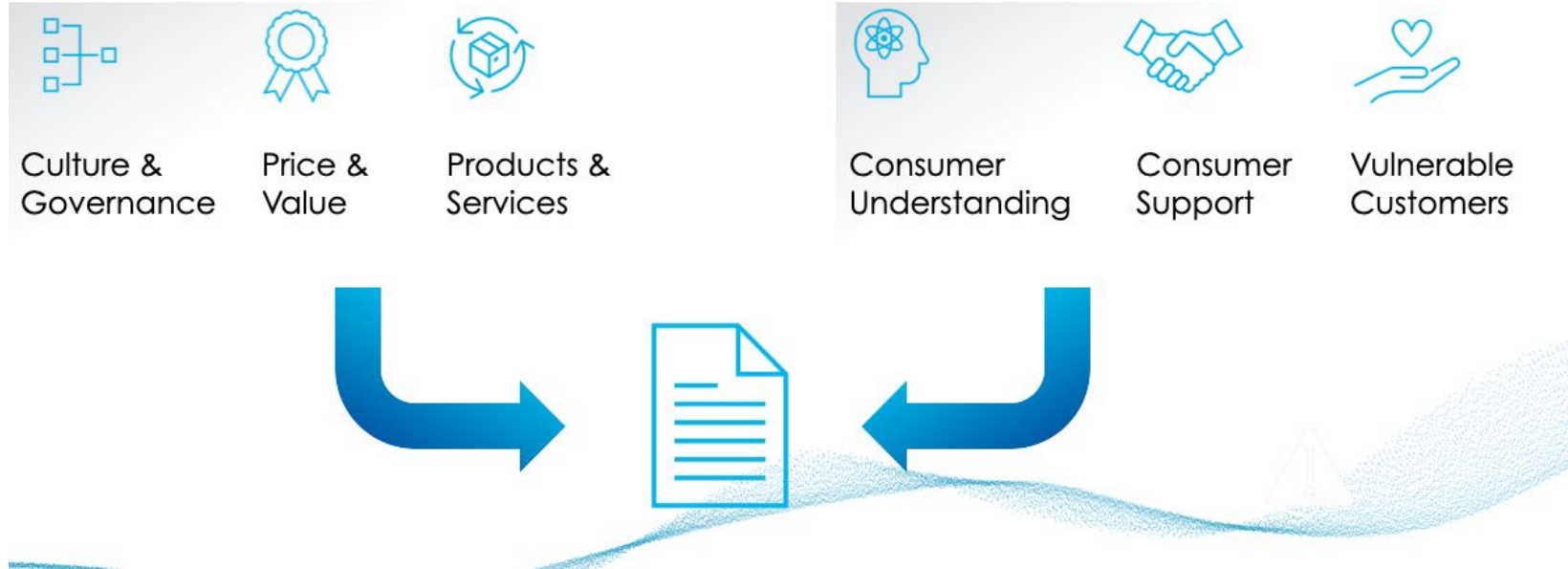
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Reasonable evidence: the must-haves when the FCA comes knocking



This same data feeds into your annual Board Report (due 31st July)

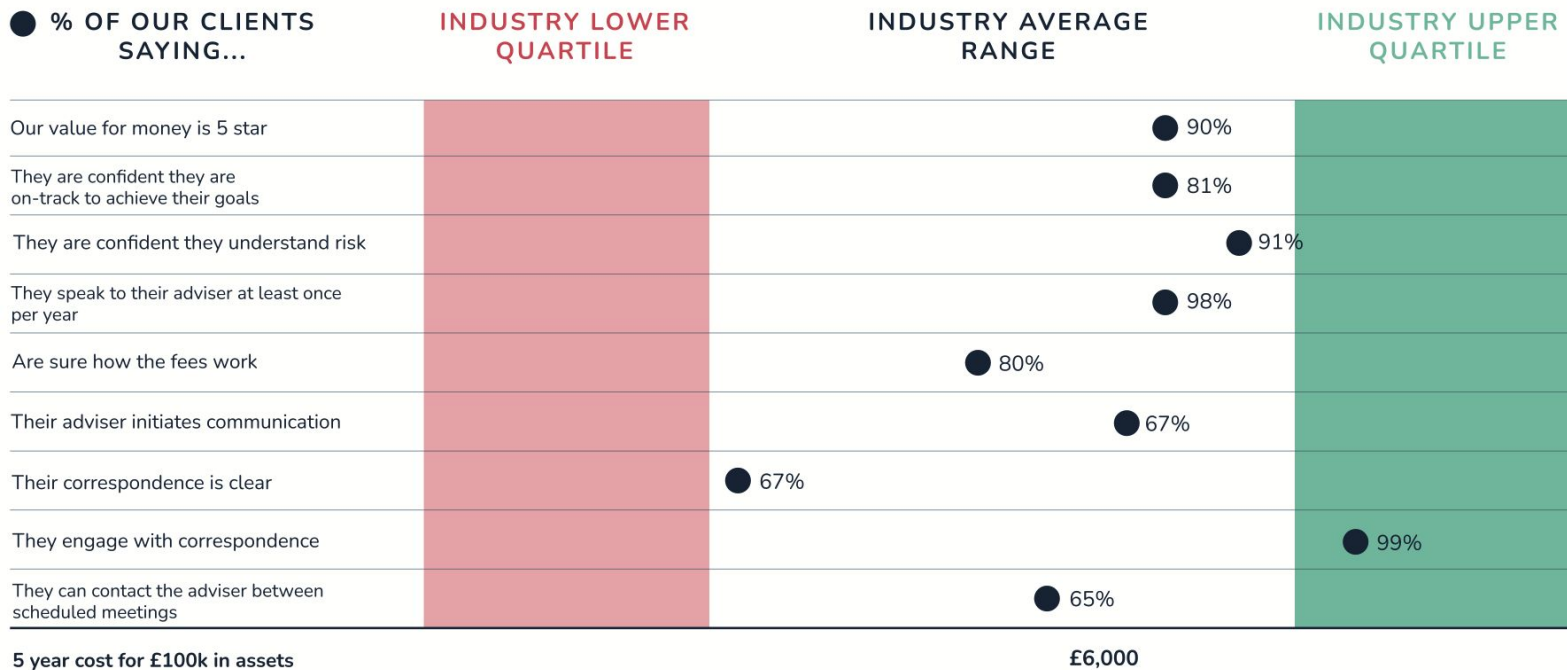


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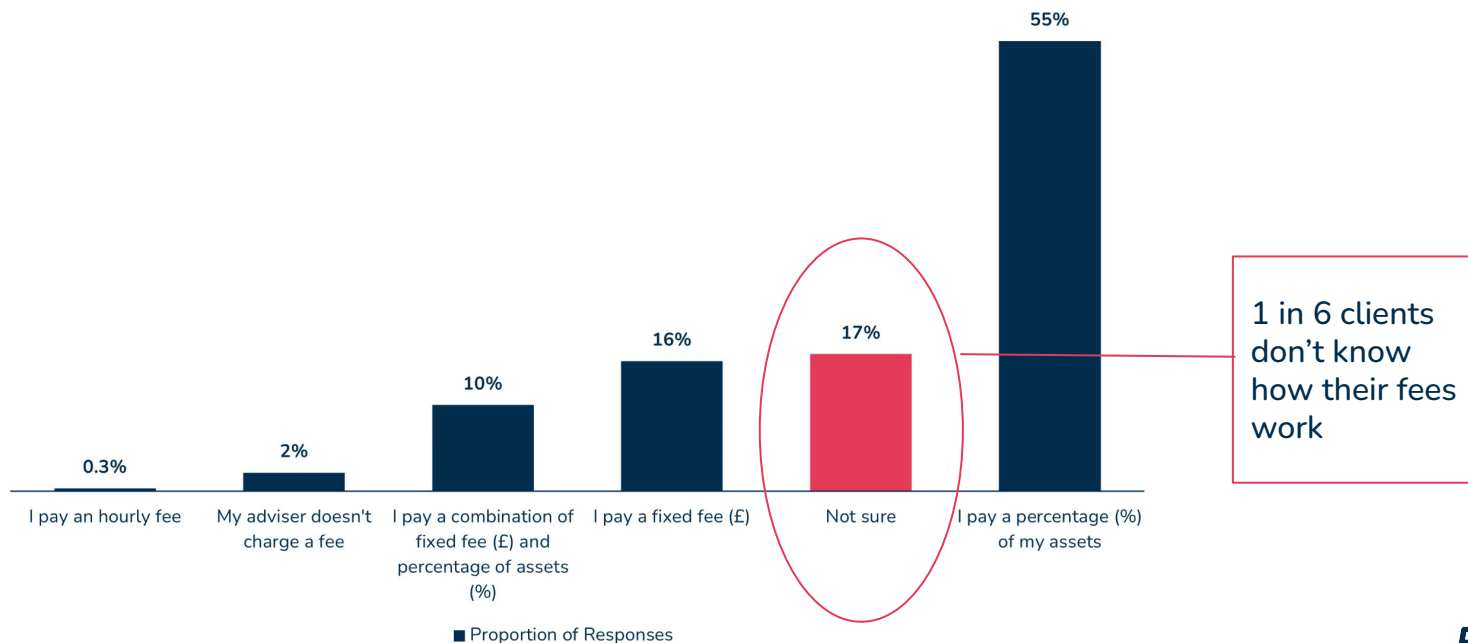
Elevation measures 9 different markers of value...

EXAMPLE VALUE ASSESSMENT REPORT

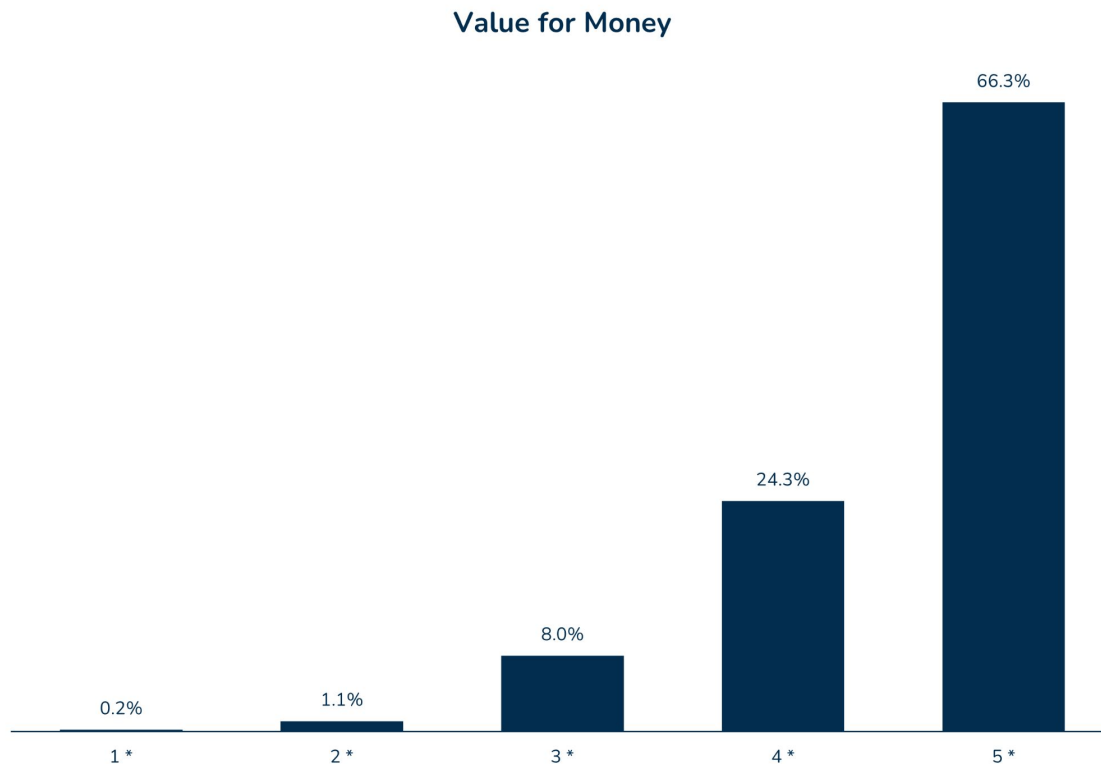


1. Client understanding of cost - clients can't assess value without first understanding cost

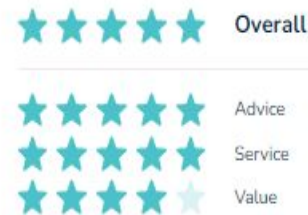
How do you pay for financial advice from your adviser?



2. Clients' perception of value

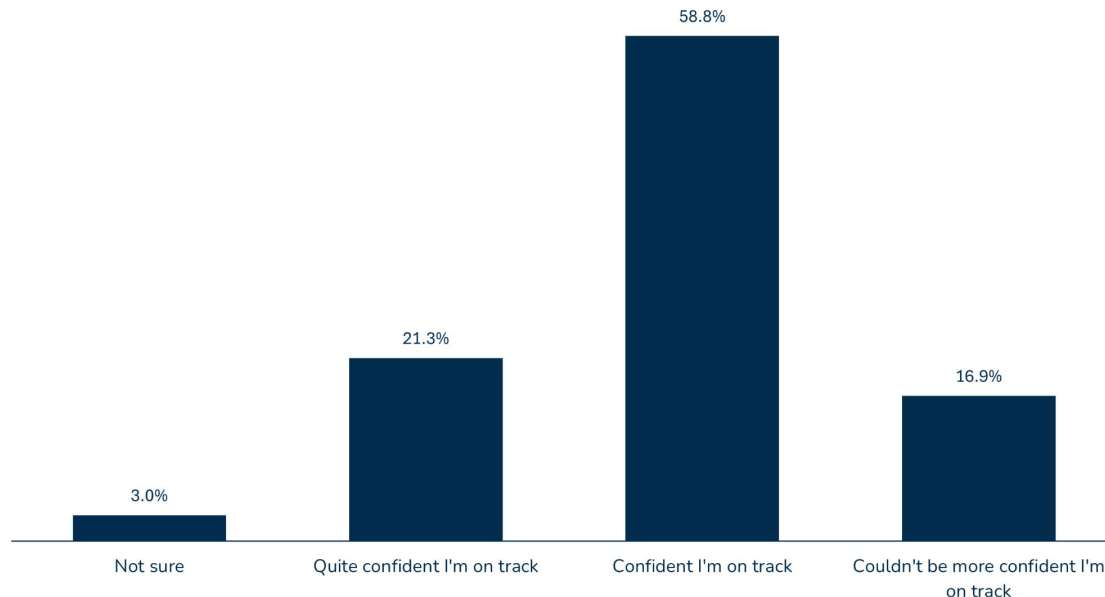


How would you rate
your experience with
[adviser name]?



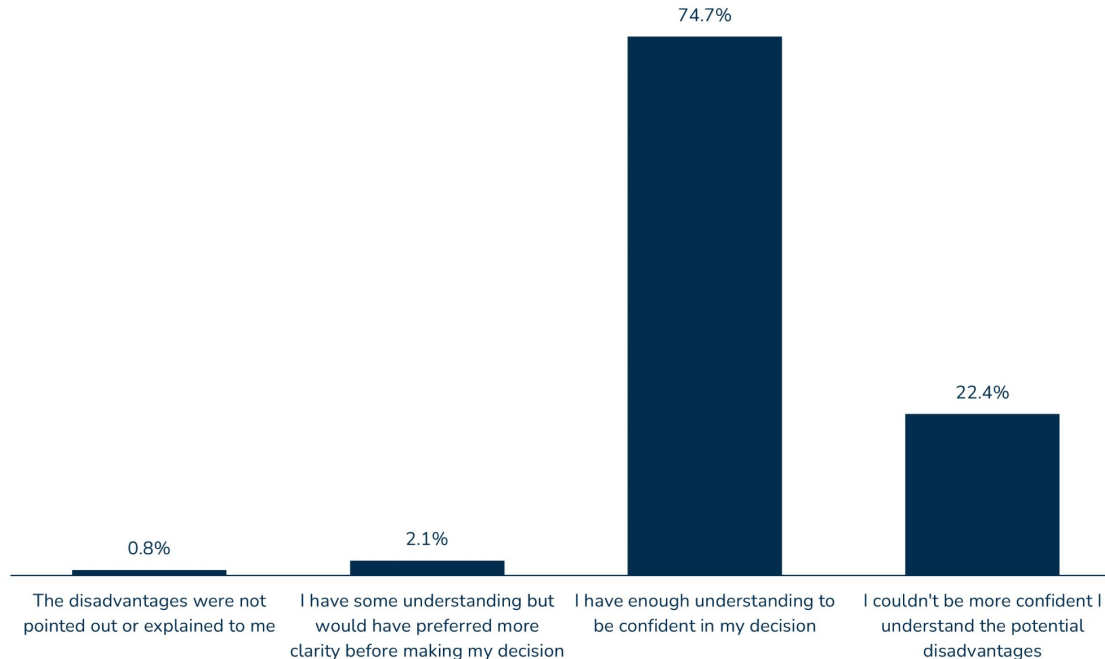
3. Client confidence they're on track

How confident are you that you are on track to achieve the goals you are working towards with your adviser?



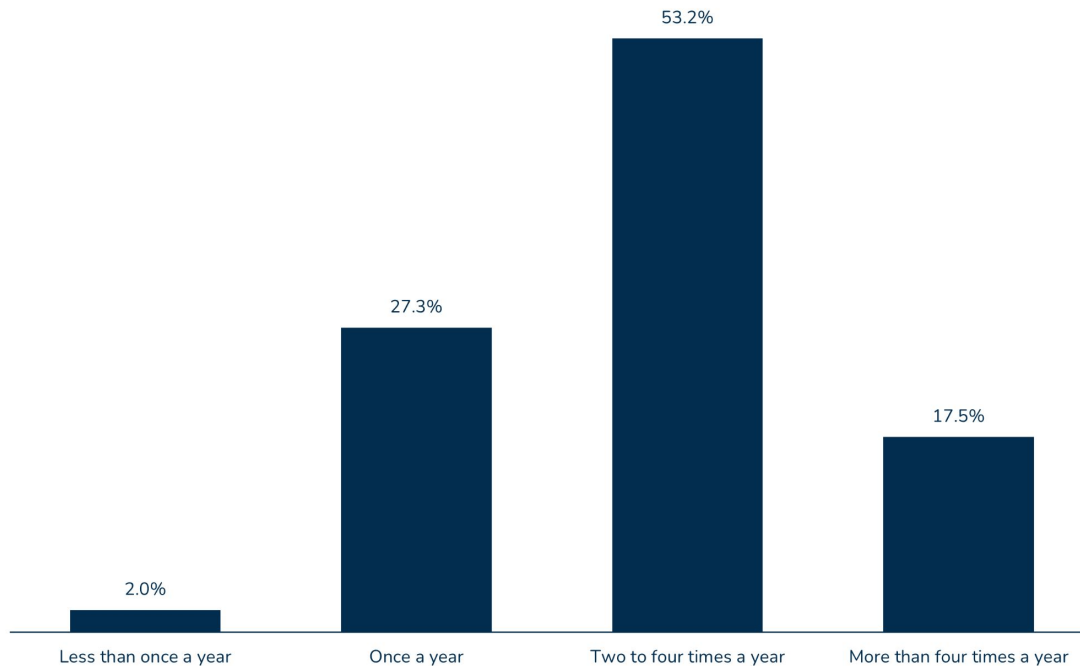
4. Client confidence they understand risk

How confident are you that you understand the potential disadvantages of your adviser's recommendations?



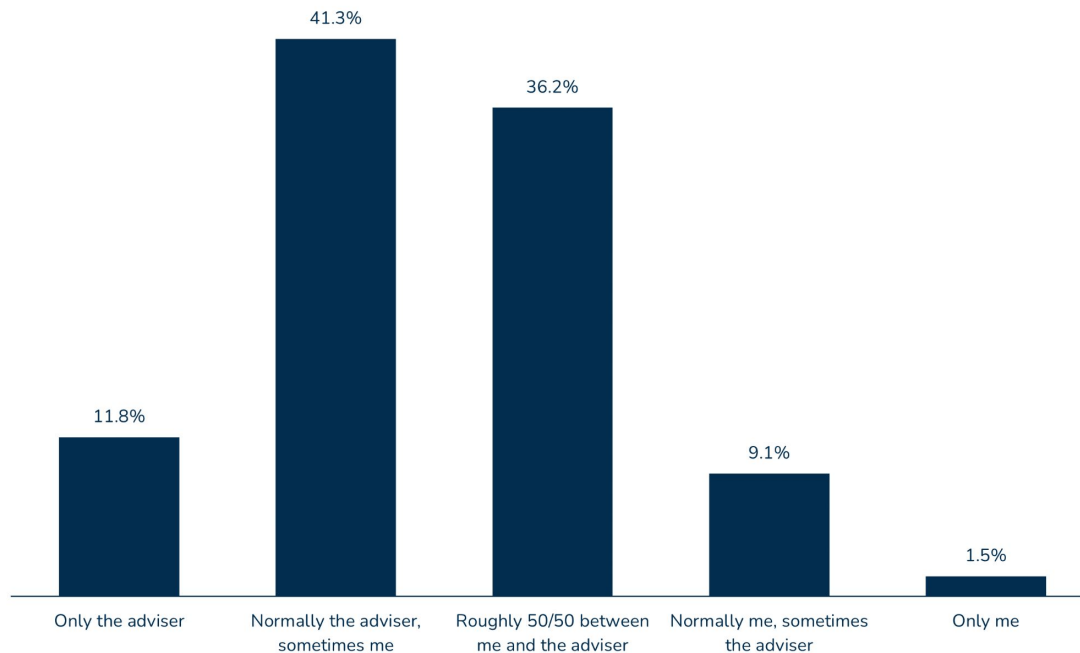
5. Frequency of communication

How often do you and your adviser speak?



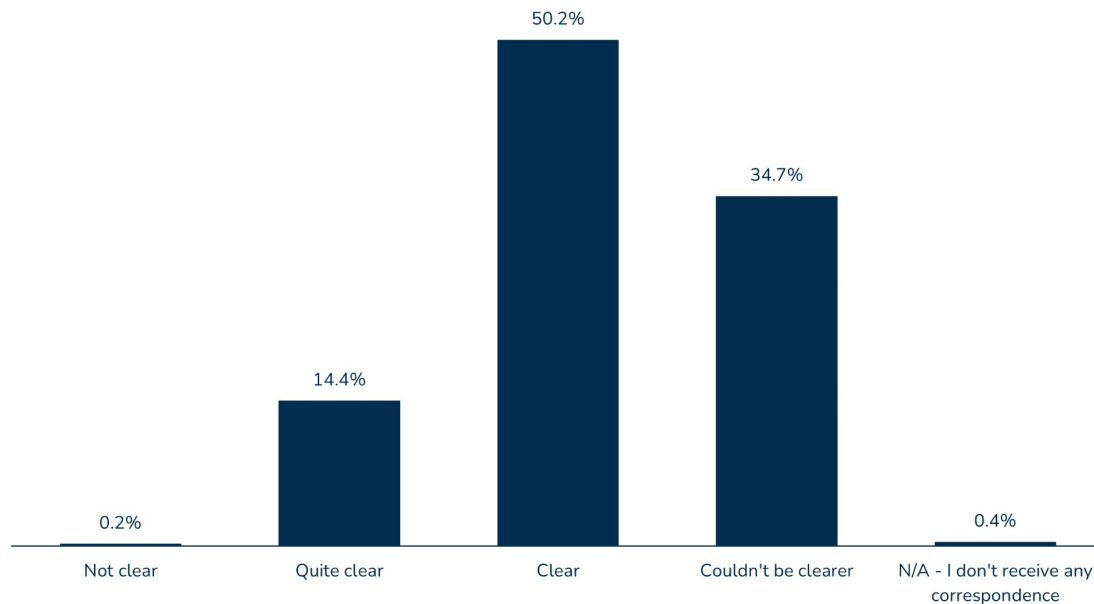
6. Who initiates communication

Who normally initiates communication between you and your adviser?



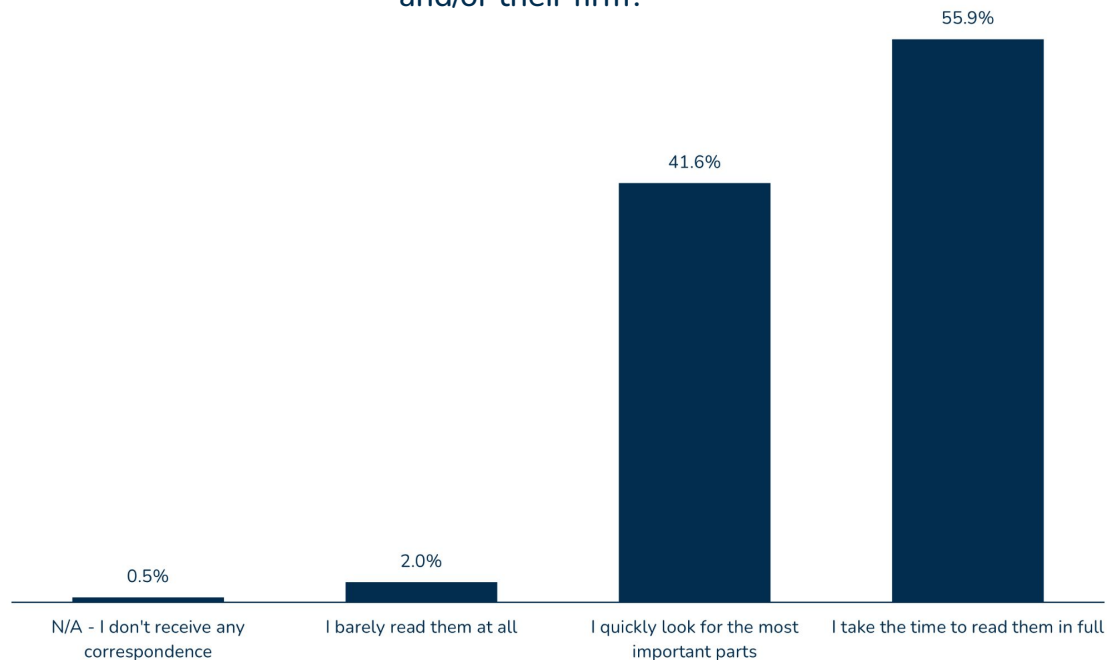
7. Clarity of correspondence

How clear is the correspondence you receive from your adviser and/or their firm?



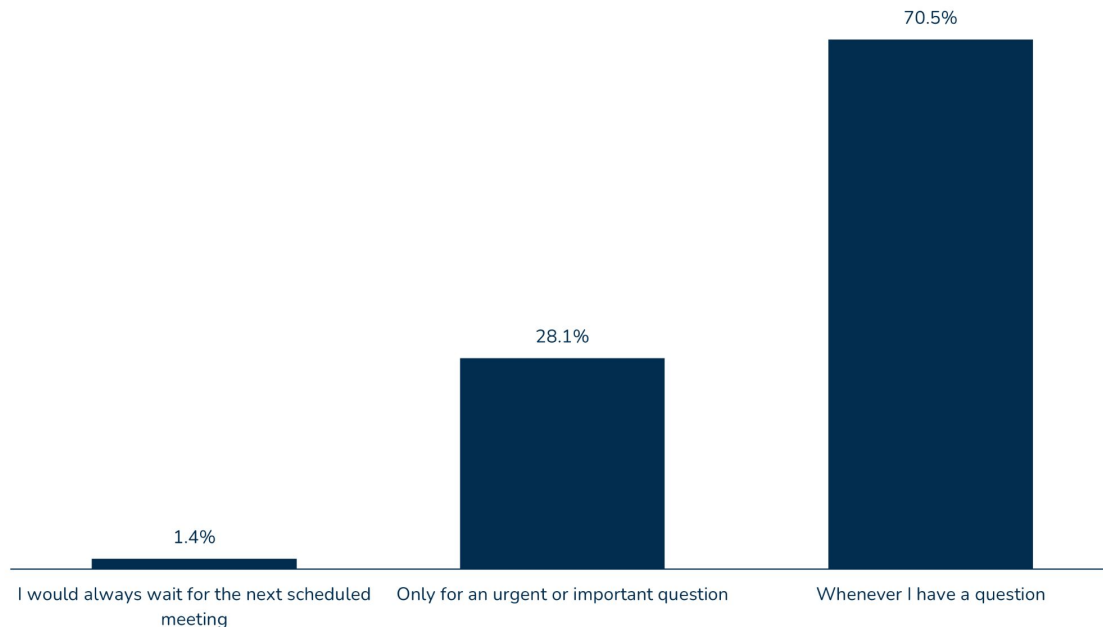
8. Client engagement with correspondence

How do you engage with correspondence you receive from your adviser and/or their firm?



9. Availability of adviser between scheduled meetings

Between scheduled meetings, in what circumstances would you contact [adviser]?



Evidencing value using client feedback

EXAMPLE VALUE ASSESSMENT REPORT

● % OF OUR CLIENTS SAYING...	INDUSTRY LOWER QUARTILE	INDUSTRY AVERAGE RANGE	INDUSTRY UPPER QUARTILE
Our value for money is 5 star		● 90%	
They are confident they are on-track to achieve their goals		● 81%	
They are confident they understand risk		● 91%	
They speak to their adviser at least once per year		● 98%	
Are sure how the fees work		● 80%	
Their adviser initiates communication		● 67%	
Their correspondence is clear		● 67%	
They engage with correspondence			● 99%
They can contact the adviser between scheduled meetings		● 65%	
5 year cost for £100k in assets		£6,000	

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Practical action - what you should do now

- ✓ **Obtain and assess the relevant data on:** suitability reviews, ongoing advice, value
- ✓ **Request a 'Monitoring Assessment' and 'Governing Body Report' template** from your compliance provider
- ✓ **Establish a process for collecting client feedback** (if you haven't already) to make your report more robust

NB: lack of complaints and retaining clients is not sufficient evidence of meeting the Consumer Duty

Questions?

elevation@vouchedfor.co.uk

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