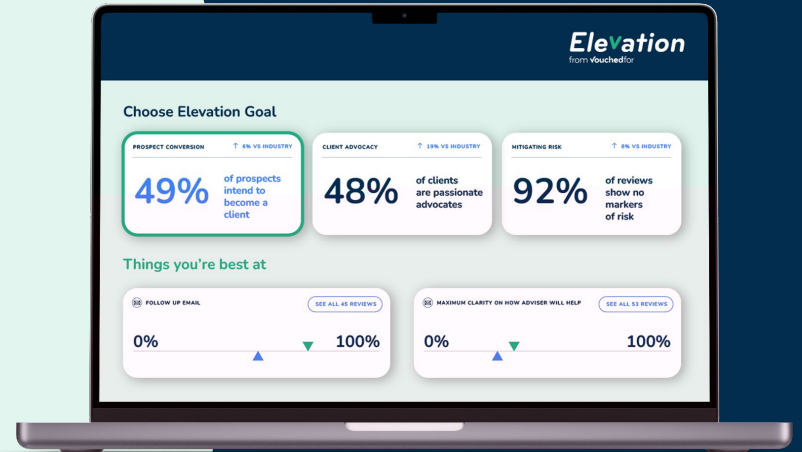


How to evidence value when the FCA comes knocking

Elevation
from **vouchedfor**



Our panel



Alex Whitson
Managing Director
VouchedFor



Maddie Delboy
Compliance Manager
The Verve Group

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

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.

CITYWIRE
NEW MODEL
ADVISER

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.

FT ADVISER

Financial Conduct Authority | Mar 20 2024

FCA finds ongoing advice issues in 231 firms


This is MONEY.co.uk
FINANCIAL WEBSITE OF THE YEAR

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

Suitability reviews

What proportion of your clients are due a review, and what proportion had / did not have their review

Ongoing advice

Proportion of clients who understand the service they receive (meeting and correspondence frequency, cost)

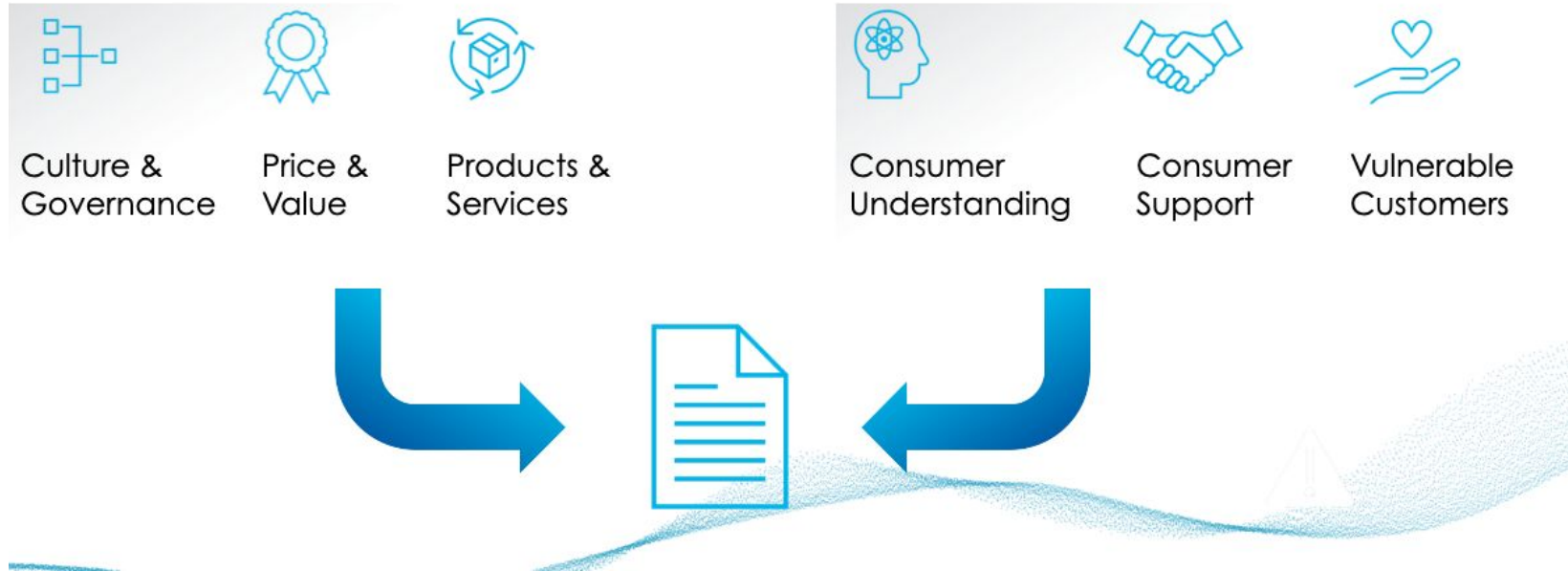
Value assessment

Structured and repeatable methodology to assess value and the quality of the ongoing advice delivered

Client feedback

Feedback collected from clients on your ongoing service underpins all of the above

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



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How the FCA is defining value

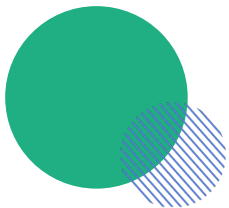
Evidencing value is a core focus of your Consumer Duty response and the FCA's 'ongoing advice' review.

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.

Collecting and acting on client feedback is essential

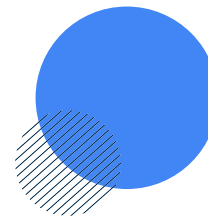


'[Consumer] feedback should be fairly considered and acted upon.'

P. 46 FG 22/5 Finalised Consumer Duty Guidance, FCA

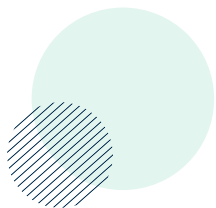
'The right MI is key. Do you know the outcomes your customers expect? Do you ask them for feedback?'

Consumer Duty - Our Expectations Of Firms, FCA Solihull Event, March 2023

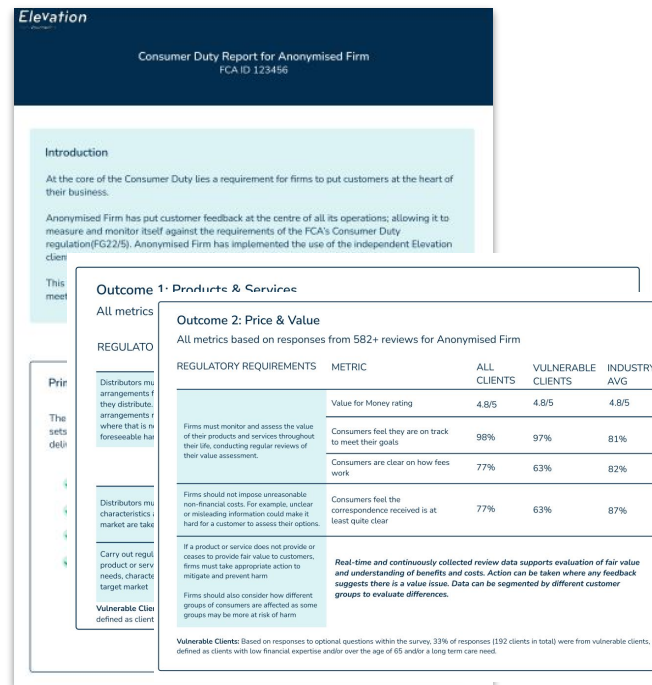
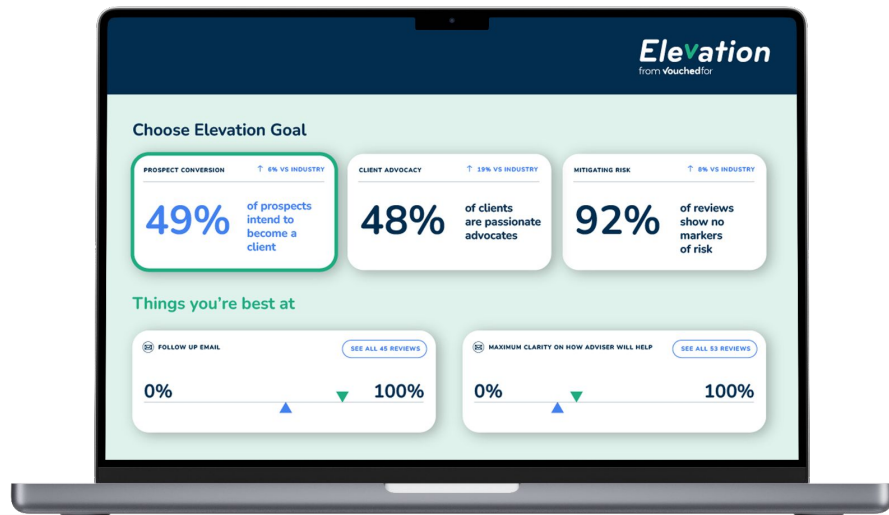


'Good survey design and sampling methodology requires specialist expertise.'

P. 85 FG 22/5 Finalised Consumer Duty Guidance, FCA

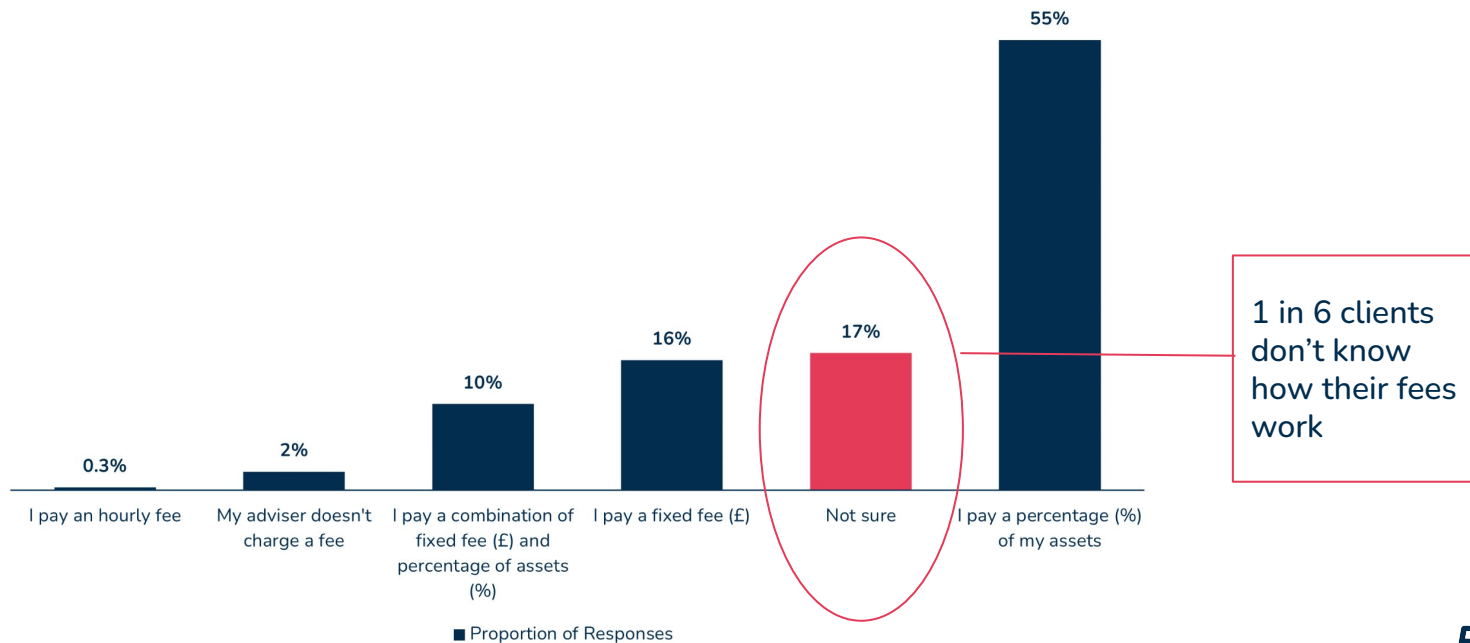


Elevation is an enhanced client survey that draws insights from over 250k clients' feedback



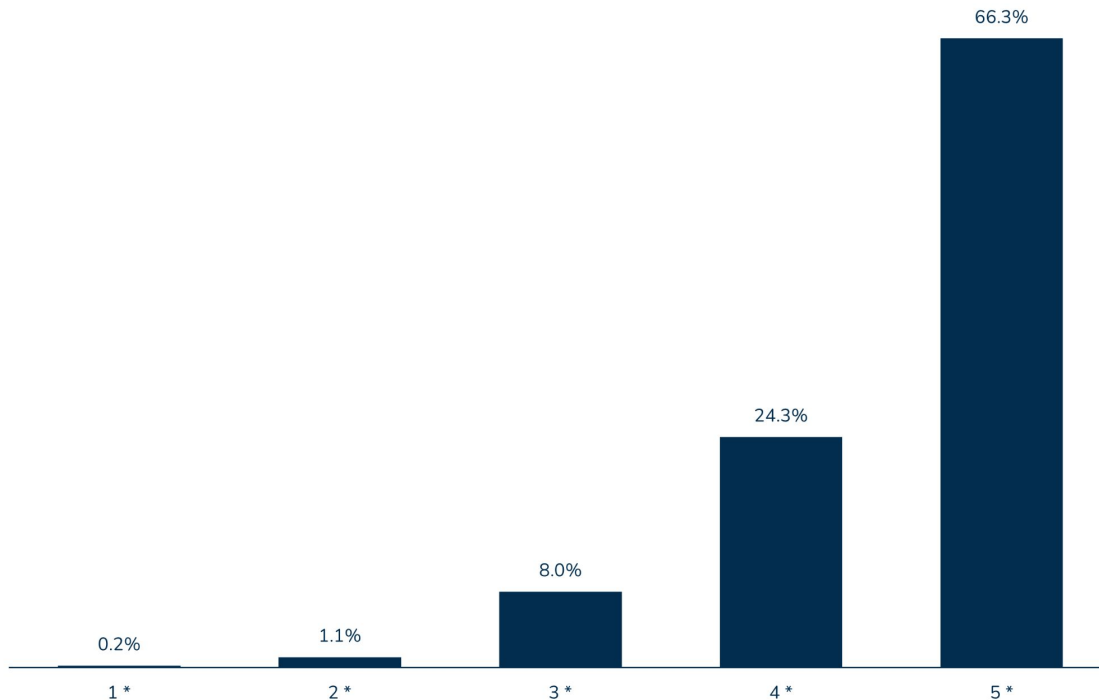
1. Client understanding of cost - clients can't assess value without first understanding cost

How do you pay for financial advice from your adviser?

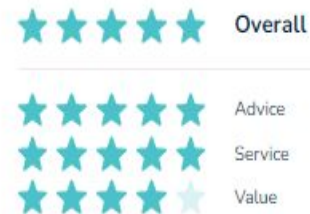


2. Clients' perception of value

Value for Money

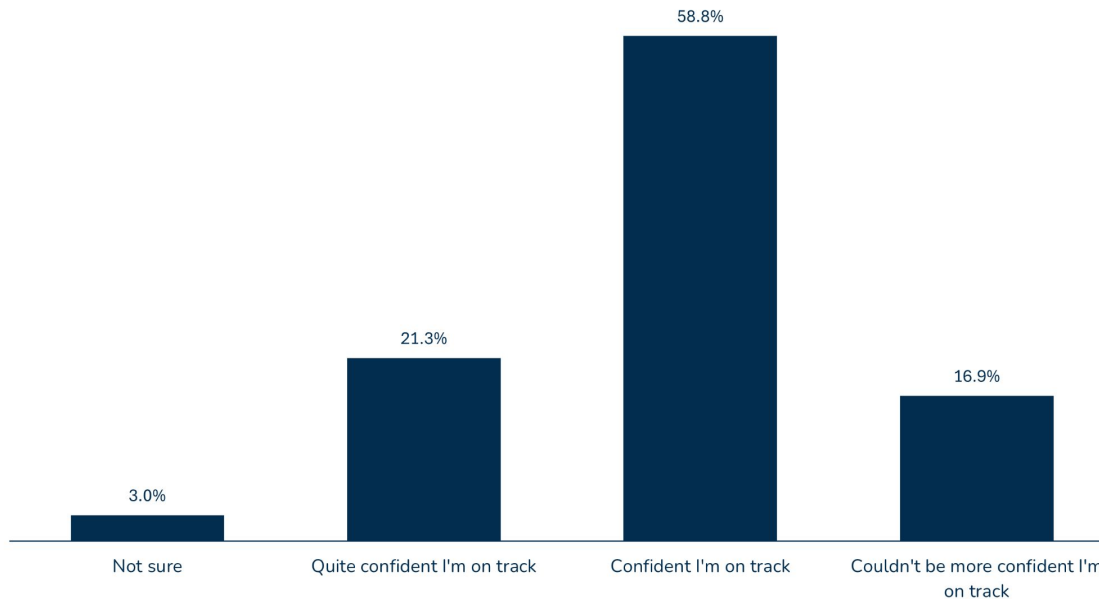


How would you rate your experience with [adviser name]?



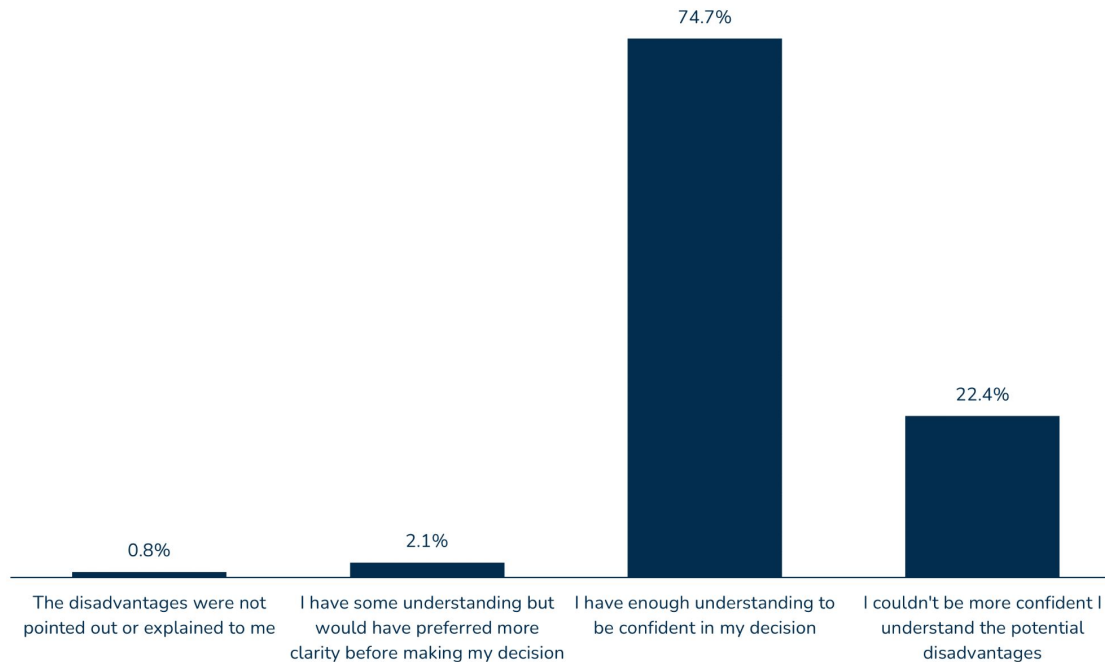
3. Client confidence they're on track

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



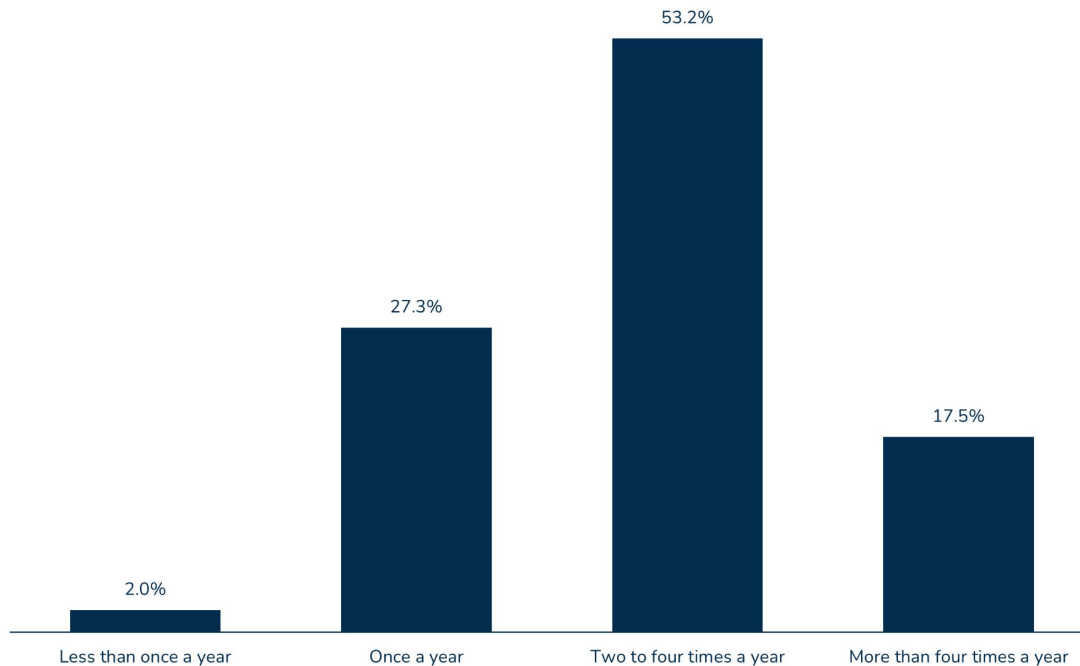
4. Client confidence they understand risk

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

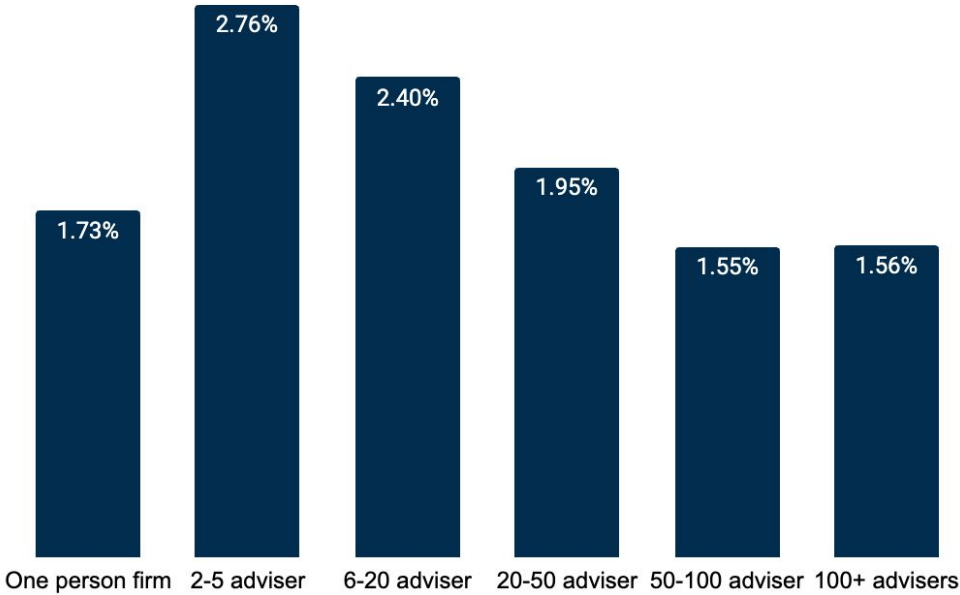


5. Frequency of communication

How often do you and your adviser speak?



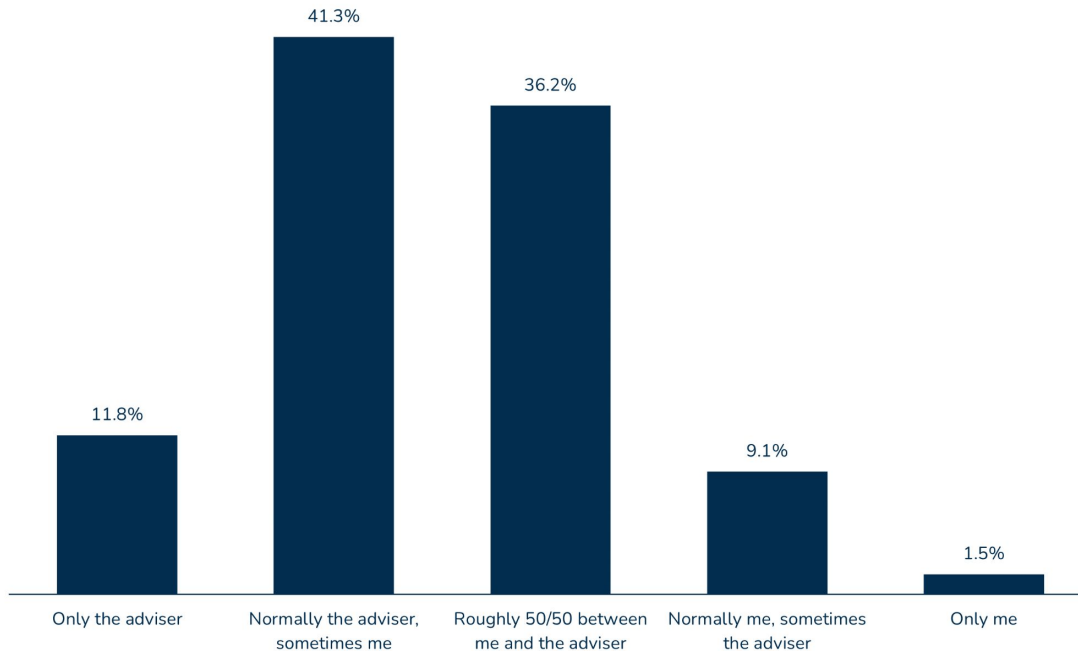
5. Frequency of communication cont.



Data for firms on Elevation with at least 20 reviews only

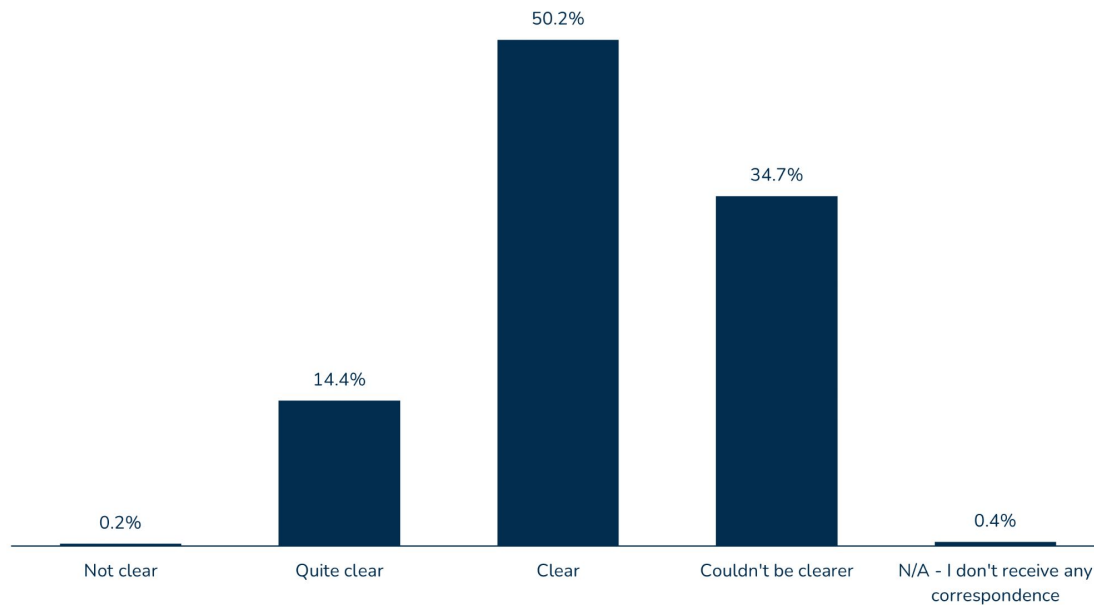
6. Who initiates communication

Who normally initiates communication between you and your adviser?



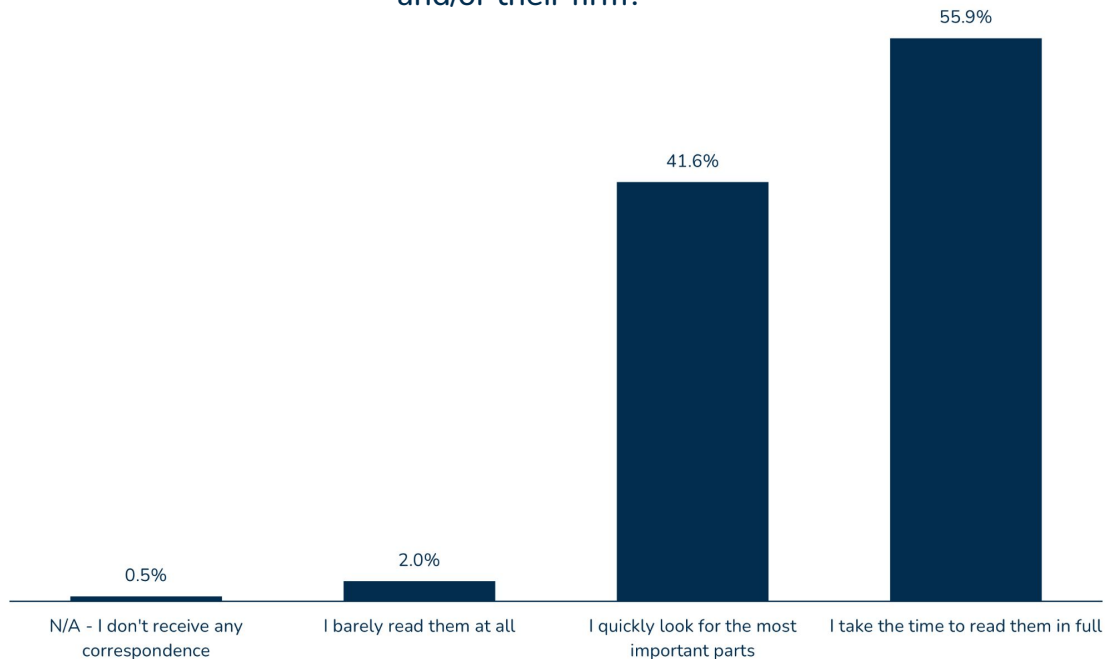
7. Clarity of correspondence

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



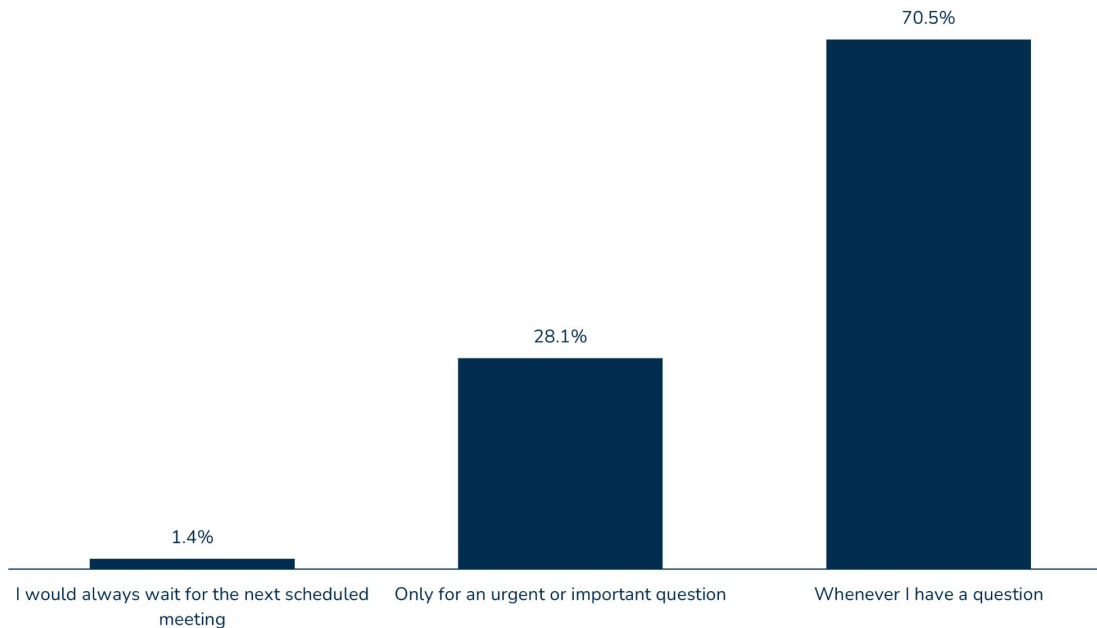
8. Client engagement with correspondence

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



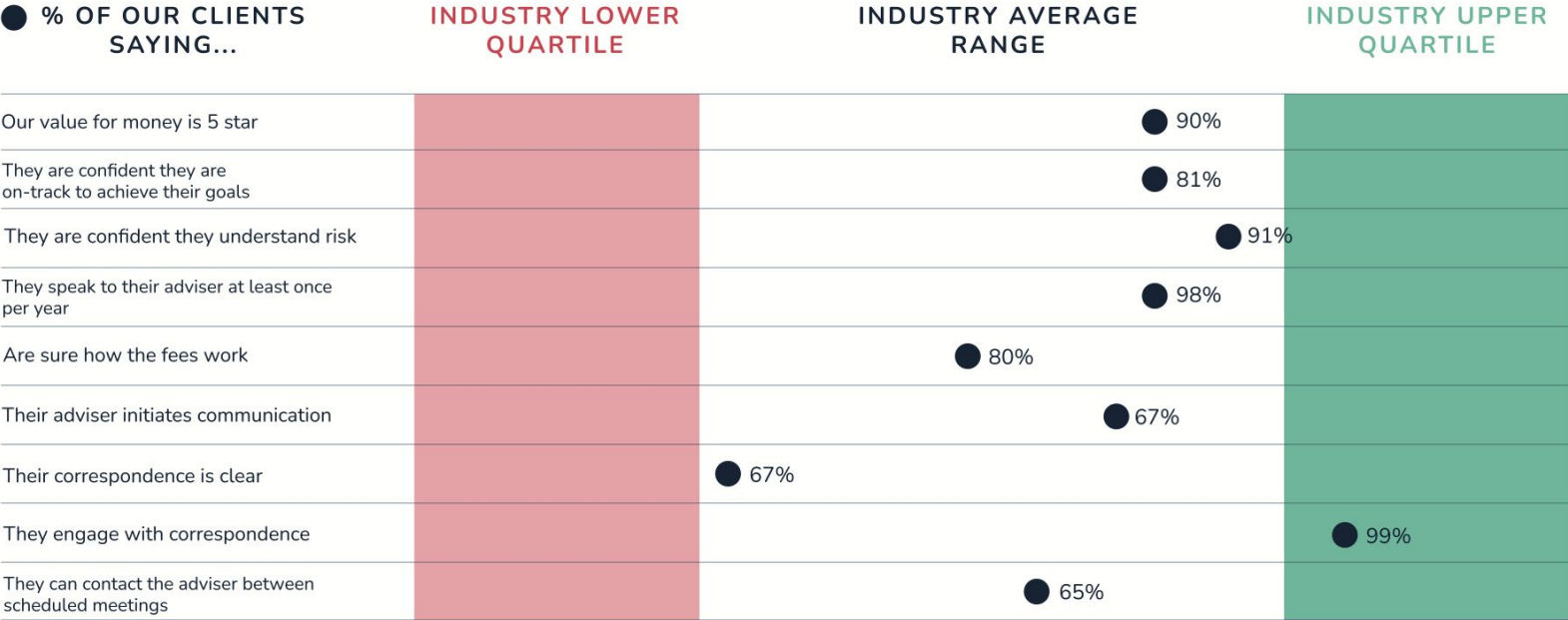
9. Availability of adviser between scheduled meetings

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



Evidencing value using client feedback

EXAMPLE VALUE ASSESSMENT REPORT



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 or Annual Board Assessment' and 'Governing Body Report or Board 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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