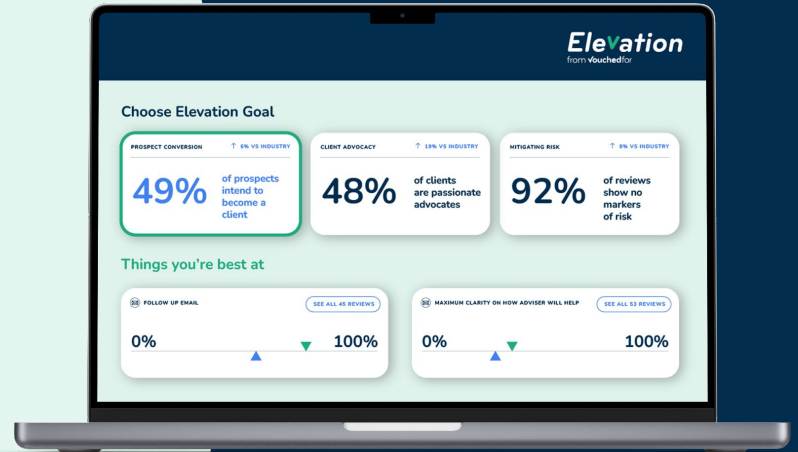


# July Board Report: how one national wealth firm is preparing to evidence value

Starts at 9.30am

**Elevation**  
from **vouchedfor**



# Our panel



**Alex Whitson**  
Managing Director  
VouchedFor

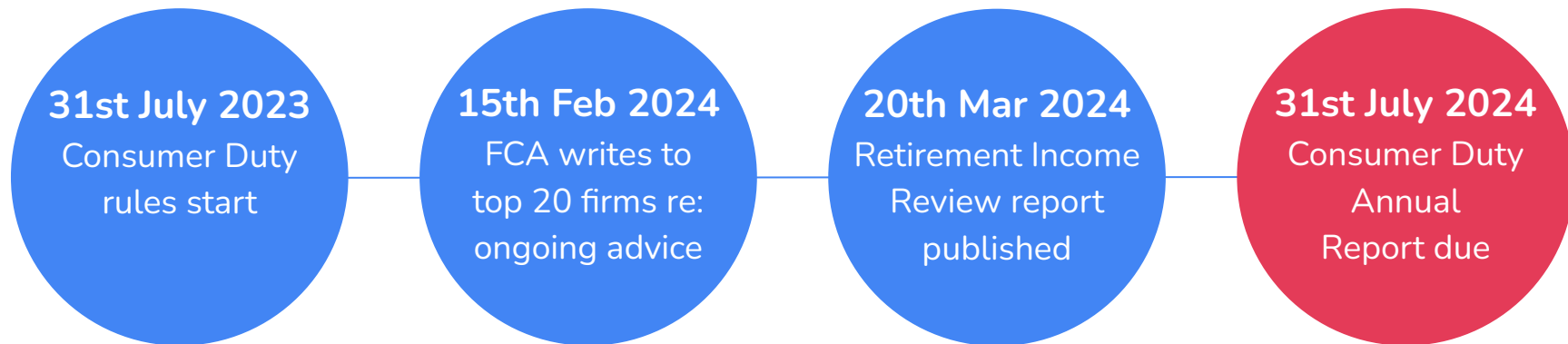


**Sarah Aitken**  
Regulatory T&C Supervisor  
The Private Office

# In the next 45 minutes, we'll share

- **Must haves** - the key markers of value every firm should monitor
- **How to** - get advisers (and clients) to engage with feedback
- **How to** - utilise client feedback in your compliance processes
- **Practical action:** 4 things you should do after this webinar
- **Questions**

# The story so far...



# 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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# 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.

# Must haves - the key markers of value every firm should monitor

## Suitability reviews

What proportion of your clients are due / had / did not have their review.  
Periodic suitability - are clients' investments still appropriate?

## 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



# Elevation measures 9 different markers of value...

Client confidence they  
are on track to  
achieve their goals

Client understanding  
of fees

Client confidence they  
understand risk

Clarity of  
correspondence

Engagement with  
correspondence

Value for money  
star-rating

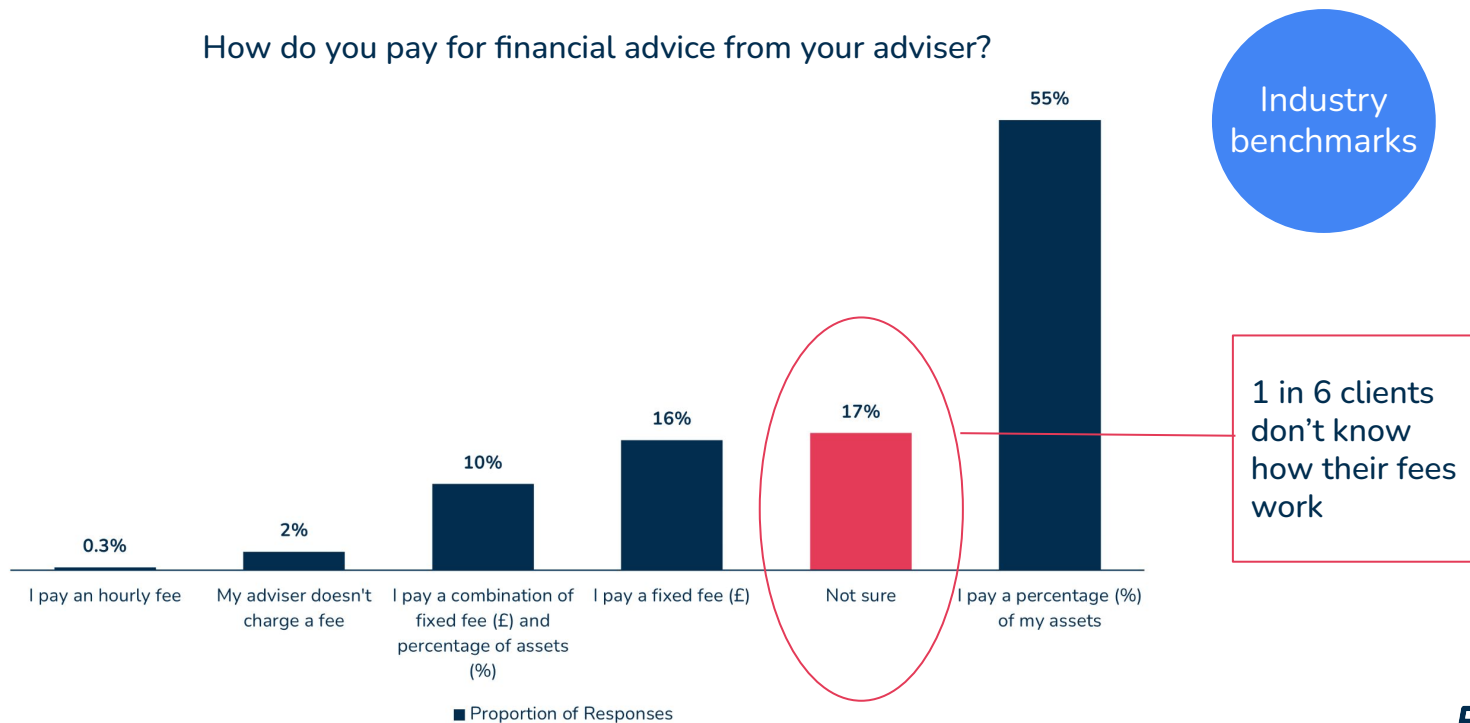
Frequency of  
adviser/client  
meetings

Adviser initiates  
communication

Availability of adviser  
between scheduled  
meetings

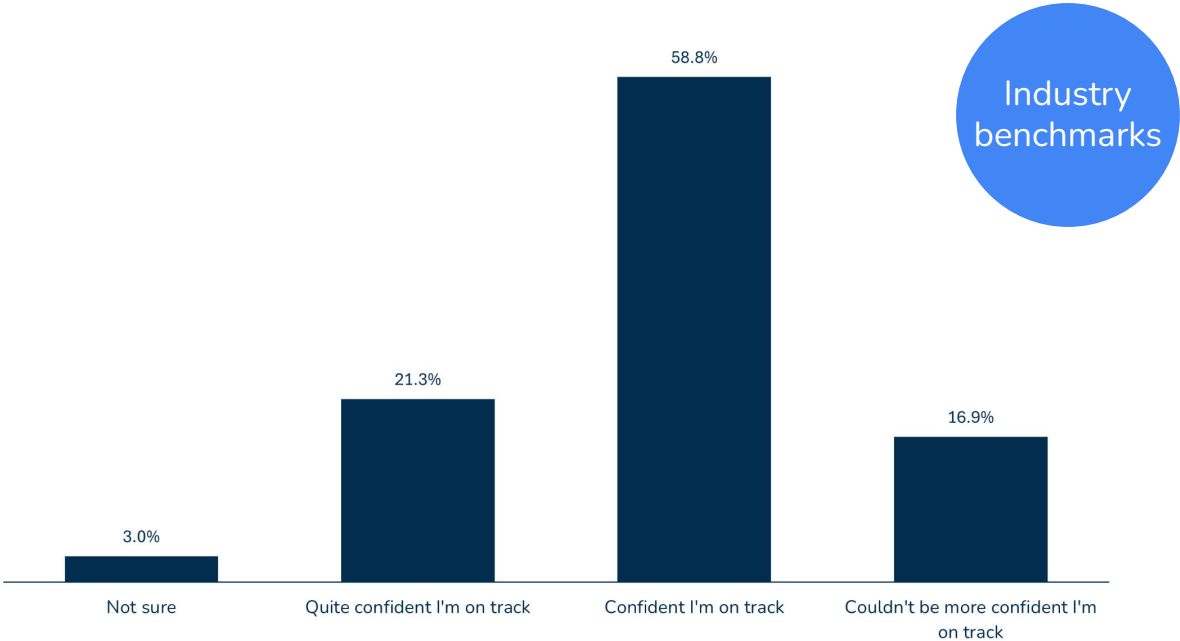
# Client understanding of cost - clients can't assess value without first understanding cost

How do you pay for financial advice from your adviser?



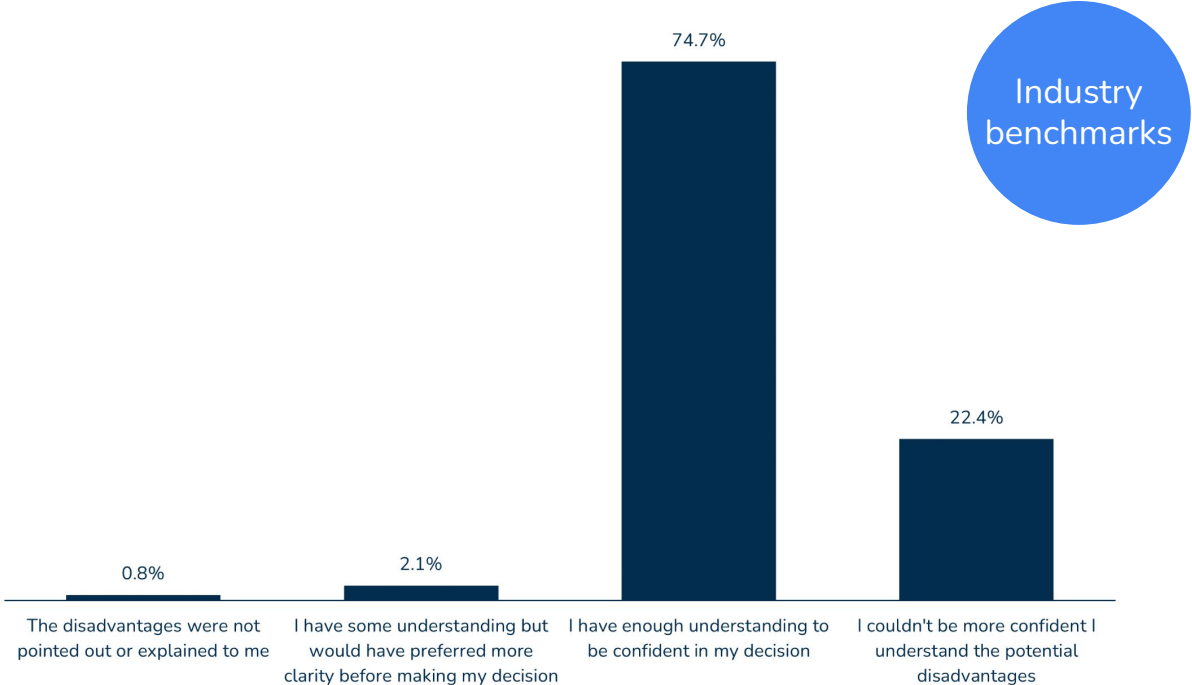
# Client confidence they're on track

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



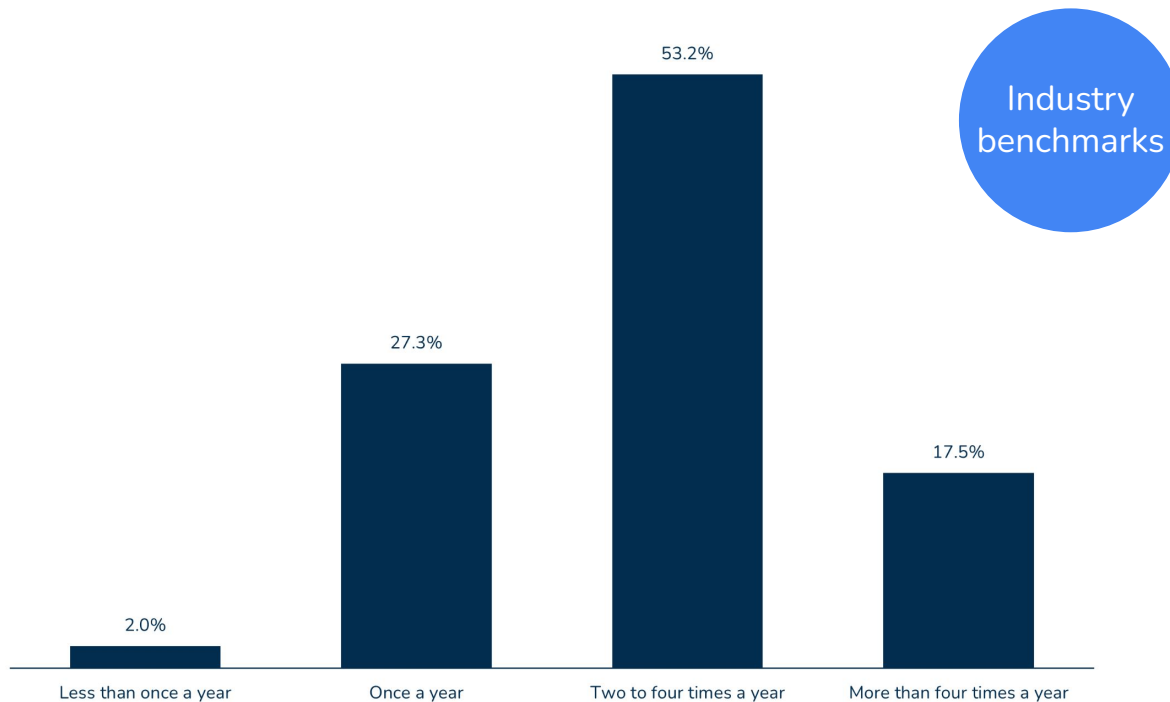
# Client confidence they understand risk

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

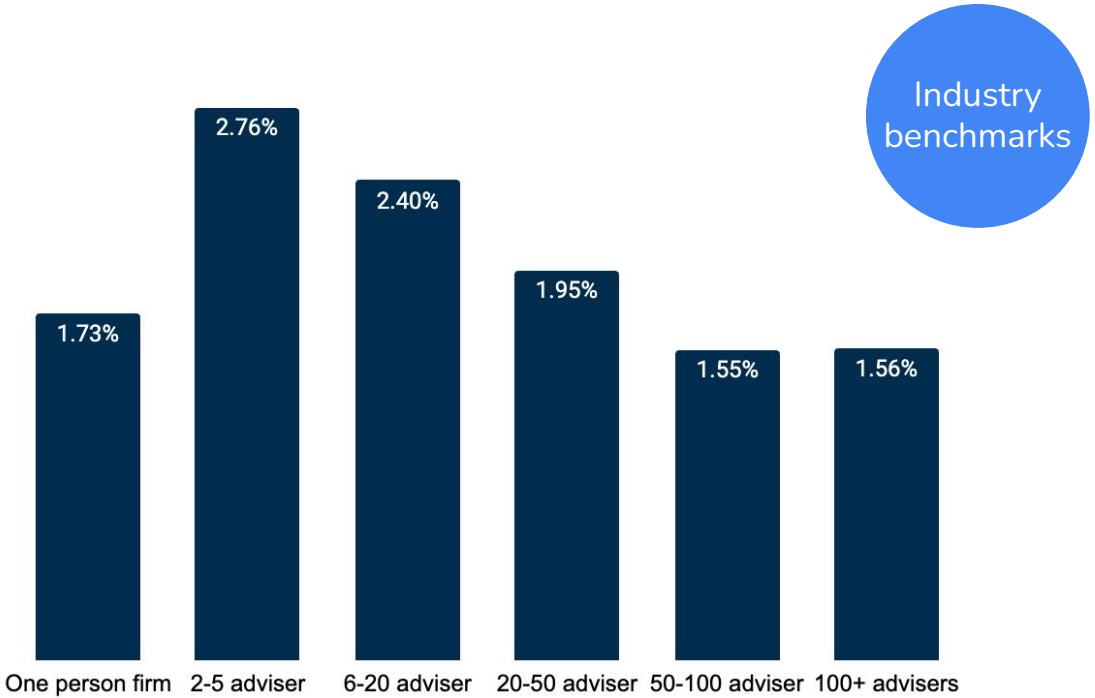


# Frequency of communication

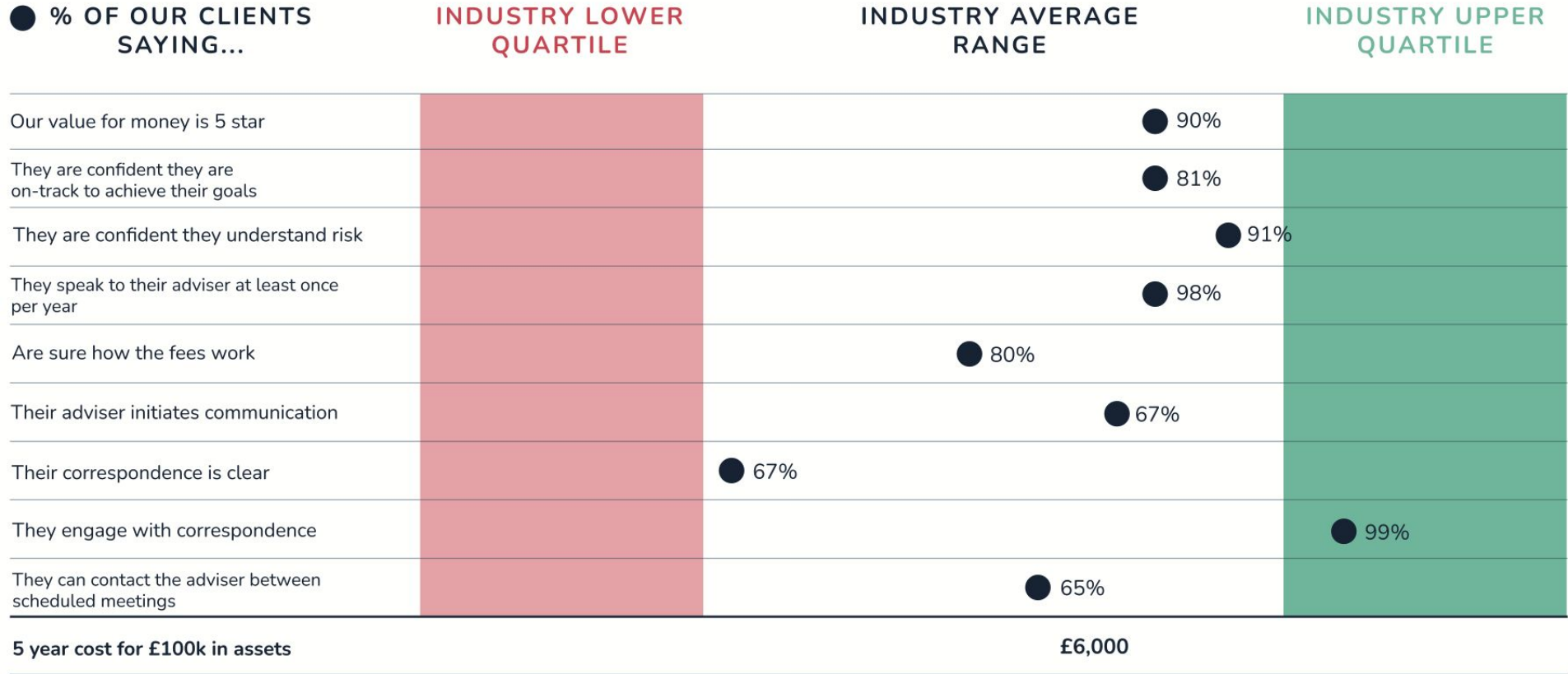
How often do you and your adviser speak?



**NB: the extent of this issue varies by firm size; with small-mid size firms having the highest proportion of clients speaking less than once per year**



Data for firms on Elevation with at least 20 reviews only



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Value for money  
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Frequency of  
adviser/client  
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Adviser initiates  
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Availability of adviser  
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meetings



# TPO areas of focus

Client confidence they  
are on track to  
achieve their goals

Client understanding  
of fees

Client confidence they  
understand risk

Clarity of  
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+ qualitative comments

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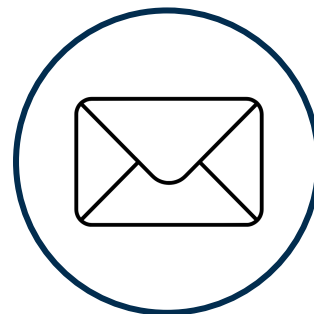
# Engaging advisers with feedback



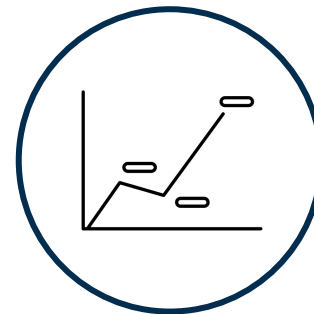
Celebrate great  
feedback



Embed feedback  
at all levels



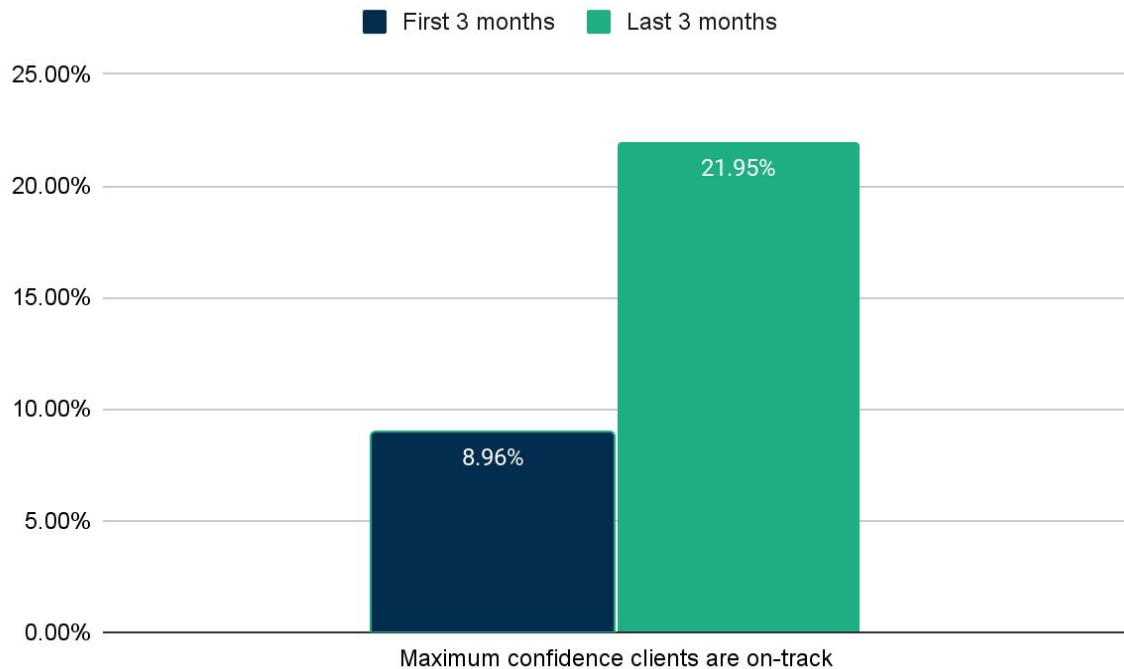
Prominent part of  
client comms



Elevation  
feedback forms  
adviser KPI

# Focusing on the right KPIs can deliver meaningful change

Client confidence they're on track to meet their goals



# (and - bonus - significant commercial benefit)

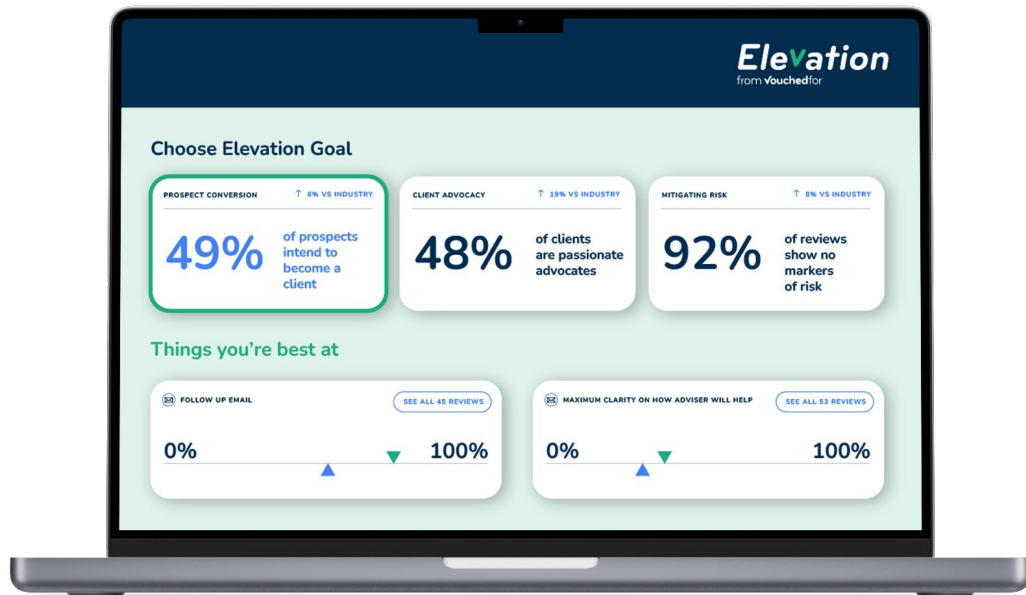
Clients say they've been asked to recommend their adviser



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# Using client feedback in compliance processes at adviser level



01

Elevation surfaces the data, which is a prompt to investigate

02

Where questions show potential risk, QA checker reviews the whole file

03

Common themes can inform adviser training and firm's processes

# Using client feedback in executive board packs

Client feedback (VouchedFor)					
First impressions	1	2	3	4	5
	0	0	0	6	35
Notably good feedback for * ADVISER NAMES*					
Full reviews	1	2	3	4	5
	0		0	19	37
Notably good feedback for *ADVISER NAMES*					
Notes	<p>3 AQ checks conducted last month with 1 conditional pass and details documented under the AQ section of this report</p> <p>3 files selected this month from feedback provided where there is the potential for poor consumer outcomes:</p> <p>Adviser X – States speaks to adviser less than once a year            Adviser X – Wants more reviews and a lack of understanding of disadvantages            Adviser X – Didn't understand disadvantages &amp; performance lower than expected</p> <p>In the last 12 months <b>869</b> client reviews were assessed by Vouchedfor under mitigating risk:            x% of clients speak to the adviser at least once a year – industry average is x%            x% show adviser initiates contact – industry average is x%            x% of clients read correspondence – industry average is x%            x% of client understand fees – industry average x% and            x% of clients are confident that they understand the potential disadvantages of adviser recommendations – industry average is x%.</p>				

01

What's going well

02

Potential risks

03

Quotes from feedback

04

Performance vs industry benchmarks



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# Practical action - what you should do now

- ✓ **Obtain and assess the relevant data on:** suitability reviews, ongoing advice, value
- ✓ **Establish a process for collecting client feedback** (if you haven't already) to make your report more robust
- ✓ Consider how this links to your **Training & Competence scheme**
- ✓ **Who, what and when:** identify your key stakeholders and communicating regularly to them on the data that matters to them

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

# Questions?

[elevation@vouchedfor.co.uk](mailto:elevation@vouchedfor.co.uk)

***Elevation***  
from **vouchedfor**