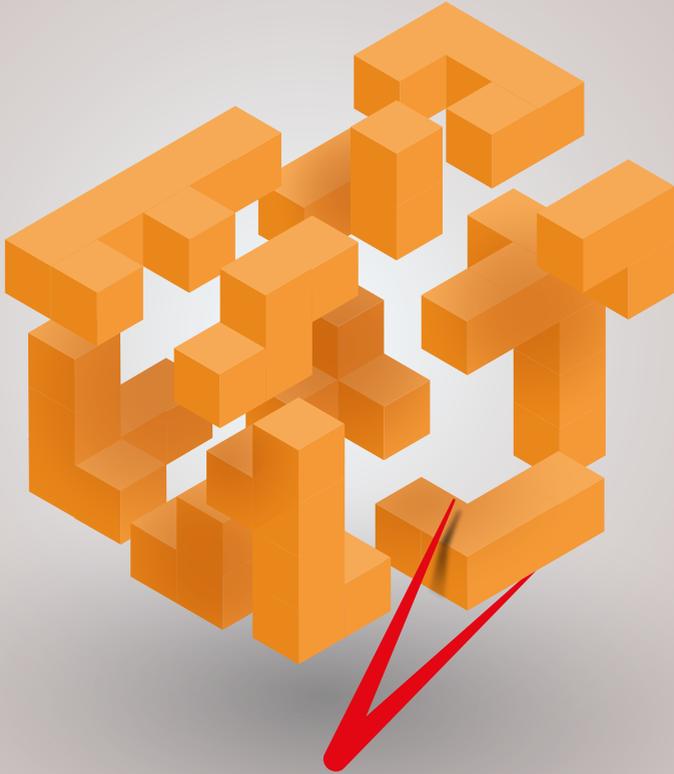


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Regulation deconstructed

A GUIDE TO REGULATED FINANCIAL ADVICE

Contents

FOREWORD	1
INTRODUCTION TO REGULATION	2
PROFESSIONALISM	8
Raising professional standards	8
The key elements of professionalism	8
Evidence of an adviser's professionalism	9
Roles and responsibilities	9
Designated professional bodies	11
ADVICE	12
Different types of financial advice	12
Independent advice	12
Restricted advice	13
Adviser charging	14
Pension transfers	14
COLLABORATION	16
Working with financial advisers	16
Building your adviser network	17
Independent or restricted financial advice	18
Due diligence	18
CONCLUSION	21

Foreword

Welcome to our guide to regulated financial advice which ICAEW produced in collaboration with Grant Thornton UK LLP and Octopus Investments Ltd, as well as members of the ICAEW Personal Financial Planning Advisory Group.

The guide forms part of a range of material that has been created to help members better understand the regulatory and technical issues of personal financial planning. It is also intended to raise awareness of the business opportunities for accountants to develop their business in this increasingly important area.

This publication represents a natural addition to the ICAEW Personal Financial Planning: *Traffic light guide to regulation* by focusing on how financial investment advisers are regulated and sits within the general theme of deconstructing complex issues into a practical format. The guide also provides some tips to help you identify types of scenarios where clients would benefit from receiving holistic personal financial planning advice, with suggestions on how to build your network of regulated financial advisers.

ICAEW Tomorrow's Practice project identified personal financial planning as a good growth area for accountants to develop, working closely with regulated financial advisers to deliver more integrated solutions that meet the needs of clients. I hope this guide provides a useful tool to help you unlock that opportunity.

This content, and details of events and other activities, can be accessed by joining the ICAEW Personal Financial Planning (PFP) Community. The Community is open to members of ICAEW and other professionals with an interest in this segment of the professional advice market. Please join our Community at [icaew.com/pfp](https://www.icaew.com/pfp)

John Gaskell

ICAEW Head of Personal Financial Planning

Introduction to Regulation

REGULATION FRAMEWORK

The current framework for the regulation of financial advisers is rooted in the Financial Services and Markets Act 2000 (FSMA), which created the Financial Services Authority (FSA) that assumed its duties on 1 December 2001. The 2012 Financial Services Act led in 2013 to the FSA being divided into two new authorities: the Financial Conduct Authority (FCA); and the Prudential Regulation Authority (PRA).

Before the FSA and FCA regulated the activity of financial advice, this duty fell to the Personal Investment Authority (PIA), a self-regulatory organisation. The PIA, in turn, had taken over from the Financial Intermediaries, Managers and Brokers Association (FIMBRA), which regulated independent financial advisers, and the Life Assurance and Unit Trust Regulatory Organisation (LAUTRO), which regulated life assurance providers and tied financial advisers.

REGULATORY BODIES

Prudential Regulatory Authority

The PRA is structured as a limited company wholly owned by the Bank of England. Its primary role is to help ensure the stability of the UK financial system through its supervision of banks, building societies, credit unions, insurers and major investment firms. As such, the PRA focuses on what are regarded to be the financial aspects of 'systemically important institutions', to ensure that they have the appropriate liquidity to cope with a financial crisis. To do this, PRA regulated firms must be able to demonstrate, through stress testing, that they know what would happen in particular economic scenarios and to ensure that they have enough liquid assets to survive different situations, such as a bank run.

Financial Conduct Authority

The FCA was created in 2013 as the regulator of conduct of financial services in the UK. It regulates the conduct of over 56,000 firms that provide products and services, including 18,000 firms that it regulates prudentially.

It has the strategic objective of ensuring that relevant market functions well.

The FCA's three operational objectives are as follows.

- Protecting consumers: to secure appropriate protection for consumers.
- Market integrity: to protect and enhance the integrity of the UK financial system.
- Promote competition: to promote effective competition in the interests of consumers.

The FCA does this through a number of regulatory tools:

- setting clear rules and standards;
- authorising firms and individuals;
- supervising, monitoring and investigating firms and individuals; and
- enforcement.

If a firm wants to provide financial advice it needs to be authorised by the FCA. To do this the firm must apply to the FCA for the appropriate permissions and licenses. To get these a firm must demonstrate that the processes and procedures that they will operate will be fair to customers and will result in the right consumer outcomes. This will include demonstrating that advice is suitable, adviser remuneration is appropriate, there is sufficient quality control, and appropriately senior individuals make significant decisions.

From a prudential supervision perspective, the FCA has tiered the firms it regulates generally based on size and materiality. However it is important to note that, while the level of communication and interaction may differ depending upon categorisation, expectations remain the same: the FCA expects all firms to adopt the relevant rules and act in a way that is fair to their customers.

The supervisory teams at the FCA have a number of powers to help them. A key power is the Skilled Person review, under Section 166 of FSMA 2000. This enables the FCA to require a firm to appoint a third party to investigate the regulator's concerns, at the cost of the firm, and provide the FCA with a formal report. This may include recommendations for implementation. If the Skilled Person finds a serious issue it may lead to the FCA commencing enforcement proceedings, although the FCA could go down the enforcement route immediately without a skilled person being involved.

The FCA will also carry out market focussed 'thematic reviews', which look at specific issues within the industry. It will go to a number of firms to gather information before assessing how consistent firms are being, and comment on whether this is in line with the FCA's expectations. The FCA often publishes the findings, along with any guidance that it feels may help firms understand its expectations.

FINANCIAL SERVICES COMPENSATION SCHEME

An important element of protection for customers is the Financial Services Compensation Scheme (FSCS). In the event of a bank, asset manager or insurer failing, the FSCS will pay at least an element of customers' funds to the customer. The level of this protection varies. For example, if a bank, building society or credit union were to fail the depositor would receive back up to £85,000 of their money, with some types of temporary high balances of up to £1 million being protected in full for 6 months. Firms fund the FSCS through annual levies.

FINANCIAL OMBUDSMAN SERVICE

An important part of the regulatory landscape within financial advice is the Financial Ombudsman Service (FOS). This service is free to customers and offers an impartial adjudicator for any complaint referred to them if the customer and firm in question is unable to agree an outcome. A firm must make customers aware at the outset of their right to refer their complaint to the FOS.

The FOS is empowered to require firms to pay compensation of up to £150,000. However, this limit is currently under review. The FCA has proposed that the cap be increased to £160,000 in respect of claims for advice provided before 1 April 2019, and £350,000 for advice provided after that date, with these limits increased with inflation moving forward. Customers can reject the FOS compensatory award and pursue their claim through the courts.

SENIOR MANAGERS & CERTIFICATION REGIME

The financial crisis and recent events highlighted concerns about culture and individuals' conduct, or behaviours, in the financial services industry. The Senior Managers and Certification Regime (SM&CR) is focused on improving the culture, governance and conduct in the industry. It is about accountability and rebuilding trust by changing culture. Jonathan Davidson, Director of Supervision, FCA said in 2016:

'...it is vital to establish a culture of accountability for conduct at the heart of a firm's activities. The Senior Managers and Certification Regime, or SMCR, represents the formal embodiment of this idea.'

In March 2016 this new accountability regime came into force for the banking sector. This replaced the Approved Persons Regime. The key features of the regime were:

- an approval regime focused on senior management, with firms required to provide documentation about the scope of individuals' responsibilities;
- a statutory requirement for senior managers to take responsible steps to prevent or resolve regulatory breaches in the area they have responsibility for;
- a requirement for firms to certify as fit and proper individuals performing roles that could cause significant harm to the bank or its customers and who were not senior managers; and
- enforceable conduct rules on all individual employees other than those carrying out non-financial services specific roles. They replaced the statements of principle under the Approved Persons Regime.

The SMC&R replaces the Approved Persons Regime (APER) and has three component parts: the Senior Managers Regime, the Certification Regime and the Rules of Conduct.

The SM&CR will be extended to all firms in the financial services sector, in what the regulator considers to be a proportionate manner. Insurers were included in December 2018 and other regulated firms will be in December 2019. It applies to individuals performing senior roles in a firm. This will be a lower number of individuals than those currently approved by the regulator. There is also an additional set of conduct rules that apply to those individuals. The rules continue to be approved

by the regulator and each manager has clear responsibilities, so it is obvious what they are accountable for in their firm. Senior managers will need to evidence that they have taken reasonable steps to ensure decisions are appropriate.

The Certification Regime applies to individuals who are not senior managers but whose roles are capable of causing significant harm to the firm or its customers, for example, financial advisers. They may have been Approved Persons under the previous regime. Going forward, the responsibility for ensuring the conduct of senior managers rests with the firm and the fitness and propriety of these individuals must be assessed by the firm annually. Without a certificate, an individual can no longer carry on in the role.

The Rules of Conduct are a set of minimum standards for individual behaviour. These rules apply to senior managers, certified persons and other employees. For Approved Persons, these rules replace the statement of principle under APER. For other employees, the following rules will apply for the first time.

- You must act with integrity.
- You must act with due care, skill and diligence.
- You must be open and cooperative with the FCA, the PRA and other regulators.
- You must pay due regard to the interests of customers and treat them fairly.
- You must observe proper standards of market conduct.

RETAIL DISTRIBUTION REVIEW

On 31 December 2012, the FCA implemented the Retail Distribution Review (RDR) to address what the regulator saw as persistent problems in the retail investment market. This implementation was also in response to what the FCA considered to be, *'insufficient consumer trust and confidence in the products and services supplied by the market'*.

The overarching aim of the RDR was to improve consumer trust and confidence in the market, and encourage customers to use financial services, products and advisers.

Key changes that resulted from the RDR included:

- clarity for a customer on whether they are receiving independent or restricted financial advice;
- changes to the way financial advisers charge for advice;
- raising the minimum level of qualifications required for financial advisers; and
- mandatory continuing professional development (CPD).

More recently, in 2015, the FCA conducted, in conjunction with HM Treasury, the Financial Advice Market Review (FAMR). This was an in depth review of the effectiveness of the financial advice market.

Some of the key aims of FAMR were to:

- improve the quality of financial advice;
- ensure positive customer outcomes;
- reduce the 'advice gap'; and
- further embed changes to adviser charging from the RDR.

Professionalism

RAISING PROFESSIONAL STANDARDS

A core aim of the RDR was to improve the level of consumer confidence and trust in the retail financial advice sector by raising standards of professionalism. Financial advisers are required to act ethically, be technically qualified, have a broad knowledge base, and to maintain their competence through planned and relevant CPD, which must be independently verified by an FCA-approved accredited body.

THE KEY ELEMENTS OF PROFESSIONALISM

- 1. Qualifications.** All financial advisers, irrespective of the scope of their advice, must hold a recognised financial advice qualification equivalent to a minimum Level 4 on the national Qualifications and Credit Framework (QCF). The appropriate qualifications are listed in Appendix 4 of the FCA Training & Competence Sourcebook (TC Sourcebook). Many financial advisers accept the need to do more than meet the minimum required regulatory standard and undertake a variety of higher-level qualifications and accreditations. The FCA does not offer any qualifications. These are provided by a relevant awarding body, developed with reference to the examination standards developed by the regulator in conjunction with the industry.
- 2. Ethical behaviour.** All advisers must comply with the standards of behaviour set out by the regulator.
- 3. Continuing professional development.** A requirement of professionalism is that individuals have to maintain competency by continuing professional development (CPD) each year. To meet the FCA requirements, financial advisers must complete a minimum of 35 hours of appropriate CPD in a 12-month period, 21 hours of which need to be structured.

EVIDENCE OF AN ADVISER'S PROFESSIONALISM

As was the case prior to RDR, firms are responsible to the FCA for ensuring their advisers are competent and maintaining competence as part of the firm's training and competence arrangements. This is achieved through the firm's supervision of its advisers, not just during their initial development, but on a continuing basis. Those acting in the role of supervisor need the necessary coaching, assessment and other supervisory skills, as well as an appropriate qualification, to meet their responsibilities. Firms must ensure their advisers make an annual declaration that they have complied with the ethical standard and CPD requirements.

To provide an indicator to consumers that the financial adviser they are dealing with is professional, accredited bodies were introduced to independently verify the professionalism of individual financial advisers, confirming that they are:

- qualified to the right level;
- subject to a code of ethics; and
- have up-to-date knowledge by meeting the CPD requirements.

If these requirements are met, the accredited body will issue a Statement of Professional Standing (SPS). All advisers must hold an SPS to carry out their role and it must be renewed on an annual basis.

ROLES AND RESPONSIBILITIES

The FCA, accredited bodies, firms and advisers all have a role to play in delivering the professionalism standards. The FCA handbook covers the practical elements of professional standards including the issuing of SPS, qualification standards, CPD and ethical standards, as well as the associated data reporting requirements.

ENSURING PROFESSIONALISM: ROLES AND RESPONSIBILITIES

ADVISERS WILL:

- hold an SPS;
- adhere to ethical standards;
- achieve the qualification standards;
- complete 35 hours CPD annually, of which 21 hours is structured; and
- make an annual declaration that they have achieved the professionalism standards.

FIRMS WILL:

- appropriately supervise their advisers;
- ensure the adviser achieves and maintains the professional standards;
- notify the regulator of any lack of professionalism; and
- ensure advisers have an SPS in order to continue as an adviser.

ACCREDITED BODIES WILL:

- act in the public interest and further the development of the profession;
- carry out an effective verification services in order to issue an SPS, including sample CPD checks;
- potentially rescind or refuse to issue an SPS;
- have appropriate systems and controls in place and be subject to independent audit; and
- co-operate with the FCA and alert them to issues.

FCA WILL:

- approve, supervise and enforce against advisers;
- receive and filter alerts on individual advisers from various sources;
- monitor the effectiveness of accredited bodies; and
- set expectations of ethical behaviour for advisers.

DESIGNATED PROFESSIONAL BODIES

In addition to the mainstream regulatory landscape, there is the role of Designated Professional Bodies (DPB), including ICAEW. DPBs can license accountancy firms to allow them to undertake a range of investment business activities that are incidental and complementary to accountancy work. A DPB licence enables an accountancy firm to work closely with an FCA authorised firm and provide important financial planning services to clients as their trusted adviser.

The licence allows the firm to pass a client's details to an adviser to arrange a meeting to discuss pensions and other insurance advice. Further, the firm can advise on and arrange a specific pure protection contract, such as tax fee protection or key man insurance. A particularly important aspect of the licence is the firm's ability to support its client through both accumulation and decumulation of investment products such as ISAs, bonds and unit trusts.

DPB licensed firms can:

- explain and evaluate advice given by an appropriately authorised firm and identify whether it is suitable or not (although it cannot provide alternative advice on specific products);
- arrange under the guidance of an authorised firm the implementation of an investment plan, including buying and selling investments;
- provide a client with advice that leads to the disposal of investments, which could be a selection of investments with unrealised capital gains, to make use of available tax allowances; and
- offer insurance distribution activities, including helping a client to complete a claim form and negotiating with an insurer on behalf of the client.

Advice

DIFFERENT TYPES OF FINANCIAL ADVICE

The RDR abolished the old system of independent, tied and multi-tied classifications for financial advice. From 31 December 2012 financial advisers are now classified for regulatory purposes as either providing independent or restricted financial advice.

INDEPENDENT ADVICE

Independent financial advice is a personal recommendation to a retail customer in relation to a retail investment product, where the personal recommendation meets the requirements of the FCA regulatory rules on independent advice.

An independent financial adviser (IFA) must assess a sufficiently diverse range of relevant products available on the market by type and by product provider to ensure that the client's investment objectives can be suitably met. The firm must not limit its assessment to relevant products issued or provided by:

- the firm itself or by entities having close links with the firm; or
- other entities with which the firm has such close legal or economic relationships, including contractual relationships, that present a risk of impairing the independent basis of the advice provided.

It is possible for an IFA to specialise in certain financial situations, such as retirement planning, provided that this is relevant to all of their clients and they meet the above requirements in relation to this part of the market.

The range of investment products is varied and includes:

- a life insurance policy;
- a unit in a collective investment scheme;
- a stakeholder pension scheme;
- a personal pension scheme;
- an interest in an investment trust savings scheme;
- a security in an investment trust;

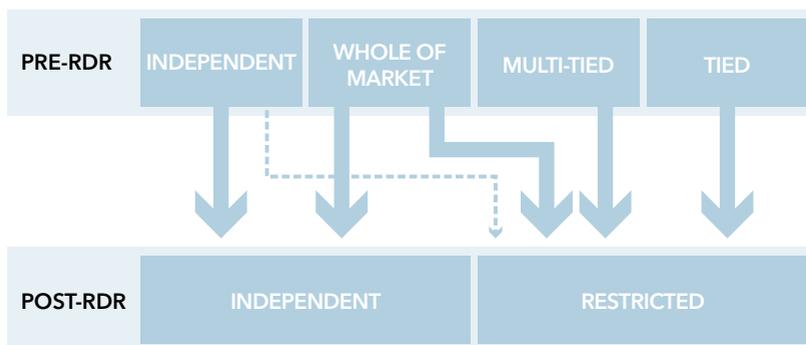
- any other designated investment that offers exposure to underlying financial assets, in a packaged form which modifies that exposure when compared with a direct holding in the financial asset; or
- a structured capital-at-risk product; whether or not any of any of the above are held within an ISA or Child Trust Fund.
- Financial instruments and structured deposits

RESTRICTED ADVICE

Restricted financial advice is advice that does not meet the regulatory criteria for independent advice. While a firm needs to describe the nature of its restricted advice service to clients, it is free to choose appropriate words accordingly, although it must include the expression 'restricted advice' in its explanation. Restricted advice can come in many different forms and should not be confused with the pre-RDR tied or multi-tied advice.

A restricted advice firm can restrict its advice proposition by either product type or product provider, or both. A firm may decide to offer advice on all types of financial instruments and structured deposits, but be limited to a small panel of product providers. This is similar to the pre-RDR regime of multi-tied advice.

ADVISER TYPES



ADVISER CHARGING

The RDR also introduced new rules regarding the way advisers can be paid. Advisers can no longer generally be paid commission through a product charge by a product provider. Instead, the firm will need to be paid an 'adviser charge' or 'fee' that must be agreed with the client in advance. This fee can be paid either directly from the client (eg, by cheque), or can be deducted from the client's investment (ie 'facilitated' by the product or platform provider) with the client's express consent. Advisers also need to provide their clients with a clear charging structure upfront and clear information on their charges.

It is the firm that provides the advice to the client. Whether a firm decides to offer independent or restricted advice, the same requirements regarding qualifications and adviser charging apply.

PENSION TRANSFERS

There is special regulation around the area known as safeguarded benefits, which typically involves advice on whether to transfer from a defined benefit to a defined contribution pension scheme. This area is generally referred to as advice on pension transfers.

The Pension Schemes Act 2015 introduced the concept of safeguarded benefits from 6 April 2015. Safeguarded benefits are defined as benefits that are not money purchase or cash balance benefits. This includes defined benefit pensions, such as Guaranteed Minimum Pensions (GMPs) and Guaranteed Annuity Rates (GARs).

It also placed a requirement that an individual with safeguarded benefits worth more than £30,000 under the scheme must take regulated financial advice before doing any of the following:

- convert these benefits into a different form of flexible benefits under the scheme;
- transfer these benefits to another scheme to take flexible benefits; or
- take a cash lump sum in respect of these benefits.

Individuals with safeguarded benefits do not need to take regulated financial advice where their benefits under the scheme are valued at £30,000 or less. Providers must be satisfied that the individual with safeguarded benefits that exceed £30,000 has received regulated advice before allowing the transfer. Providers must have confirmation from the regulated adviser that they have provided advice on the proposed transaction to the individual.

The FCA operates a special regulatory regime in this specialist area of advice. Firms that advise on the conversion of safeguarded benefits need special permissions from the FCA. Transfers or conversion of safeguarded benefits must be provided by, or checked by, a regulated adviser who is a Pension Transfer Specialist.

Collaboration

WORKING WITH FINANCIAL ADVISERS

Getting the best possible outcome for a client will often involve working with financial advisers who are authorised by the FCA to provide regulated financial advice. ICAEW Chartered Accountants with a DPB licence are particularly well placed to work with financial advisers, occupying the role of a personal finance director for their clients.

To make it easier, to spot the types of clients that could benefit from financial advice we've grouped client scenarios into three different categories:

- corporate clients;
- clients going through a major life event; and
- high-wealth clients.

Here are some scenarios to look out for.

Corporate clients

Companies that:

- have elderly majority shareholders;
- have excess cash on their balance sheet;
- recently sold a large asset; for example, a warehouse;
- operate in the investment, land, forestry or property sectors;
- are unhappy with the returns they're getting on cash deposits; or
- are nervous about the stock market.

Clients going through a major life event

Individuals who:

- have sold a business in the last three years;
- are thinking about selling their business;
- are planning to retire;
- are in ill-health;
- have a Power of Attorney in place;

- want to be sure they can cover future care home fees;
- are concerned about inheritance tax but want to keep control of their assets;
- have gone through a divorce;
- have received an inheritance; or
- have received a large settlement; for example, from a personal injury claim.

High-wealth clients

Individuals who:

- pay themselves large dividends from a company they run;
- have exceeded or are close to exceeding their Lifetime Allowance for pension contributions;
- have large income tax liabilities;
- have large ISA portfolios;
- have large pension pots they don't need to access immediately;
- are high earning medical professionals;
- want to settle assets into trust;
- buy-to-let investors; or
- non-domiciled clients and their families.

BUILDING YOUR ADVISER NETWORK

It can be a good idea to have a panel of financial advisers with different specialisms that you can call on depending on a client's situation. You want these to be highly qualified and experienced advisers who have the expertise to provide objective financial advice that's tailored to meet your client's needs.

INDEPENDENT OR RESTRICTED FINANCIAL ADVICE

As an ICAEW Chartered Accountant you need to ensure that an adviser will provide objective financial advice.

Generally speaking, a financial adviser that meets the FCA requirements in respect of the provision of independent financial advice should meet this criterion as an independent financial adviser must consider products and providers on a whole of market basis. However, there may be circumstances when it makes sense to work with advisers who offer restricted financial advice on a restricted range of products or providers or both, for example, where a client needs specialist advice on stocks and shares.

If you decide to work with restricted advisers, you need to be aware that there will be additional time spent on your part to assess the suitability of that adviser for each particular client, and so comply with the ICAEW Code of Ethics. If you do not have a good knowledge of the relevant market, or are not confident conducting a basic fact-find to determine the general financial advice needed by your client, then you should only work with independent advisers.

The FCA register does not record whether financial advisers are independent or restricted. Check the financial adviser's website and ask it to confirm whether they offer independent or restricted financial advice. If the adviser offers restricted advice, ask them to explain the limitations of its advice model and why it does not offer independent financial advice.

DUE DILIGENCE

Choosing a network of financial advisers will require you to do some basic due diligence. Here are some suggestions for what you might cover.

Confirm classification: independent or restricted

As explained previously, this is critical to understand so you can comply with the ICAEW Code of Ethics.

Understand the type of market financial advisers operate in

Regulated financial advisers often operate business models that are designed to serve the needs of a particular market segment or segments. For example, some financial advisers specialise in retirement planning, SME owners, high-net-worth individuals or non-domiciled individuals, or pension transfers; whilst others may have an advice proposition that serves the needs of a more disparate client portfolio.

Fees and remuneration

There are some key questions to ask when it comes to fees and remuneration. How does the financial adviser charge for their services? Do they charge an hourly rate, a monthly fee, or an initial and ongoing fee for each new investment? What are the adviser's initial and ongoing charges? Hourly rate or fixed fee? Will the adviser be remunerated by charging a percentage of funds under their management or administration?

Qualifications and accreditations

All FCA regulated advisers should hold professional qualifications equivalent to Level 4 on the national Qualifications and Credit Framework (QCF), but some take further qualifications to demonstrate their expertise.

Here are some qualifications and accreditations worth looking out for:

- Chartered Financial Planner. This requires a suite of advanced level financial qualifications, five years' experience industry experience and adherence to a code of professional ethics.
- Corporate Chartered Status. Financial planning firms that meet minimum criteria can apply for Chartered status.
- Certified Financial Planner. This is a globally recognised mark of professionalism for financial planners. CFP professionals are qualified at a level similar to a university degree, well above the minimum regulatory requirement, and must subscribe to a professional code of ethics.

- **Accredited Firms.** Financial planning firms that meet the required standard can hold Chartered Institute of Securities & Investments (CISI) accredited firm status.
- **Chartered Wealth Manager.** This is achieved by a post-graduate level qualification covering financial markets, portfolio construction and applied wealth management, and by subscribing to a code of ethics.
- **Society of Trust and Estate Practitioners (STEP).** This is accreditation from the global professional association for practitioners specialising in family inheritance and succession planning.
- **Society of Later Life Advisers (SOLLA).** This accreditation shows that an adviser specialises in working with older clients.

Cultural fit

You need to develop a good working relationship with your network of individual financial advisers so it's important that the adviser is someone you can work well with.

Equally important is to get a feel for whether your individual clients will be comfortable with specific advisers that are on your panel. The chemistry as well as the expertise has to match. Financial advice tends to touch on areas that are emotive, often involving family or nearest and dearest, so a client rapport needs to be on your radar.

Awards

Has the adviser won any awards that show a high level of ability or service?

What do their clients say?

It may be worth looking on comparison sites like VouchedFor.com and Unbiased.com to see what the adviser's clients have said about them. The adviser may also be able to provide references from existing clients.

Conclusion

We hope this guide has helped you understand the framework in which financial services are conducted in the UK and raise awareness of the potential benefits of working more closely with regulated financial advisers.

Since 1988 legislation has evolved to provide higher levels of regulatory protection for consumers, with regulation helping raise standards of professionalism in the sector and increase the level of consumer redress. This has provided the foundation for a regulated financial services profession to develop in which you as a chartered accountant can deliver a more integrated personal financial planning service to your clients.

The demand for good quality personal financial planning advice is set to grow for the foreseeable future. Demographics dictate that more people will need good quality advice in the areas of investments, pensions, inheritance tax and estate planning, with all generations now needing to take greater responsibility for managing their personal finances. Freedom and Choice in Pensions has added a new level of complexity into the retirement planning sector, and as their trusted adviser your clients will be looking to you help them in this increasingly important area of the professional advice market.

A practice with a DPB licence from ICAEW is particularly well positioned to help clients with their personal financial planning needs by a process of long-term profitable collaboration with regulated financial advisers who are authorised to implement a client's financial plan that includes regulated financial products.

The DPB licence allows accountants to have proactive involvement in client financial planning strategies that increase the opportunities for the practice to use core accounting and tax skills as those strategies are implemented. In addition, the practice develops useful sources of referrals as the regulated financial advisers become more aware of the specialist skills of the practice and how best they may be integrated in the implementation of client strategies. Regulated financial advisers will be keen to work with a practice that understand how greater collaboration can deliver a more integrated solution to clients. This approach must make good sense for clients, financial advisers and accountants.

In addition to this guide ICAEW has created the PFP Community which serves as a portal for hosting content and details of events to help keep you up-to-date.

[icaew.com/pfp](https://www.icaew.com/pfp)

The content includes the ICAEW Lifetime Wealth Planning Guide. This guide focuses on a case study of retiring SME owner, Peter Pickle, and his family, to illustrate how working more collaboratively with regulated financial advisers by utilising the ICAEW DPB licence can unlock the opportunity to develop your personal financial planning business.

If you have any questions or would like to discuss ideas on how ICAEW may be able to offer more support in this area, please contact John Gaskell, Head of Personal Financial Planning.

✉ John.gaskell@icaew.com

Useful Links

Prudential Regulatory Authority

prerulebook.co.uk/

Financial Conduct Authority

fca.org.uk/

Financial Services Compensation Scheme

fca.org.uk/consumers/claim-compensation-firm-fails

Financial Ombudsman Service

financial-ombudsman.org.uk/

Retail Distribution Review

icaew.com/technical/practice-resources/personal-financial-planning/personal-financial-planning-regulation/a-guide-to-the-fsa-retail-distribution-review

Raising professional standards

fca.org.uk/firms/professional-standards-advisers

The key elements of professionalism - Qualifications

fca.org.uk/firms/training-competence

Designated professional bodies

icaew.com/dpb

Different types of financial advice

fca.org.uk/consumers/types-investment-adviser

Adviser charging

fca.org.uk/firms/adviser-charging-rules

Pension transfers

fca.org.uk/publications/policy-statements/ps18-6-advising-pension-transfers

Chartered Financial Planner

thepfs.org/membership/chartered-individuals/introducing-chartered-financial-planning/

Corporate Chartered Status

cii.co.uk/membership/chartered/corporate-chartered-status/chartered-financial-planners/

Certified Financial Planner

thepfs.org/membership/chartered-individuals/introducing-chartered-financial-planning/

Accredited Firms

cisi.org/cisiweb2/cisi-website/about-us/accredited-financial-planning-firms

Chartered Wealth Manager

cisi.org/cisiweb2/cisi-website/study-with-us/wealth-retail/chartered-wealth-manager-qualification

Society of Trust and Estate Practitioners (STEP)

step.org/

Society of Later Life Advisers (SOLLA)

societyoflaterlifeadvisers.co.uk/



There are over 1.7m chartered accountants and students around the world – talented, ethical and committed professionals who use their expertise to ensure we have a successful and sustainable future.

Over 178,500 of these are ICAEW Chartered Accountants and students. We train, develop and support each one of them so that they have the knowledge and values to help build local and global economies that are sustainable, accountable and fair.

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www.globalaccountingalliance.com

ICAEW

Chartered Accountants' Hall
Moorgate Place
London
EC2R 6EA
UK

T +44 (0)20 7920 8100
E generalenquiries@icaew.com
icaew.com

