



THE FUTURE OF INDEPENDENT ADVICE

Following reports in many national newspapers, you may have become aware that the Financial Services industry is undergoing some changes. The Retail Distribution Review (RDR), begun under the previous Government and endorsed by the Coalition, was instigated to look at how the different financial services providers work together with the objective of improving the general image of our industry and finding ways in which more clarity could be introduced to the provision of advice.

As a result, new rules are being introduced with effect from 2013, which may alter slightly both the information you receive from us and, in certain circumstances, the way in which our advice is paid for. This article is designed to outline those changes and to explain how they will affect the way in which we provide you with advice.

A new model for advice

The most significant change, perhaps, is how advisers will be classified. In order to continue to be categorised as 'independent', advisers will have to meet more stringent criteria as a business - including the way in which we deal with financial partners, the breadth of knowledge you can access from our practice and the way in which the advice we provide is charged for.

Complete independence

Money Wise intends to continue to classify ourselves as 'independent'. This means we can continue to guarantee the level of unbiased, whole of market advice on your financial situation which we have always offered and do not have to compromise on any aspect of our service.

The new legislation brings with it higher minimum standards for the qualifications all advisers must achieve before they can advise clients. In this regard the majority of our advisers already meet or exceed those minimum standards, with a few who are in the final stages to achieve them ahead of time. Our internal development programme recognises the contribution which higher qualifications make to the professionalism and quality of service which you receive and therefore newly recruited and trainee advisers have always been encouraged in this direction as part of their employment contract with us.

Alongside this higher minimum qualification, however, the regulations also require that to be 'independent', advisers must demonstrate in-depth knowledge of every aspect of the financial services market – from savings accounts through to most sophisticated esoteric investment arrangements. Across our advisers, we meet this broadened criteria and will continue to ensure the plans we recommend are based on a full working knowledge of all the opportunities available to suit your needs.

Finally, independence means we must also provide specific details of the services we offer you and details of the fees involved in advance. Our clients will be familiar with how this works already, through our initial and ongoing fees.

The benefits for you

We believe we have always provided a fully independent and professional advice service to all our clients, and the fact that our business is already run in line with many of these new rules only reinforces that belief. However, there is no doubt that a formalisation of such requirements for advisory businesses (and other financial providers) is good news both for the financial services industry and for clients.

Our own development as a business does not stop with these new rules, however. With the new minimum standards comes the chance for us to move our business on to an even higher level and we will continue to pursue all the relevant development opportunities available to improve the service you receive from us.

We do, however, want you to feel fully reassured about these developments. Hence, if you have any questions about anything we have outlined in this letter, or would simply like to update us on any changes to your own circumstances which you think might be significant, please do not hesitate to give us a call.