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GENERAL

■ Removal of SCDD / IDD templates

The FCA are removing the SCDD and IDD templates from their handbook from 27th March and, as a result, you will no longer be able to issue an SCDD or IDD to a client after this deadline.

Instead, you will be required to issue new disclosure documents.

We have created guidance on how to do this on the extranet, with details on the new document templates you should be using by the 27th March deadline.

To review a comprehensive list of new disclosure documents and actions you need to take before the deadline – please click here.

■ Data Encryption – Making it easier to register your devices

To ensure that your clients’ confidential information continues to be protected to industry standards, we’ve launched an online register for encrypted devices.

All principals and advisers with devices that store or process customer information, must now list their encrypted devices on the register, which can be accessed through the Intrinsic extranet.

Your account details and previously registered devices have already been imported into the system.

Please take a moment to log in and check they are correct.

To help you answer any questions you may have with logging in and using the new system, take a look at the following user guides:

USER GUIDE – PRINCIPALS
USER GUIDE – ADVISERS

■ Monitoring breaches

Following the launch of the new AML requirements for retail clients in November 2016, we’ve been checking that cases adhere to the new standards and offering feedback to advisers where requirements have not been met.

The new AML standards for client I.D. verification have now been in place for three months, and therefore, from 1st March 2017 we’ll be logging breaches where the AML standards have not been met.

We will, however, be monitoring the breaches recorded and contacting advisers to offer further support in understanding the new AML requirements.
Should you have any questions in relation to any of the above or the overall AML requirements, please do not hesitate to contact the Financial Crime Team on amlqueries@intrinsicfs.com.

- Anti-Money Laundering and Bribery Awareness training – Reminder

Following the launch of the Retail Client AML matrix in November, Anti-Money Laundering and Bribery Awareness training was set in Competent Adviser for all advisers. As a reminder, this is a mandatory and regulatory requirement in order to demonstrate your knowledge of Anti-Money Laundering & Bribery.

If you have not started the PDP please ensure you complete the reading and successfully pass the tests as soon as possible.

To access this PDP, log into the Your Learning Academy system and click on ‘My PDP’ on the grey menu bar on the homepage.

- Surrender fraud

Cyber-crime is becoming more and more frequent and we all need to remain vigilant. There have been many publicised data breaches where email account information for many popular service providers such as Gmail and Yahoo have been compromised.

All email account holders are vulnerable to such attacks and we recommend that passwords are changed regularly and that you do not use the same password for other services. Make sure you read this further guidance on surrender fraud.

If you’re asked to make withdrawal requests via email, before acting on the request, please make sure that you contact the client via another means, such as via telephone, to verify the request they have made.

If a client requests that payment is made to a new bank account, steps should be taken to verify that the account belongs to the client regardless of the providers own procedures. For example, an original recent bank statement (within the last three months) showing the clients full name and address, preferably collected from the client in person. Never accept digital copies of documentation.

- Extranet top tips – The Giving Advice homepage

Did you know that by clicking on the ‘Giving Advice’ logo at the top of the extranet homepage can find the following useful documents and content:

- The Advice Standards & Outcomes for Financial Planning, Protection and Mortgages
- The Pre-approval Submission Form link
- The Document Checklist page
- Suitability Documentation

Click here to see this page and the other useful information there.

MORTGAGES

- Submission timescales

Following the introduction of the more detailed, paper-based Workbench mortgage process, the document submission timescale was temporarily increased to 15 working days, while a new electronic process was being built.

Now that most advisers have completed their XPM training, the timescale for submissions is being reduced to 10 working days from Monday 20th March. This means that any case where the recommendation is made on or after the 20th March will need to be submitted within 10 working days.

For those yet to complete their XPM training, the submission deadline will continue to be 15 working days until your training is complete.

- Equity Release variable rate contracts – New guidance

With a growing market in variable rate roll-up Equity Release contracts, a more comprehensive advice process has been introduced when recommending this type of contract (rather than a fixed rate).

In summary the additional requirements are:

- A full explanation and rationale for the variable rate contract in your Suitability Report
- The implementation of an annual review process with your client to monitor the interest rate and ensure that the contract remains suitable for their needs

If you advise on Equity Release, please read page three of the revised guidance. The Business Assurance Team will be looking for these additional points during the pre-approval process.

NB: Equity Release is a manual sales process where you should upload your paper fact find and supporting documents into Officeweb. XPM does not yet provide us with a compliant way in which to record these sales, so please do not attempt to submit your cases through XPM.
FINANCIAL PLANNING

■ Commercial Property and SIPPS – New guidance

We’ve been listening to your feedback and have produced guidance on what areas to consider when recommending that a client places a Commercial Property into a SIPP or SSAS. It includes an eight point summary of what the Business Assurance team will expect to see covered in your Suitability Report, which should assist you in clearly documenting your advice in this relatively complex area.

Please follow this link to read the guidance in full.

■ Final Salary Pension Transfers – Updated procedures and documents

The following documents have been updated with respect to Final Salary Transfers

• Letter of Authority
• Procedures
• Suitability Report Templates

The letter of authority is now more concise. You can use this template to send to the Scheme Trustees to ensure that they provide you with all the information you need.

In addition, the procedures document and suitability letters have been refined in many places. The key change is around the Lifetime Allowance (LTA) where recently increased Cash Equivalent Transfer Values means there is a risk that the transfer will immediately put customers much closer to their LTA than was previously the case in the final salary scheme.

Consideration must now be given to customers to applying for Individual or Fixed Protection, and the revised suitability letter templates will assist you in covering this with your client.

If you’re involved in Final Salary Transfers please start using the new procedures and suitability letters with immediate effect.

■ Pension Transfers – Calculating the charges

AEGON have informed us that they have changed the way they present the projections in their illustrations. This document should help you when calculating the charges using the Critical Yield Calculator.

Please ensure that you read this in time for your next pension switch recommendation to AEGON.

■ Investment Replacement - Document Checklist

Though the Investment Replacement guidance has always detailed the documents which should be uploaded as part of your recommendation, a new document checklist has been produced for ease of reference.

Please click here to view this.

■ Treasury announcement - Pensions Advice Allowance

You may have read recently in the trade press that the Treasury has announced that a Pensions Advice Allowance is to be made available to help clients pay for advice on pensions. Up to £500 can be withdrawn in any tax year, with three payments in total being allowed, equalling £1,500.

Intrinsic sees this as being a welcome step forward. However, most pension providers have confirmed that their older (pre-RDR) contracts will not have this functionality available from the April launch. In addition, most post-RDR pension accounts will already have this functionality available, using the normal ad-hoc fee withdrawal facility. It seems this development will initially have little impact on how we deal with customers already receiving advice but may help those currently excluded from accessing it.

We will watch closely for further developments.

PROTECTION

■ Recommending Aviva ‘Core’ Critical Illness product – Reminder

You may be aware that Aviva currently have two Critical Illness products available, one of which is on panel, the Aviva ‘Upgraded’ Critical Illness plan, the other which is not, the Aviva ‘Core’ Critical Illness plan. The core product covers fewer conditions and as it is not on panel you must obtain an off-panel concession to recommend this version.

As part of the recommendation you must highlight the difference in conditions covered between the two Aviva policies by using our client declaration and upload a signed copy of this to the case.

Please click here for a link to the Off Panel Protection guidance.

NB: When applying through the Aviva online system - you must ensure that the ‘Upgraded’ Critical Illness option is selected. For further details please follow this link.