

Alexander Rowan LLP

A better design for your financial independence

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Authorised and regulated by the Financial Services Authority.



FSA – introducing a set of changes that will improve the way the public receive financial advice

Important changes to the way you receive financial advice post 31st December 2012

You may have seen in the media that The Financial Services Authority (which regulates financial services firms and advisers in the UK), have introduced a set of changes that will improve the way consumers receive advice on investment products.

These changes (part of the Retail Distribution Review) aim to improve professionalism, integrity and credibility of financial advisers.

From 1st January 2013, the three main changes you will see are:

1. Clearer services

People see their financial adviser for a number of reasons such as a general review of their investments to assistance with their pension.

From next year, financial advisers have to state the type of service they will be providing. This is important to you as you need to know how much of the market your financial adviser can advise on (and offer to you).

- Independent advice - will provide advice on products and providers from the whole of market.
- Restricted advice - will provide advice on a limited range of products and potentially from a limited range of providers.

2. Standardised level of learning

Both independent and restricted financial advisers will have to be qualified to a new higher standard of qualification than previously, with the minimum qualification level being the equivalent of components in a degree.

Advisers will also have to constantly refresh their knowledge through 'continuing professional development' (CPD) and sign up to a code of ethics. Advisers meeting all these requirements will be granted a Statement of Professional Standing (SPS), which will have to be renewed every year as an indication from an accredited body that they have met all the criteria required of them.

3. Clearer charges

Advice has never been 'free' and in the past financial advisers may have been paid via commission from product providers. You may not have received an invoice but you will have paid for this advice somewhere along the line, such as upfront and/or ongoing charges on your investment.

From 1st January 2013, instead of being paid by commission, advisers will be required to disclose and agree their charges upfront with you. These new rules allow for charges to still be deducted from the investment products if you prefer, but ongoing charges from your investment are only allowed if your financial adviser provides a continuous service on your investment.

This increased transparency of the cost of financial advice will enable you to fully understand what services you will receive and for what cost.

OUR FIRM...



Independent advice

We are pleased to be able to offer you solutions and recommendations from every provider on the market.



Qualified to Qualifications and Credit Framework (QCF) Level 4

Your financial adviser is qualified to this higher standard of qualification.



Clearer charges

We will agree with you the cost of the service we will provide to you before we undertake the work.



If you have any questions and would like to discuss the changes, please feel free to contact us.