

FCA: Fact-Find key questions

- Have the clients objectives been identified and documented – There is a reason why its top of the list and that's because it's the most important part of the file ...everything else on the file will lead from and lead back to this
- What are the clients personal circumstances such as tax rate, dependents, employment status and have these been adequately assessed – so of course things like Lifetime Allowance, IHT could be important for an individual
- Has the risk profile of the client been adequately assessed...remember looking at 3 things here ...level of risk client is willing to take, able to take and needs to take and where there is a conflict between these areas we would expect to see from the file how that conflict has been resolved and how its then impacted on the recommendation that you have made. And remember we are not just looking at risk from a fund selection perspective...this is also about how a client would feel about losing guaranteed benefits
- Has the client's income needs in retirement been assessed – so can we see what the clients income needs actually are and is this likely to be achievable following a transfer
- If the client has a need for capital, is it clear why and how much is required? – Fairly self-explanatory and of course this can justify a transfer proceeding as much as one not proceeding depending on the client's situation
- Has the loss of benefits or guarantees been clearly explained to the client and is it clear why are these losses necessary? – This comes back to having a full understanding of the DB scheme from which the transfer is being made
- Has the recommended arrangement been adequately assessed? – We have seen some TVAS 's being carried out using default schemes or funds.... we cannot see how firms can give suitable advice if they do not know who or what the receiving scheme is or what the recommended underlying investments are
- What alternatives to a transfer have been explored – This will be dictated by the client's needs and objectives of course ...so for example considering using an income from the DB scheme to fund a life assurance product, if the client's objective is to leave behind death benefits for beneficiaries