



Investment Forums R1

Compliance Update

February – April 2025

Forward financial thinking

REGULATORY
EXPERTISE

BUSINESS
SUPPORT

FINANCIAL
TECHNOLOGY



Learning Objectives

01

Identify the key features of the FCA RIAAT tool

02

Describe where we are with capital adequacy reform

03

Summarise the FCA Advice Guidance Boundary Review proposals



RIAAT Tool



A closer look

Part of a suite of advice assessment tools

- Developed by the Financial Conduct Authority (FCA)
- Sets out the regulator's methodology for checking advice
- There to support a firm to identify the key information for the file.
- The template itself is an Excel workbook with various tabs

[Access the DBAAT](#)

[Access the RIAAT](#)

Investment Advice
Assessment Tool





FCA RIAAT tool

- Has anyone used the tool?
- What has been your experience so far?

RETIREMENT INCOME ADVICE ASSESSMENT TOOL

FCA Reviewer
Date of review

QA Completed?
QA Specialist (Name)
Date of QA review

Advice details

Date of advice
Initial advice or ongoing review?
Date of last KYC at time of advice
Does advice include a switch recommendation?
Has the client treated as insolvent?
Initial advice charge basis
Initial advice charge (%)
Ongoing advice charge (%)
Ongoing advice charge (%)

Additional comments

IRCA
AB (if different)
Advice Status

Adviser details

Adviser name
Adviser reference (IRV)

Client referrals

Client referred from third party firm?
Third party is regulated/unsupervised?
Third party firm name
Third party firm FSN
Third party adviser name
Third party adviser reference (IRV)

Self investor

Is the client a "self investor"?

Page Ref.

Has the firm obtained the necessary information to provide advice?

Has the firm obtained the essential facts about the client?

Was the advice on a single or joint life basis?

Reviewer QA

Client

Surname
First name
Date of birth (Age at time of advice)
Marital status
Employment status
Current tax rate
UK Resident
Health status
Notes on health (if not good)
Notes on any dependents
Is the client considered vulnerable?
Notes on vulnerability

Y

Page Ref.

Partner

Surname
First name
Date of birth (Age at time of advice)
Marital status
Employment status
Current tax rate
UK Resident
Health status
Notes on health (if not good)
Notes on any dependents
Is the client considered vulnerable?
Notes on vulnerability

Y

Page Ref.



Required information

Input box	Summary	Required information
Information Obtained	There is enough information on file to assess the suitability of the recommendation.	case summary
		the essential facts about the client
		the client's investment and retirement objectives
		client's investment risk profile
		client's knowledge and experience
		estimated expenditure throughout retirement
		Necessary information on client's financial situation
		Switch only - ceding and proposed scheme info



Indicators of suitability

Input box	Summary	The recommendation:
Suitability	This suitability section contains examples which tend to show compliance with the suitability requirements.	<ul style="list-style-type: none"> allows the client suitable access their retirement savings is compatible with client objectives is suitable given client/partners health or lifestyle factors does not result in unnecessary charges does not result in an unnecessary tax charge or liability makes client aware of ongoing requirements demonstrates necessary risk appetite and capacity for loss does not result in loss of valuable benefits / incur a penalty takes into account "wider factors"



Other checks

Input box	Summary	The recommendation:
Insistent client <i>[be aware of PII]</i>	Client goes against the recommendation and the firm facilitates	<ul style="list-style-type: none"> • Has the firm followed the correct process • Is there a record on file?
Consumer Duty	Only be used for advice given after 31 July 2023	<ul style="list-style-type: none"> • Product meets client needs • Costs are reasonable relative to benefits • Risks, costs and benefits are understood • Clients supported to make a decision
Disclosure	All disclosures are fair and not misleading	<ul style="list-style-type: none"> • Initial disclosure of firm's services and adviser charges • Specific disclosure of charges as early as practicable • Product disclosure • Suitability report • Explanation of possible disadvantages



Pros and cons

Advantages	Disadvantages
Gives context to existing COBS rules	Time-consuming
Sets out consistent methodology	92-page instruction guide
Highlights training needs	Tick-box approach
Gives valuable MI for Consumer Duty Report	Subjective statements

Feedback: Send to compliance@simplybiz.co.uk marked for the attention of the Policy Team

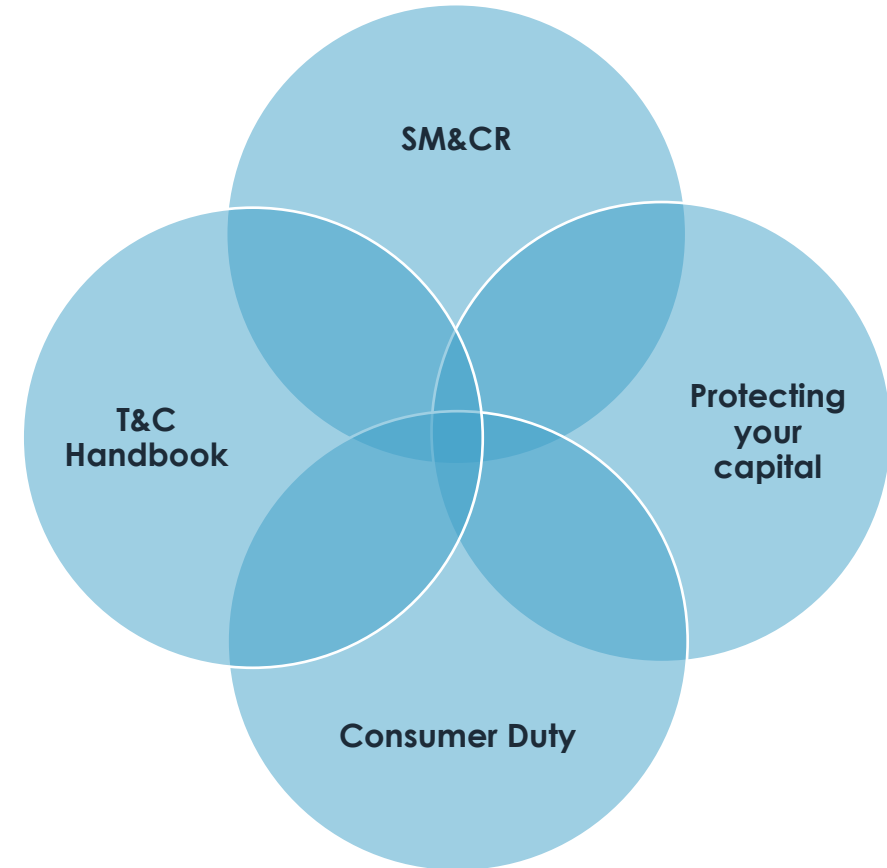
RIA Landing page

- FCA publications
- Self-assessment template
- A retirement income advice process
- Consultancy services
- Tools and technology

The screenshot shows the SimplyBiz website's 'Retirement Income Advice' landing page. The header includes the SimplyBiz logo, a phone number (01484 439 100), and a navigation menu with links for Investments, Compliance, Pensions, Mortgages Protection & GI, Events, Connect, Your Proposition, Your Business, MediaHub, Product NewsHub, Additional Support, and Horizon. The main heading is 'Retirement Income Advice'. Below this, a paragraph states: 'The FCA has published its report and findings on how financial adviser firms are delivering retirement income advice and the quality of outcomes consumers are getting. We summarize the findings in the video below. We also provide details of our support. This will develop further as we digest the contents of the FCA publication in full.' A large video player is featured, showing a hand pointing at a play button over a dark background with the text 'Thematic Review of Retirement Income Advice' and 'Overview, Practical Support and Document Updates'. Below the video are three columns of content: 'FCA publications' (with a 'VIEW DOCUMENTS' button), 'Our Guidance' (with a 'VIEW DOCUMENTS' button), and 'Document Updates' (with a 'VIEW DOCUMENTS' button'). At the bottom, a 'Consultancy Services' section lists 'Retirement Income Health-check', 'Advice Quality Unit', and 'Business Consultancy - bespoke support'.

We cannot understate the importance of file checks

- Protect you and your business
- Gives you confidence in your process
- Can identify improvements
- ‘Independent critical friend’
- SimplyBiz - Advice Quality Unit available





Other ongoing regulatory initiatives



Bitesize round-up



Consumer Duty

- Next Board Report due 31st July 2025
- Started to get feedback from FCA
- Good and poor practice
- Further support over coming months

Feedback from FCA



Data quality



Distribution chain



Analysis of
customer types



Challenge from
board

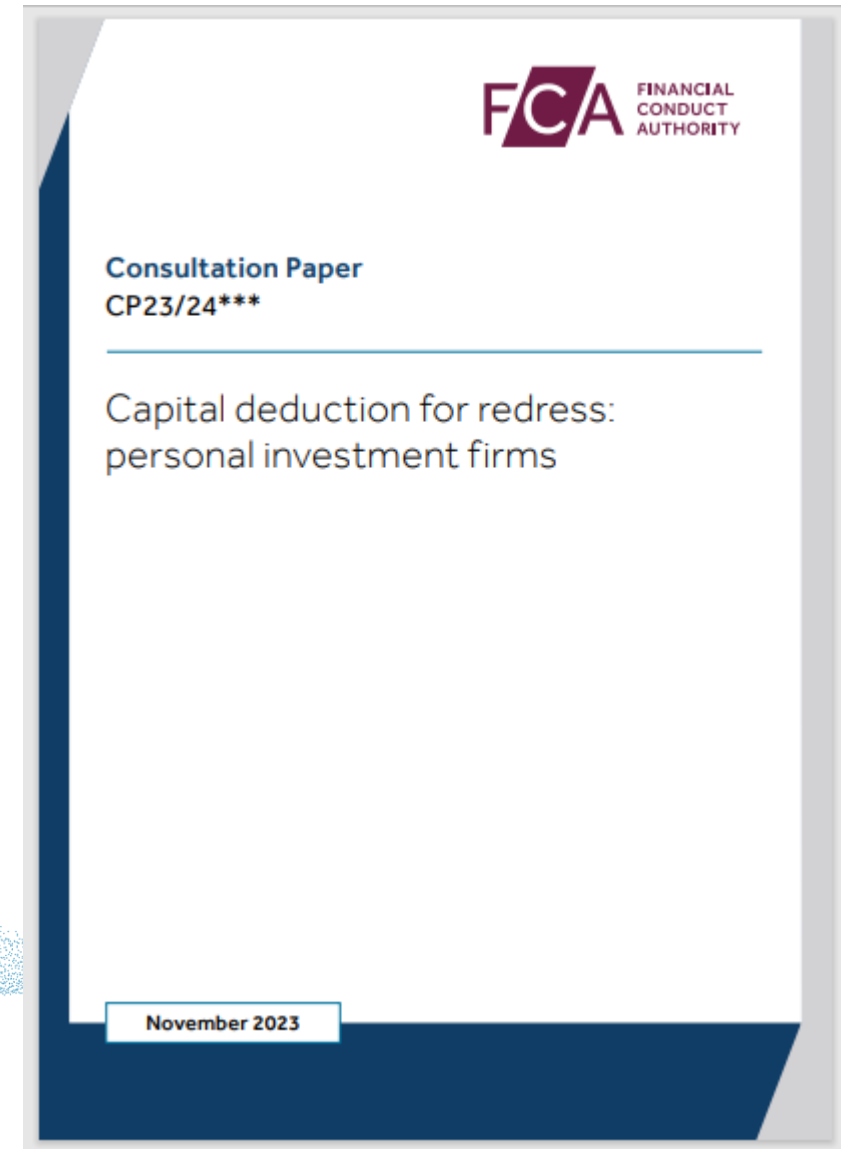


Evidence of
action taken



Polluter pays

- New FCA webpages – important reading for any firm looking to buy, sell or re-structure
- A 'capital deduction' consultation - for investment firms (PIFs) – overdue - awaiting final rules
- Known liabilities.....? Set aside capital





Wider capital adequacy reforms? A risk-based approach?

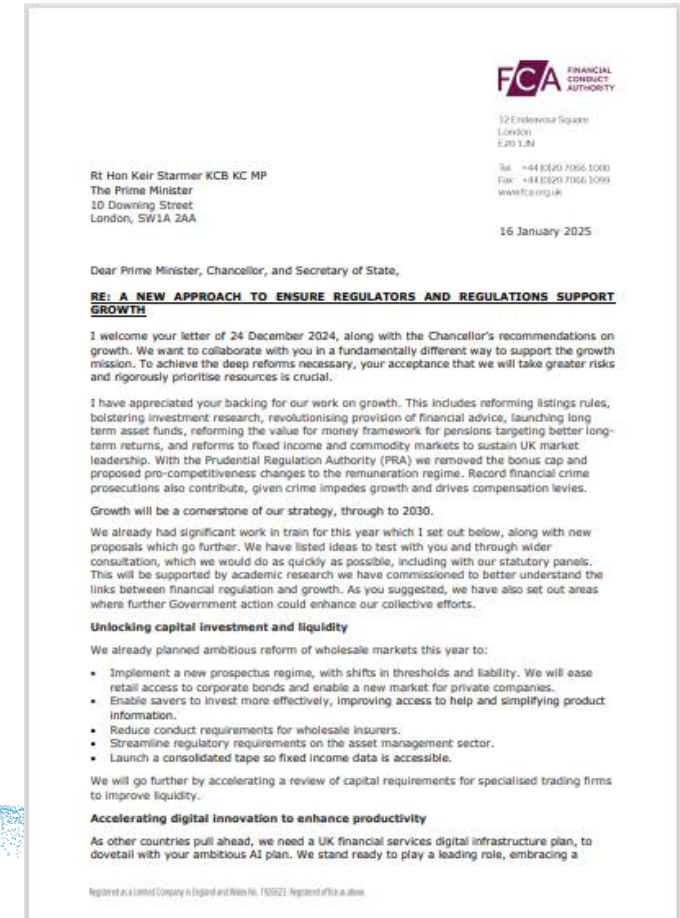
- No change to the minimum capital resource requirement - FOR NOW
- FCA to look at a range of mechanisms for reform
- Will be subject to consultation (and challenge!)
- Business Risk Awareness (BRAW)

Risk Indicators	Mitigations	Risk Status	Risk Owner
Business Model Risk			
<i>Business model risks are key measures that impact on the firm's operations, financial stability, reputation, and compliance with regulatory requirements.</i>			
Firm is unable to satisfy being able to be supervised effectively in the UK. The firm must have its "mind and management" located in the UK.	The firm maintains offices in the UK. The firm keeps records of address updated on Companies House/FCA register. Senior management and key decision makers are located in the UK. The firm does not have an office outside of the UK.	LOW	
Discrepancies on the FCA register/company house and/or the firm's website having material inconsistencies with the practice/activities of the firm.	Firm checks the Financial Services Register to ensure all company information and permissions are accurate. Companies House records are up to date and consistent with records held by FCA with a consistency of registered name, registered office address and financial year-end.	MEDIUM	
Staff Recruitment			
<i>Recruitment of staff is a major risk to a business with the risk of staff being hired on the basis of false credentials for the role or overlooking previous misconduct/termination. This could lead to client harm.</i>			
Significant Staff attrition Complaints arising around staff conduct Concerns/Skill Gaps in New Hires	Senior Management to embed a culture centred on growth, respect and shared values. Effective & documented onboarding process. Encouraging engagement and personal investment with formal personal development plans in place and active encouragement to pursue professional qualifications. Providing opportunities of career advancement whilst conducting formal 3-2s to monitor engagement. Comprehensive exit interview process is carried out to ascertain reasons for resignation. Recruitment strategies include:	MEDIUM	



FCA Letter new approach to support growth

- Avoid additional regulations for AI
- Streamline the handbook following industry input
- Review the proportionality of reporting requirements and remove redundant returns
- Revolutionise the provision of financial support/advice





Advice Guidance Boundary Review

Review to gather pace in 2025. Create a continuum of support.

Clarifying the boundary

Enable FCA-authorized firms to provide consumers with greater levels of support by operating closer to the boundary.

Targeted Support

A new regulatory framework that enables firms to use limited information to suggest products or courses of action

Simplified Advice

A new advice regime, enabling firms to deliver a simplified form of advice taking into account only relevant information about a specific consumer need.

Targeted Support for Pensions



For those that can't afford/don't want advice

A suggestion based on people in similar circumstances

For groups of customers with common characteristics.

No explicit or small charge

Not expected to be offered by advice firms



Compliance Digitisation



Helping you manage your regulatory obligations
and providing you with MI/Data to evidence
good customer outcomes



Compliance digitisation



Digitised compliance solution for all included in membership



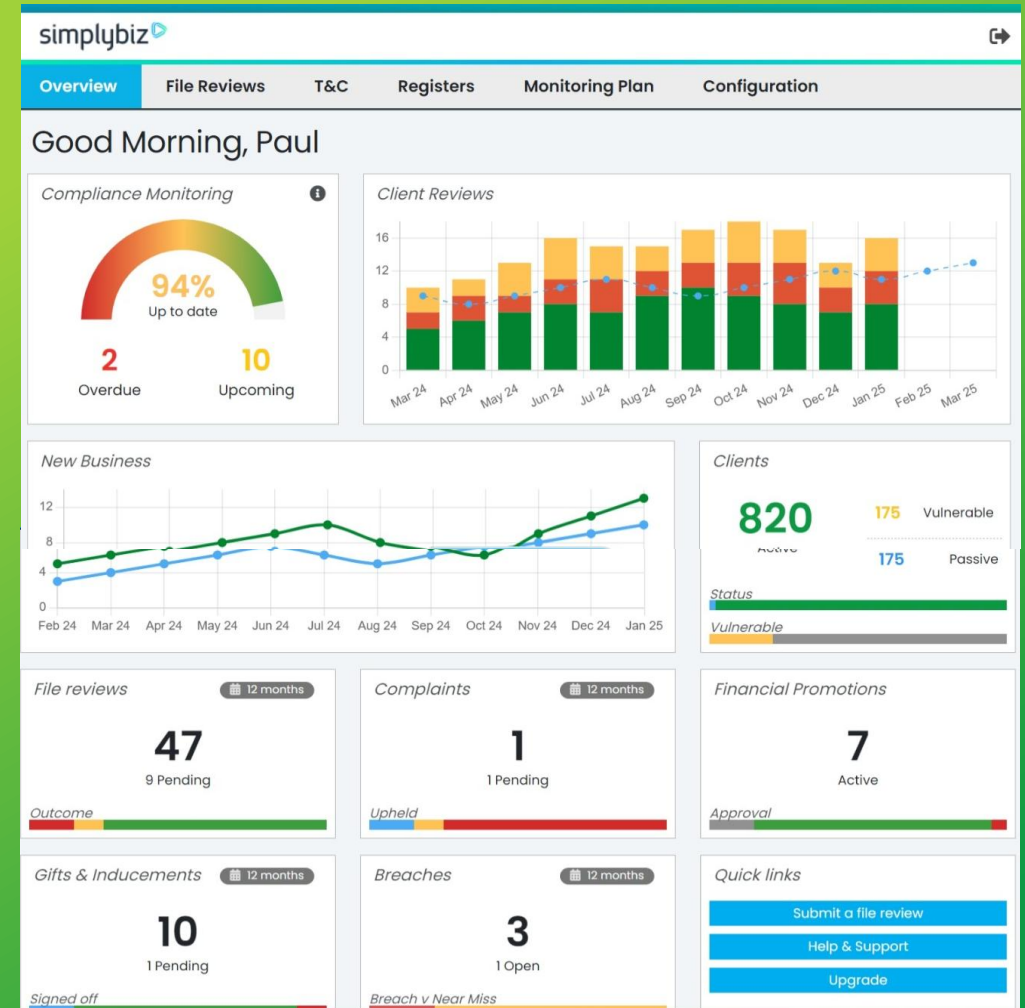
Compliance Dashboards & Registers



Track activities & key risks – reduce worry



Consumer Duty MI





Compliance digitisation



Compliance Monitoring Plan



File review outputs

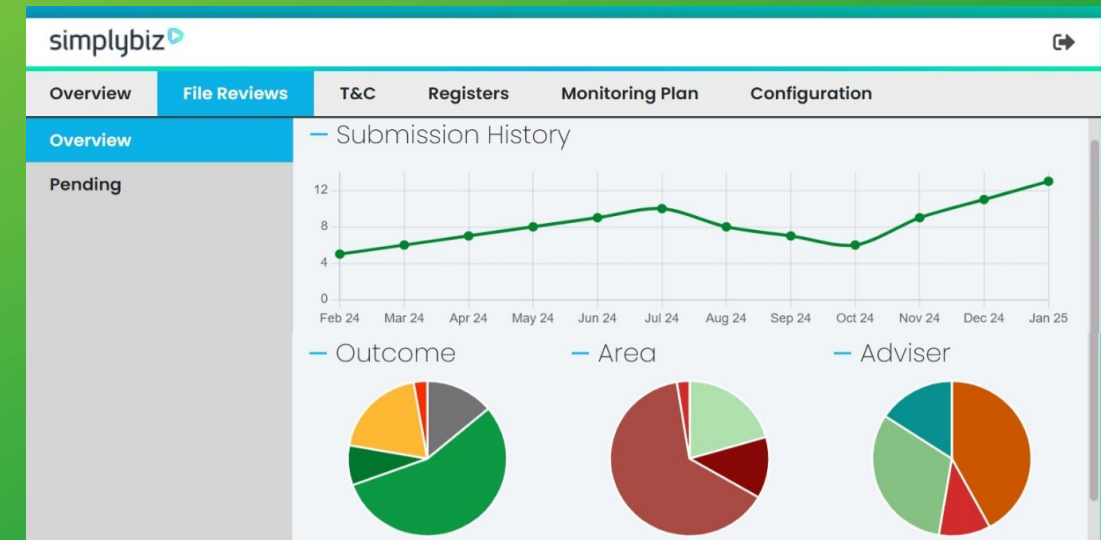
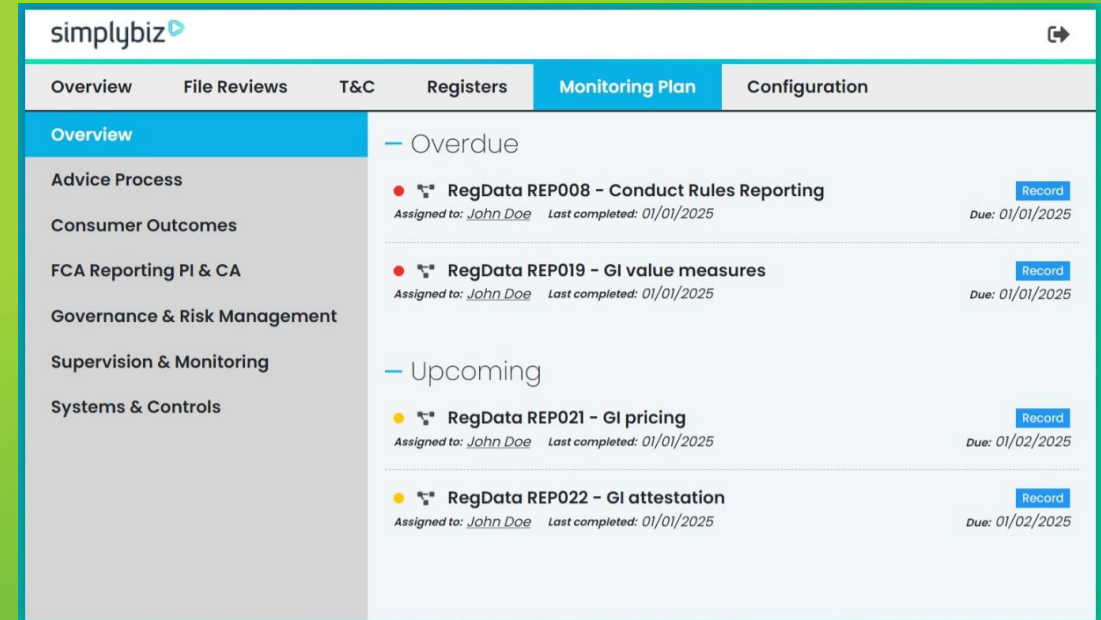


Annual Review Tracker



Easy Oversight – all in one place

Staged rollout from April – talk to us about priority access





Learning Outcomes

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Simplybiz

We deliver more value and control to financial professionals.

Combining regulatory expertise with the most comprehensive technology platform in the market, we help financial professionals operate more effectively.

Who we are

Award winner in business and regulatory support for retail financial services.



Part of Fintel plc, the leading provider of fintech and support services to the UK retail financial services sector

What we do

We help over 30% of the directly authorised intermediary market to operate more effectively.

- Delivering more income, freedom and control to financial professionals.

How we do it

An integrated compliance and technology platform.

- Delivering cost and tech driven efficiencies
- Flexible services adapted to your needs

