



# Priscum March Newsletter

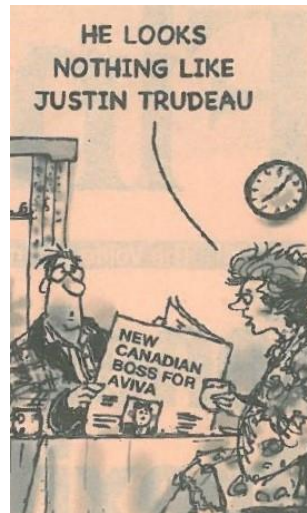
THE SWINGING SIXTIES

IN THIS ISSUE

## Welcome to the March Edition of the Priscum Newsletter

By Alex Wrightson

Welcome to the slightly late March newsletter. If you couldn't make it to our seminar last week. The slides for our Seminar last week are now available on the [Priscum web site](#). I have tried to keep on top of the Brexit News but it is a shambles as you probably all know so my Brexit Newsletter is now called Brexit Who knows what is Happening! Some of the most important articles you must read today are the current £150,000 FOS limit will be £350,000. There are 2 interesting articles at the end both looking forward to the future (past Brexit if we ever get that far) to the swinging 60's and a look at Future cars. The future is Bright the Future is Green.



Percy: Well, I've got the body my lord and I see you've got the head.

BlackAdder: Yes but look it's no good Percy, no-one's ever going to believe we've just cut it off, **It's Gone Green!**

- Priscum Update
- The Future is electric
- The Swinging Sixties
- Advisers' favourite pension providers revealed
- New rules on mandatory ESG integration proposed for advice
- From 1 April, the current £150,000 FOS limit will be £350,000
- A new Financial Services register
- Parliament petitions
- Brexit Who knows what is Happening!!!!!!!
- Spring statement
- Pension Update
- Mortgage Update
- FSCS Update
- Naughty Advisers
- FCA Regulation round up

## Priscum Update

### New rules on mandatory ESG integration proposed for advice

More new rules! Do you have any pension trust clients? because from October 2019 pension trustees will be able to hold financial advisers to account on Environmental, Social & Governance [ESG] matters.

The new ESG requirements mean pension trustees will be obliged to state their policy on taking account of ESG considerations including climate change into their investment strategy.

In accordance with the obligations to act in the best interests of the client, advisers' recommendations to clients must reflect both:

- the financial objectives, and
- where relevant, the ESG preferences expressed by those clients

ESG preferences' means a person's choice as to whether and which environmentally sustainable investments, social investments or good governance investments should be integrated into their investment strategy.

The European Commission also proposes that firms should be able to demonstrate how they include ESG when assessing suitability.

You will need to be able to demonstrate, that you have in place adequate policies and procedures to ensure that you understand the nature, features, including costs, risks of investment services, and financial instruments selected for clients, including ESG considerations where relevant, and that you assess, while taking into account cost and complexity, whether equivalent investment services or financial instruments can meet their client's profile.

Trustees must as part of their choice of adviser conduct a skills analysis to ensure the firms' ability to include ESG analysis in the fund manager selection and ongoing monitoring.

The guide for Trustees is attached. All firms will need to understand what Trustees and will be entitled to.

<https://amnt.org/wp-content/uploads/2018/12/FINAL-investment-consultant-December-2018-report.pdf>

### Advisers' favourite pension providers revealed

Royal London has topped advisers' list of preferred providers of individual personal pensions, according to research from Defaqto. This agrees with my questions in compliance visits when I ask the question what providers do you use. As we have said before Keith has a list of providers they only move to the top when the previous top one has annoyed him and gone to the bottom.

1. Royal London finished top, with nearly 40 per cent of advisers
2. Aviva Life & Pensions, which was named by 23 per cent of those polled.
3. Prudential named by almost 20 per cent of respondents.
4. Old Mutual Wealth, which previously ranked third, dropped to fourth place,
5. Standard Life,
6. AJ Bell,
7. Scottish Widows.
8. Retirement Advantage was named by the lowest number of advisers as being a 'preferred provider' but was a 'best performer' when it came to IFA satisfaction for the quality of staff and corporate product proposition.



- [Senior managers regime to create whistleblowing complaints](#)

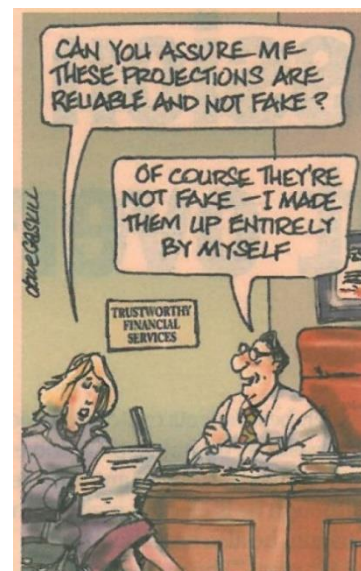
- [CISI raises bar on getting Certified](#)
- [Drawdown cash withdrawals set to surge](#)
- [Advisers' gender sways their advice](#)

## Pensions Update

- [Regulator reviews pension transfer guidance](#)
- [Advisers' favourite pension providers revealed](#)
- [Government finally stops calling guidance 'advice'](#)
- [MPs question regulator about Debenhams pensions](#)
- [Pensions regulator drops investigation](#)
- [Third of savers distrust pension transfer advice](#)
- [FCA warns more action needed on pension switching](#)
- [Steelworkers angry over advice compensation proposal](#)
- [Pension transfers drop 11%](#)
- [Freelance GPs to see pension contributions rise](#)

## Mortgage Update

- ['Mortgages and insurance go hand-in-hand, one should not exist without the other' – Marketwatch](#)
- [Government admits mortgage prisoner rules won't help all](#)
- [Treasury ignores calls to help mortgage prisoners](#)
- [Owning a home still cheaper than renting, but gap shrinking – Halifax](#)
- [Building more homes may not be the answer to our housing crisis – Phillips](#)
- [Landlords caught out by HMO rules need quick solutions at valuation – TBMC](#)
- [House prices rebound almost 6% in February - Halifax](#)
- [Buy-to-let lenders increasingly seeking ex-pats and foreign nationals – Ying Tan](#)
- [Brokers report overall mortgage completions are up](#)
- [Right to Buy homes re-sold since 2000 made £6.4bn in profit](#)



### Leasehold first-time buyers: 'We're trapped in our own house'

A leasehold is when you own the right to live in a building but don't own the bricks or the ground it sits on. Now there's a consultation by the Law Commission on whether to scrap leasehold flats and houses. More than six million properties in England and Wales are leasehold, according to the Leasehold Knowledge Partnership. And just under 40% of new-build homes sold in the last two years have been leasehold, the group says. "The issues with selling the house are the fees," Ashleigh tells us, frustrated at being stuck in a home she bought for £200,000 that's now worth much less. I pay an extra £800 a year for ground rent and service fees."

## FSCS Update

- [FSCS concedes scam warning error](#)
- [FSCS will not accept claims against mini-bond provider](#)

From 1 April, the current £150,000 FOS limit will be £350,000 for complaints about actions by firms on or after that date. For complaints about actions before 1 April that are referred to the Financial Ombudsman Service after that date, the limit will rise to £160,000. The FCA has also confirmed that both award limits will be automatically adjusted every year to ensure they keep pace with inflation. The new award limit will come into force at the same time as the extension of the service to larger small and medium-sized enterprises (SMEs). These are firms with an annual turnover of under £6.5 million, an annual balance sheet total of under £5 million, or fewer than 50 employees. An additional 210,000 SMEs will be able to complain to the Financial Ombudsman Service. Andrew Bailey, Chief Executive of the FCA, said: 'Consumers and small businesses struggle with the cost and time needed to take firms to court, so it is essential they can receive fair compensation from the Financial Ombudsman Service when things go wrong.'



## FCA Regulation Roundup

- [Beware the powers of Unexplained Wealth Orders](#)
- [FCA told to clarify 'reasonable estimates' rule](#)
- [Treasury wavers over giving FCA new powers](#)
- [Four things you must know about the FCA's platform plans](#)
- [FCA ditches plan to get platforms to police adviser charging](#)

### FCA publication - Important information for British Steel Pension Scheme members

The FCA has published on their website what they call - Important information for British Steel Pension Scheme members because the FCA is investigating the suitability of the advice firms have given to members of the British Steel Pension Scheme [BSPS] because they want to ensure those who have transferred away from the BSPS know they can make a formal complaint to the FOS.



The FCA is saying:

**Any former BSPS member who was given financial advice to transfer out of the BSPS, and is unsure if the advice was suitable, should make a complaint. Firstly, they should make the complaint to the firm that provided the advice. The firm should give them a formal response within 8 weeks. If complainants do not get a response within 8 weeks, or don't agree with the response, they should contact the FOS to refer the complaint to them.**

The FCA is reminding firms they expect them Personal Indemnity Insurance [PII] providers to be made aware about any claims you receive and that firms are responsible for ensuring that they adhere to the terms and conditions of their PII agreement. Please be aware that the FCA is they say closely monitoring firms that are, or have been, active in this sector – particularly those that have been involved in BSPS transfers. We will share any further information as soon as we can.

<https://www.fca.org.uk/news/news-stories/important-information-british-steel-pension-scheme-members>

### Cyber Resilience



Today we have published a [document](#) bringing together industry insights on cyber resilience.

Cyber risks pose a threat to consumers and markets, and a part of the FCA's work focuses on helping firms become more resilient to cyber-attacks, so reducing the risk and frequency of disruption.

Since 2017, the FCA has brought together over 175 firms across different financial sectors to share information and ideas from their cyber experiences. We run these Cyber Coordination Groups (CCGs) with industry to help improve cyber security practices amongst members of the CCGs and their sectors.

Over the last year, the groups have been discussing and sharing practices in the following areas: Governance, Identification, Protection, Detection, Situational Awareness, Response and Recovery, and Testing.

We have collated the examples shared by firms and set out those we consider to be beneficial for a wider audience under each of these themes. We hope the practices

and experience of the groups help those firms not already involved when considering where to prioritise their efforts in increasing cyber resilience.

The insights in this publication may be particularly relevant for small and medium-sized firms. However, we encourage all firms to consider whether these insights may be useful to them.

### A new Financial Services register in place sometime around September.

The Directory will enable firms to cross-check references, make their staff known to customers and make it more difficult for unsuitable individuals to operate in the UK market. The information will also support the FCA, law enforcement, professional bodies and other regulators in monitoring the market, building intelligence and targeting interventions.

These changes will allow users to search information on:

all Directors and Senior Managers

all staff certified as fit and proper by their firm

other important individuals who undertake business with clients and require a qualification to do so.

This information will be made public in a clear and easy to use format.

You will see that each firm will need to populate all of the info in Table 1 on page 5

[<https://www.fca.org.uk/publication/policy/ps19-07.pdf>] published [our policy statement on 'the Directory'](#)

With 50 thousand plus firms to populate the register I am not sure how easy putting in firm data will be!!

## Financial Advisers

### Digital Regulatory Reporting

We have published the [findings](#) of the first phase of the Digital Regulatory Reporting (DRR) pilot which explores how firms and regulators could use technology to improve the current process of regulatory reporting. The FCA, the Bank of England and a group of regulated firms will be participating in a second phase of the pilot that aims to identify which regulatory reports are appropriate for a DRR solution and how best to create machine executable regulation. Firms interested in participating in the pilot or who would like more detail on aspects of the report should contact [regtech@fca.org.uk](mailto:regtech@fca.org.uk).

## Mortgage Lenders

### Live & Local 2018/19 events

Our series of UK-wide interactive workshops on Defined Benefit pension transfers will conclude at the end of March. These are for representatives of regulated firms who are qualified to give Defined Benefit pension transfer advice and will:

- highlight the key points that firms should consider when operating in this market
- reiterate our expectations when transacting this type of business
- highlight our updated rules and guidance
- include an interactive case study to put into practice our expectations

[Registration is open](#) for workshops in Doncaster on 27 March and Newcastle on 28 March.

Sign up to our [Live & Local email updates](#).

## General Insurance

### General Insurance complaints

General insurance firms need to ensure the way they deal with complaints is in line with FCA rules and principles - and that they are complying with [DISP requirements](#). Our supervisory work has revealed that some firms are failing to consistently deliver fair outcomes for their customers when handling complaints. The areas of improvement that we have identified include:

- Firms must apply the [FCA definition of a complaint](#) correctly. Some firms are dealing with complaints in breach of our DISP requirements, without issuing a summary resolution or a final response letter. This may prevent customers from accessing the formal complaint process - for example, the complaints time-limit rules, fair and prompt assessment of the complaint, and Ombudsman referral rights. And the complaint returns provided to the FCA will not be accurate.
- Capture and address all elements of each complaint.
- Ensure all complaints are investigated competently, diligently and impartially.
- Some firms need to improve the quality of final response letters issued to customers.
- Ensure the root causes of complaints are always captured. The action required to correct the root cause, action owners and dates for completion must be clear.
- Firms should take steps to ensure that their complaints processes are embedded by their outsourcers. They should have effective oversight of the quality of their outsourcers' complaint handling, and management information to support this.

As part of our ongoing supervisory work, we will continue to monitor firms' compliance and take action with individual firms where necessary.

### **Wholesale Insurance Broker Market Study final report**

We have [published the Wholesale Insurance Broker Market Study final report](#), concluding that while there are improvements to be made, we have not found evidence of significant levels of harm that merit the introduction of intrusive remedies - we have therefore closed the market study.

As part of the study we analysed feedback to our Terms of Reference paper; responses to our data request; commissioned independent client research; and sent a survey to clients. We also had individual discussions with firms and other stakeholders and carried out a variety of analyses.

## **Consumer Credit**

### **Rent to Own**

We have [confirmed](#) plans to introduce a price cap on the rent-to-own sector, to protect some of the most vulnerable consumers in the UK. The cap will be introduced from 1 April and will save consumers up to £22.7m a year. The cap restricts the cost of credit to 100% of the price of the goods, and requires firms to benchmark base prices against those charged by three mainstream retailers. We have committed to review the impact of the price cap in 2020.

### **Debt Management – Thematic Review**

We have [published our second thematic review](#) of the debt management sector, looking at commercial and not-for-profit firms that provide debt advice and administer debt management plans. The review shows that most customers are getting better advice and outcomes than was previously the case, and firms that have focused their culture on what is best for their customers have made the biggest strides. However, there are still areas where firms must do better – particularly in identifying and helping vulnerable consumers. We encourage firms to look at our findings and consider the implications for their business.

## **Banks & Building Societies**

### **Firms' commitments in the lead-up to the 29 August 2019 deadline for new PPI complaints**

In our recent [report](#) we described the action some firms have taken to remove any barriers to complaining for those customers who wish to make a PPI complaint. In the remaining period before the deadline, we ask all other firms who receive PPI complaints to consider taking the same action to ensure that:

- they have accessible, well-designed and well-resourced PPI checking and complaint handling processes that deliver prompt and accurate answers to consumers

- vulnerable consumers don't experience obstacles/unfair outcomes when they try to make a checking enquiry/complaint

Any queries, please contact [FCASupervision-ProjectsPPI@fca.org.uk](mailto:FCASupervision-ProjectsPPI@fca.org.uk)

## Claims Management Companies

### Regulation of claims management companies

On 1 April, we become the regulator of Claims Management Companies (CMCs) and are working full steam ahead to be ready, including communicating about the change to consumers.

We aim to drive up standards in the industry and boost consumer protection and professionalism. This will help to build trust and confidence in an industry whose reputation has been tarnished by misconduct by some firms.

This will include CMCs being subject to the [Senior Managers and Certification Regime](#). We expect to publish a Policy Statement on this in the next month.

You can find more information on our [website](#).

### Register for temporary permission by the deadline

More than 560 claims management companies (CMCs) have registered for temporary permission. Those who haven't should act now to avoid missing the deadline of 31 March. If you don't apply in time, you will have to stop regulated claims management activities or face potential enforcement action, including a fine.

If you want to continue operating legally and haven't registered for [temporary permission](#) yet, please do so as soon as possible. This allows your firm to continue trading while you go through the authorisation process which happens in two sessions - from April until the end of May and from June to the end of July.

## Fintech & Innovative Businesses

### FCA Insight Podcast

In the first [FCA Insight podcast](#), recorded at FCA Innovate 2019, Nick Cook, Head of RegTech and Advanced Analytics, was joined by Ghela Boskovich, Founder of FemTech Global and Head of Regtech and FinTech Partnerships at Rainmaking Innovation, Teana Baker-Taylor, Executive Director at Global Digital Finance and Shruti Ajitsaria, Head of Fuse at Allen & Overy. In a wide ranging discussion, they cover our role in convening the AI ethics debate, why the time has come for global standards, and whether data can ever be 'perfect'.

### Cryptoasset consumer research

We have published two pieces of research looking at UK consumer attitudes to cryptoassets, such as Bitcoin and Ether. The research helps us understand potential harms from cryptoassets and ensure we are acting on evidence as we seek to protect consumers and market integrity. You can read the research [here](#) and find out more about our approach to cryptoassets [here](#).

## News and Publications

### Payment Services Regulation Video Series

We published a series of videos on Payment Services regulation. These videos will introduce you to the FCA payments department, as well as who – and how – we supervise and authorise. They will give you an insight into upcoming regulatory updates and what payment services firms should look out for in 2019. Check our [website](#) to find out more.

### 2019/2020 fees and levies

Firms that are intending to cancel their permission and do not wish to be liable for next year's annual fee (1 April 2019 – 31 March 2020) need to apply to cancel online, through [Connect](#) by 31 March 2019. If they do not they will be liable for the full annual fee.

## Accessing old FSA.gov content

We will be turning off the FSA website over the next few months - please note, we have not updated the FSA website since 2013. Some links will be redirected to fca.org.uk.

To access old FSA.gov content, please go to the [National Web Archives](#).

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As part of the study we analysed feedback to our Terms of Reference paper; responses to our data request; commissioned independent client research; and sent a survey to clients. We also had individual discussions with firms and other stakeholders and carried out a variety of analyses.

## Naughty Advisors

- [Builder jailed for demolishing five new homes causing £4m damage](#)
- [FCA investigates HMRC for telling self-employed people to remortgage to pay tax bills](#)
- [Standard Life Assurance referred to FCA for investigation](#)
- [Buy-to-let scammer jailed after shifting property portfolio to wife](#)
- [Countrywide fined £215k as HMRC targets estate agent money laundering protections](#)
- [Metro Bank investigated by FCA and PRA after miscalculating mortgage book risk](#)
- [Couple convicted of committing £500k-plus mortgage fraud](#)
- [Countrywide fined £215K](#)
- [Ucis director jailed for hiding assets](#)
- [Rogue agent fined £70k over HMO offences](#)
- [Ex-financial adviser stole £100K from mother-in-law](#)
- ['Professional bodies are not doing enough to stop money-laundering' - FCA](#)
- [Ombudsman investigates 229 British Steel complaints](#)
- [Bank must repay investors in failed Cape Verde scheme](#)
- [Retired IFA who duped victim out of £50K jailed](#)
- [Fraudsters steal £1.2bn from victims](#)

## Spring Statement

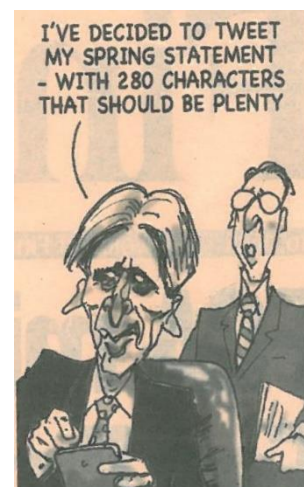
- [Chancellor gives preview of Spring Statement](#)
- [YOUR SPRING STATEMENT 2019 SUMMARY](#) This is a handy spring statement summary from Scottish widows that got lost in all the news about Brexit and the Morons in Westminster

## HMRC Update

- [HMRC under fire for 'borrow to pay tax bills' advice](#)
- [HMRC issues warning on tax avoidance schemes](#)
- [HMRC admits tax collecting error](#)
- [HMRC's targeting of accidental landlords falls short](#)

## Latest News

- [Aviva platform flows down after IT blunder](#)
- [Women discouraged from financial planning](#)





- [Financial education won't necessarily make you richer](#)
- [Barclays deal branded 'horrible' by former chief](#)
- [Lord Rothschild on remaining cautious in 2019](#)
- [Why advisers should embrace AI's potential](#)
- [Motherhood remains biggest obstacle to female ascendancy in the City](#)
- [Play your part for gender equality](#)
- [Ignoring diversity requirements risks isolating half the population](#)
- [Government presses ahead with probate fees "death tax"](#)
- [Platforms hit by axing of exit fees revealed](#)
- [Cofunds and Aviva see complaints surge after replatforming](#)
- [Cofunds loses £8.5bn of assets in 2018](#)
- [Cofunds loses £17bn of assets in six months](#)

### [Does anyone know what the single financial guidance body was?](#)

As I am sure you are aware, it was the name of the joint body that replaced the Money Advice Service, the Pensions Advisory Service and Pension Wise. Now it will become the Money and Pensions Service in April. Staff at the body – which is funded by levies on the financial services industry and pension schemes – will remain at their desks. All that will actually change will be the name. But that will not be simply a case of chucking away a bit of outdated branded stationery or a few business cards. It will mean scrapping the website [singlefinancialguidancebody.org.uk](http://singlefinancialguidancebody.org.uk) and replacing it with [moneyandpensionsservice.org.uk](http://moneyandpensionsservice.org.uk). I am not an expert in the cost of doing that, but I predict it must be a few bob. They would have been forced to splash out that sort of expense when they launched their new website in January, as well as when they launch their new, new website next month. It follows that they could have saved an awful lot of time and effort by just switching to the new name back in January rather than going through with the farce of operating as the single financial guidance body for three months. It means the new body – the Money and Pensions Service not the single financial guidance body – will not be having much of a fresh start, when it desperately needed one.

### [The Swinging Sixties](#)

The United Nations estimates the current population of the world is 7.3 billion and is projected to reach a rather crowded **9.7 billion by 2050**. However, according to the World Health Organisation (WHO), between 2015 and 2050 the proportion of the world's population **over 60 years** old will increase **significantly from 12% to 22%**. Improved healthcare, rising living standards and healthier diets means people are living longer.

In 2015, some 900 million of the world's population was aged 60 but by 2050 this could rise to a staggering **2 billion**. Today, some 125 million people globally are aged 80 years or older. By 2050, there will be almost this many living in China alone. In France, the WHO estimates it took almost 150 years for the percentage of the population aged over 60 years to grow from 10% to 20%. Countries such as Brazil, China and India will see this ageing effect happen in slightly more than a 20-year period.

Population ageing has already started to be seen in high income countries, such as **Japan, where 30% of people are over 60 years of age**. However, the current ageing trend is expected to be focused on low and middle-income countries such as Russia, China, Chile and Iran which are projected by 2050, to have a similar proportion of older people to Japan.



This demographic shift will create **major** challenges for the health and social care systems of many countries. Just look at the strains on the NHS and social care services in the UK during outbreaks of winter flu. Equally this demographic shift will also create long-term growth opportunities for many pharmaceutical and healthcare businesses.

### The Future is Electric

Earlier this month in the **Geneva Motor Show** The future Is Electric apparently. Apart from My house where my car parking space is far away from my front door!!!! My post code is expensive for car insurance as well but that is another story.



Most of the cars on show were electric including a prototype for a flying car and a self-driving limousine. One car was made in the 1950s that has been restored and looks like Lady Penolopes Car. **The world's fastest road** car has been

revealed at the Geneva Motor Show and its electric. The Pininfarina Battista claims to do 0-62mph in less than two seconds. We assume it might take a bit longer to re-charge. Ultrafast supercars may generate a 'halo effect' for electric vehicle (EV) demand but we suspect re-charging point infrastructure investment will be just as important.

However one of the cars on show is a self driving car driven by Smartphone to pick you up drop you off and then go on to



collect the next pasanger. I think these car manufacturers have been watching James Bond Films all these cars have been driven by 007 in the last 50 years!!!!

