

REGULATION NEWSLETTER FOR INTERMEDIARIES

Monday 20th to Friday 24th July 2009

Welcome to the weekly regulation newsletter designed specifically for intermediaries. This newsletter is compiled by IFact Services and includes regulatory and topical information relating to Independent Financial Advisers, General Insurance and Mortgage and Home Finance Advisers.



Final Notices - HSBC firms fined over £3m for information security failings

Financial Services Authority

<http://www.fsa.gov.uk/pages/Library/Communication/PR/2009/099.shtml>

The Financial Services Authority (FSA) has fined three HSBC firms over £3 million for not having adequate systems and controls in place to protect their customers' confidential details from being lost or stolen. These failings contributed to customer data being lost in the post on two occasions. HSBC Life UK Limited (HSBC Life) was fined £1,610,000, HSBC Actuaries and Consultants Limited (HSBC Actuaries) was fined £875,000 and HSBC Insurance Brokers Limited (HSBC Insurance Brokers) was fined £700,000.

During its investigation into the firms' data security systems and controls, the FSA found that large amounts of unencrypted customer details had been sent via post or courier to third parties. Confidential information about customers was also left on open shelves or in unlocked cabinets and could have been lost or stolen. In addition, staff were not given sufficient training on how to identify and manage risks like identity theft.

Despite increasing awareness of the need to protect people's confidential details, all three firms failed to put in place adequate procedures to manage their financial crime risks. In April 2007, HSBC Actuaries lost an unencrypted floppy disk in the post, containing the personal information of 1,917 pension scheme members, including addresses, dates of birth and national insurance numbers. In July 2007, all three firms were warned by HSBC Group Insurance's compliance team about the need for robust data security controls. However, in February 2008 HSBC Life lost an unencrypted CD containing the details of 180,000 policy holders in the post. The confidential information on both disks could have helped criminals to steal customers' identities and commit financial crime.

Margaret Cole, director of enforcement at the FSA, said: "These breaches are very disappointing. All three firms failed their customers by being careless with personal details which could have ended up in the hands of criminals. It is also worrying that increasing awareness around the importance of keeping personal information safe and the dangers of fraud did not prompt the firms to do more to protect their customers' details. Fraud, particularly identity theft, is a major concern to everyone and firms must ensure that their data security systems and controls are constantly reviewed and updated to tackle this growing threat. In areas where we have previously warned firms of the need to improve, people can expect to see fines increase to deter others and change behaviour in the industry."

The firms have taken a number of remedial actions to address the concerns raised, including contacting the customers concerned, improving their staff training and requiring that all electronic data in transit is encrypted. HSBC Insurance Brokers, HSBC Actuaries and HSBC Life co-operated fully with the FSA in the course of its investigation. All three firms agreed to settle at the early stage of the FSA's investigation and qualified for a 30% discount. Without the discount, the fines would have been £1m for HSBC Insurance Brokers, £1.25m for HSBC Actuaries and £2.3m for HSBC Life.

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Final Notices - FSA fines & bans directors for mismanaging investment scheme & fines firm for financial promotions failings

Financial Services Authority

<http://www.fsa.gov.uk/pages/Library/Communication/PR/2009/098.shtml>

The Financial Services Authority (FSA) has banned and fined the directors of a Yorkshire-based financial group for their misleading promotions and the mismanagement of an investment scheme (the scheme) which put 53 customers at serious risk of losing nearly £10 million they had invested on the basis of a guaranteed return of at least 6%. Neil Marlow, and his son Timothy, of the Bridford Group were approached by 'businessmen' with an investment scheme and did not properly consider whether the scheme could work or investigate who they were dealing with. They also made a series of unauthorised transfers of investors' funds in an attempt to generate the returns on the investment that customers had been promised. The result was that the assets could not be realised at the scheduled maturity date to repay the investors. The customers would have lost all their investment but for the corporate trustees' professional indemnity insurers agreeing to repay their capital and the interest payments they had been promised.

Both individuals settled at an early stage in the proceedings and the fine of £38,383 imposed on Neil Marlow and the fine of £31,838 on Timothy Marlow reflects this. Both have been banned from holding any significant management influence functions.

The FSA has also fined City Gate Money Managers Ltd of Glasgow £42,000 for approving financial promotions issued by the Appointed Representative (AR) run by the Marlows, designed to encourage investment in the scheme. The FSA found that City Gate failed to have adequate systems and controls in place to ensure that financial promotions issued by its Ars were clear, fair and not misleading. City Gate also settled at an early stage in the proceedings. It has also agreed to a voluntary variation of permission to stop taking on any new Ars and stop conducting pension transfer business, an area over which the FSA also has concerns. It will also carry out a past business review which will look at products sold to customers other than those who invested in the scheme.

Margaret Cole, FSA director of enforcement, said: "The Marlows did not properly consider who they were dealing with and the feasibility of the investment scheme presented to them. The financial promotions they generated and submitted to City Gate were seriously deficient, which had the effect of misleading customers about the risks involved in investing in the scheme. They also demonstrated a lack of integrity in their management of the scheme by failing to secure customers' assets when they had the opportunity to do so and transferring the assets between various banks without the permission or knowledge of the Scheme's trustees. Poor judgement and mismanagement of this scale by directors is not acceptable and will lead to bans and fines. City Gate's failings were serious. Firms which have AR networks have important responsibilities in monitoring them, including approving any financial promotions they issue. If they do not carry out these responsibilities properly they are failing the regulatory system and the IFAs and consumers who rely on them."

Final Notice - Graeme Watson Financial Services LLP

Financial Services Authority

http://www.fsa.gov.uk/pubs/final/graeme_watson0709.pdf

The FSA has issued a Final Notice to the above cancelling their permissions. Specifically, the firm ceased trading and failed to respond to repeated requests by the FSA to submit a cancellation application to the FSA. By virtue of its failure to submit a cancellation application form to the FSA despite repeated requests, the firm was in breach of Principle 11 (Relations with regulators) of the FSA's Principles for Businesses.

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Final Notice - City Estates Mortgages Limited (CEML)

Financial Services Authority

http://www.fsa.gov.uk/pubs/final/city_estates0709.pdf

The FSA has issued a Final Notice to the above cancelling their permissions following a First Supervisory Notice in May 2009. In addition to its obligation to cancel CEML's permission, the FSA also considers cancellation of CEML's permission is necessary because the firm:

1. Failed to pay fees and levies totalling £1,094.17 to the FSA, despite repeated requests to do so;
2. Failed to respond appropriately, or at all, to repeated requests by the FSA to pay fees and levies owed to the FSA and to provide information regarding its Professional Indemnity Insurance position. By virtue of those failings the firm failed to comply with Principle 11 (Relations with regulators) in that CEML has not been open and co-operative in all its dealings with the FSA; and
3. Failed to satisfy the FSA that it is conducting its business soundly and prudently and in compliance with proper standards as required by Threshold Condition 5 (Suitability).

For full details, click on the link above.

FSA's On the grapevine - July 09

Financial Services Authority

<http://www.fsa.gov.uk/smallfirms/grapevine/july09.shtml>

Each month the FSA gives answers to questions you've asked them or what you've told them is being said. This month they answer the question: 'We've got our security system sewn up. We had a great piece of software installed that makes sure we can't lose anything'. The FSA's response is as follows:

"Don't rely too heavily on IT systems for your data security. Never forget the human factor. Think about your office and its surroundings. Is it easy to get access to information about your business and your clients? Who could talk their way into your confidence? Many small firms are responsible for their own office security. Have you done what you can to reduce the risk of unauthorised access to your premises? There is no single solution to this but you may like to consider these ideas.

- Installing alarms or CCTV.
- Restricting access to the office with the use of door buzzers or key pad entry.
- Monitoring visitors to your office by recording access and departure with a signing-in book.
- Supervising visitors to your premises at all times.
- Discussing with local businesses or your local police force the key security risks in your area.
- Raising staff awareness of the risks of poor physical security.

Working with other firms - Many small firms have to buy services from another company. If you outsource work do you check that the third party suppliers vet their employees or have adequate security arrangements in place? If you depend on compliance consultants do they understand the importance of data security within the firm? Here are some examples of good practice.

- Encrypting laptops and transferring data via secure internet links to third parties.
- Masking financial details where they are not necessary for staff to do their jobs."

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Policy Statement PS09/11 - FSA announces changes to the Financial Services Compensation Scheme

Financial Services Authority

http://www.fsa.gov.uk/pubs/policy/ps09_11.pdf

The Financial Services Authority (FSA) is introducing new rules for the Financial Services Compensation Scheme (FSCS) on banks, building societies and credit unions, which will see individuals and small businesses compensated quicker, and will ensure protection for increased numbers of people. The fast payout rules, which come into force on 31 December 2010, will mean many individuals and small businesses will receive compensation within a target of seven days, and all payments within 20 days as required under the Deposit Guarantee Schemes Directive. This will greatly reduce uncertainty for consumers.

An additional change is that in future, payouts will be made on a 'gross' basis, which will effectively ring fence the deposits if a depositor has savings and loans with the same firm. Currently, any outstanding loan or debt held with a firm would have been deducted from the amount of an individual's or small business' savings before compensation was paid out. The new rules change this arrangement and ensure that the customer's savings will be protected to the limit of £50,000 and not used to offset loans.

Consumer awareness of the FSCS will also be boosted by a new rule which comes into force from 1 January 2010, requiring firms to provide information on the existence of the FSCS and level of protection it offers to depositors, as well as proactively informing customers of any additional trading names under which the firm operates.

Hector Sants, chief executive of the FSA said: 'To help underpin confidence in our banking system, individuals and small businesses must feel confident that their money is well protected. The new rules announced will help deliver that confidence, build on the successful role of the FSCS to date, and aim to further minimise the potential hardship faced by depositors if an institution defaults. The FSA, along with HM Treasury and Bank of England, have set the FSCS a challenging target of delivering payout in seven days. The systems requirements that the rules introduce for banks are crucial to enable the FSCS to deliver fast payout.'

Key changes announced:

- Ensuring that firms keep up-to-date information on customers to allow quick processing of claims by the FSCS if needed (the 'Single Customer View');
- Changing the payout of compensation to avoid customers who hold loans and deposits with the same firm having any debt deducted from their compensation (i.e. gross payout);
- Widening eligibility of the scheme to include more individuals;
- Introducing a requirement that deposit takers must disclose the existence of the FSCS and the level of protection it offers to help familiarise consumers with the services it provides; and
- If a firm operates under a number of trading names, it must tell its customers which of the different trading names are covered by a particular authorisation.
- The FSA has introduced changes to the calculation of payment of compensation on term accounts, which will mean that compensation is calculated as at the date of default.

The FSA has also extended, until 30 December 2010, its interim rules which allow separate compensation cover for customers with deposits in two merging building societies. The same extension has been made for customers of a building society which merges with a subsidiary of another mutual society, and for customers who deposits are transferred from a failed firm to another deposit taker where they already have an account.

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Policy Statement PS09/12 - Regulating reclaim funds

Financial Services Authority

http://www.fsa.gov.uk/pubs/policy/ps09_12.pdf

In the FSA's Consultation Paper CP09/8, views were sought on the proposals for regulating reclaim funds which the FSA believed would deliver a proportionate and effective regime, maintaining an equivalent level of protection for customers whose money has been transferred to a reclaim fund. This included continued coverage by the Financial Ombudsman Service (FOS) and Financial Services Compensation Scheme (FSCS) for such customers. Due to the unique nature of a reclaim fund's activities, the FSA has proposed to impose most of its prudential requirements through a fund's Part IV permissions.

Policy Statement PS09/13 - FSA confirms changes to with-profits rules

Financial Services Authority

http://www.fsa.gov.uk/pubs/policy/ps09_13.pdf

The Financial Services Authority (FSA) has confirmed that proprietary life insurance companies will not be able to meet future compensation and redress payments from their with-profits funds. These changes mean that any liabilities arising from operational failures (including mis-selling) after the rule comes into effect on 31 July must be borne by shareholders not policyholders. The new rules follow a consultation paper issued earlier this year in which the FSA proposed that shareholders alone should meet the cost of such failures, as the current rules may not lead to the fair treatment of policyholders.

Dan Waters, the FSA's director of retail policy and conduct risk, said: "It is essential that with-profits policyholders are treated fairly. The changes we are confirming are an important development in this regard, which seek to ensure that policyholders do not pay for costs resulting from management failings. In future, the liability for compensation and redress payments will rightly fall to shareholders as the owners of life companies."

Under current rules, a firm may pay compensation and redress from assets attributable to shareholders or from the inherited estate of its with-profits fund (if any).

Dear CEO letter - Remuneration code of practice

Financial Services Authority

http://www.fsa.gov.uk/pubs/ceo/ceo_letter0709.pdf

From Hector Sants, Chief Executive of the FSA to CEO's of Investment Banks.

FSA Statement - FSA confirms transfer of business of Britannia Building Society to the Co-operative Bank plc

Financial Services Authority

http://www.fsa.gov.uk/pubs/final/disc_notice_britannia.pdf

The Financial Services Authority (FSA) has announced that it has confirmed the transfer of the business of the Britannia Building Society to the Co-operative Bank plc under the Building Societies Act 1986. A copy of the FSA's written decision is available on the FSA website by clicking on the link above. Copies of the decision will also be sent to both firms and to those who made representations.

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FSA Statement - Use of stress testing in the insurance sector

Financial Services Authority

http://www.fsa.gov.uk/pages/Library/Communication/Statements/2009/ins_stresstst.shtml

In response to queries, the Financial Services Authority (FSA) is publishing a statement setting out how stress tests have been used within the prudential regulatory regime for insurers including information on the macro-economic parameters recently used. Stress and scenario testing is an important tool for firms' prudential risk management. It forms a key part of a suite of tools used by an insurer's senior management in making integrated business strategy, risk management and capital planning decisions. Under the current insurance regulatory regime, insurers carry out stress tests analysing all the relevant variables (including market and credit risk, longevity, persistency, catastrophe risk and underwriting) which may affect their capital adequacy.

Following the intensification of the financial crisis in 2008, the FSA has carried out further standardised stress testing exercises with the UK's largest life insurers. In 2009 this involved an economic scenario based on the downturn experienced by the UK economy in the 1980s (the 1980s V scenario). Carrying out additional stress testing enables the FSA to supervise effectively by understanding how the capital positions of insurers and insurance groups may be affected by specified economic scenarios. It also helps insurers' senior management plan for resilience through the cycle.

The stress tests used are not forecasts of what the FSA thinks is likely to happen; their purpose is to consider whether an insurer would be able to sustain adequate financial resources under conditions which, at the time the stress is conducted, are considered unlikely to arise. In evaluating an insurer's ability to sustain adequate financial resources, the FSA will consider actions that management could propose to take if and when the stress develops. The FSA will also take into account the amount of surplus capital available to absorb further losses beyond those specified in the scenarios.

Since the FSA's use of stress tests is part of its regular supervisory processes, the FSA will not, as a matter of practice, be publishing details of the stress test results. Furthermore, given that the application of the tests has and will continue to evolve, the parameters used will change over time. The FSA consulted on its approach to stress testing (for banks, building societies, CRD investment firms and insurers) in its Consultation Paper 08/24 titled Stress and Scenario Testing, published in December 2008.

1980s V scenario - The 1980s V scenario is an economic scenario based on the downturn experienced by the UK economy in the 1980s. It can be described as a deep economic downturn with a reasonably rapid recovery. The stress tests carried out assumed an opening position as at 1 January 2009 with a phased change to the economic scenario so that the 1980s V scenario crystallised by 31 December 2009. As the tests were based on the position at the start of this year, the figures below are not the 'peak-to-trough' stresses that were issued in the stress test statement on banks earlier this year. The business in force at 31 December 2009 was specified to be the projected business in the firm's business plan. The macro-parameters specified were as follows:

Equity Values 20% fall
Property Values 15% fall
Credit Spreads 50 basis points widening
Interest Rates 50 basis points rise or fall

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Press Release - FSA grants new waiver to firms on complaints handling

Financial Services Authority

http://www.fsa.gov.uk/pages/Doing/Regulated/Notify/Waiver/Consent/mod_disp.shtml

The Financial Services Authority (FSA) has offered firms a new waiver from its complaints handling rules regarding unauthorised overdraft charges for up to six months. The new waiver has been granted to those firms who signed up to the January 2009 waiver. These firms represent approximately 98% of the market. The new waiver has been offered to firms because, although considerable progress had been made in the test case, it is not yet clear how firms should be responding to complaints about unauthorised overdraft charges so that customers are treated consistently and fairly.

Whilst the waiver is in place, signatories will not be required to handle complaints relating to unauthorised overdraft charges within the time limits set out in the FSA's Dispute Resolution manual. Dan Waters, director of retail policy and conduct risk at the FSA, said: "Although the test case is progressing well, we still do not have certainty on this complex issue. The FSA has reviewed the prevailing circumstances and decided to offer firms a new waiver for up to six months. Our objective continues to be facilitating a fair and consistent resolution of consumer complaints about unauthorised overdraft charges."

The FSA will continue monitoring firms' compliance with the conditions of the waiver. In particular, monitoring will seek to ensure that firms have appropriate systems and procedures in place to identify customers who are in financial difficulty, and that those customers are treated sympathetically and positively. The waiver could be revoked at any time if the FSA considers it no longer appropriate, for example, if it does not provide adequate consumer protection, or material progress is not being made in the test case, or a firm fails to comply with the conditions set out in the waiver. Click on the link above to view the modification by consent of certain DISP rules.

Handbook Publication - Handbook Notice 90

Financial Services Authority

http://www.fsa.gov.uk/pubs/handbook/hb_notice90.pdf

This Handbook Notice introduces the Handbook and other material made by the FSA Board under its legislative powers on the 1st and 23rd July 2009. It also contains information about other publications relating to the Handbook and, if appropriate, lists minor corrections made to previous instruments made by the Board. The FSA Board made changes to the Handbook in eleven instruments which:

- implement an interim regime to regulate sale and rent back transactions to address the considerable consumer detriment occurring in this market (FSA 2009/36);
- make minor administrative corrections to the Handbook, none of which represents any change in FSA policy (FSA 2009/37);
- maintain protection for customers whose dormant deposits are transferred to a reclaim fund (FSA 2009/38);
- give guidance on one of the threshold conditions following implementation of the Banking Act 2009 (FSA 2009/39);
- allow a more accurate calculation of the capacity of a firm to absorb losses (FSA 2009/40);
- remove unfair outcomes for with-profits policyholders (FSA 2009/41);
- improve the FSA's approach to significant influence functions by ensuring that those likely to exert a significant influence on a firm fall within the scope of the approved persons regime (FSA 2009/42);
- extend the additional protection provided for depositors under the Financial Services Compensation Scheme (FSCS) where there is a merger between building societies, a merger of a building society with the subsidiary of another mutual, or a transfer of deposits under the property transfer powers of the Banking Act 2009 (FSA 2009/43);
- enable authorised fund managers to be more flexible by permitting single subfund umbrellas (FSA 2009/44);
- clarify guidance in PERG and also the definition of personal pension schemes (FSA 2009/46); and
- facilitate fast payout of compensation to depositors by the FSCS in the event of a deposit taker failure, and increase depositor confidence and levels of awareness in the FSCS (FSA 2009/47).

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Speeches at the FSA's Annual Public Meeting

Financial Services Authority

<http://www.fsa.gov.uk/Pages/Library/Communication/Speeches/index.shtml>

The FSA held its annual public meeting on 23rd July where speeches were given by the following:

Adam Phillips - Chair of the Financial Services Consumer Panel

Nick Prettejohn - Practitioner Panel Chairman

Simon Bolam - Smaller Business Practitioner Panel

Hector Sants - The FSA's CEO speech

Adair Turner - Chairman's speech

To view the content of all the speeches, click on the link above.

From the FSPP - The Practitioner Panel issues it's Annual Report for 2008/09

Financial Services Practitioner Panel

http://www.fs-pp.org.uk/docs/annual_reports/annualreport2009.pdf

The Financial Services Practitioner Panel (the Panel) has published its Annual Report for the period 2008/09. Nick Prettejohn, Chairman of the Panel said: "This has again been a busy year for the Panel with a significant number of fundamental issues being discussed and plenty of vigorous debate with FSA senior management."

The Annual Report summarises the Panel's work over the last 12 months and looks at the Panel's objectives and actions taken in fulfilment of those objectives. It also includes a section on current issues and ends by looking at the year ahead.

From the ABI - Customer Impact Panel 2008/09 report published

Association of British Insurers

<http://www.abi.org.uk/Media/Releases/2009/07/40636.pdf>

The Annual Report of the independent Customer Impact Panel, which oversees the ABI's Customer Impact Scheme, is published. The Report includes the Panel's commentary on the 2008/09 Customer Impact Survey and recommendations for the future of the Scheme. Key points from the report are:

- The Panel noted steady progress shown through the Survey. Post-sale relationship scores improved and sales process scores either increased or stayed the same, although the scores for developing and promoting products and services fell slightly. - Satisfaction with complaints handling remains very low, but the Panel noted that the score had improved this year.
- Company reporting of Survey results showed some improvement, but work is needed in some cases on improving the level and quality of information provided.
- Good progress has been made in addressing recommendations made in the 2007/08 Report. The Panel has made a series of further recommendations to improve customer experiences of the life, pensions, savings and investment industry, which it will look to the industry to work on in the coming year.

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From PADA - Annual Report and Accounts Published

Other Items of Interest

http://www.padeliveryauthority.org.uk/documents/annual_report_2008_2009.pdf

The Personal Accounts Delivery Authority (PADA) has published its second annual report and accounts highlighting PADA's progress in advising on and setting up the new personal accounts scheme. This is PADA's first full year of accounts. Reporting on the financial period 2008/09, this was a significant year for PADA. Royal Assent of the Pensions Act 2008 reformed workplace pension provision from 2012, and gave PADA the authority to move forward with the delivery of the personal accounts scheme. Key areas of focus for PADA in the year include:

- Building the organisation
- Advising Ministers
- Understanding target employer and member needs
- Beginning the process for procuring Scheme administration services
- Consultations: Consultation on securing a retirement income (decumulation)
- Publication of a summary of responses to PADA's charging structure consultation
- Publication of the investment discussion paper

The report also looks ahead to the key challenges PADA will face in 2009/2010 and beyond. These include the on-going procurement process to engage a supplier to provide scheme administration services; consulting on investment strategy; and, with DWP, consulting on the Scheme Order & Rules. The delivery authority is also considering what might need to be put in place to enable the establishment of and handover to the trustee corporation which will run the personal accounts scheme.

From the Pensions Regulator - Higher standards for defined contribution (DC) pensions

Other Items of Interest

<http://www.thepensionsregulator.gov.uk/mediaCentre/pressReleases/pn09-11.aspx>

Informed member choices at retirement and greater employer engagement are the focus of a new Pensions Regulator statement issued about higher standards for defined contribution (DC) pension schemes. Key points in the statement include:

- trustees to do their best to help members who are retiring make the right choices about their savings and have a particular focus on improving the standards of pre-retirement processes and member communications;
- encourage employers to engage responsibly with employees about pension arrangements;

The Pensions Regulator's aim is to ensure higher standards for DC pensions along with a minimal additional regulatory burden. To help trustees ensure high standards in pre-retirement literature, they have updated their member leaflet on retirement choices. The leaflet describes the range of options available to a member approaching retirement, including annuity types and other alternatives. The Pensions Regulator is also reviewing standards of pre-retirement literature and processes in a sample of schemes. For full details and links to the statement and supporting documentation, click on the link above.

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From Which? - Two thirds of equity release advisers fail Which? Test

Which?

<http://www.which.co.uk/news/2009/07/two-thirds-of-equity-release-advisers-fail-test-180694.jsp>

Two thirds of financial advisers failed to pass all the benchmarks for giving good advice on equity release in an undercover investigation carried out by consumer champion Which? Posing as customers, Which? Researchers visited 40 advisers and found that only a third of them met all the benchmarks for good advice set by Which? Overall, five out of 12 equity release specialists passed the Which? Test, compared with eight of the 28 independent financial advisors (IFAs). Advisers need to conduct a fact-find on each customer before they can give a suitable recommendation. 23 failed to carry this out to the expected standard and seven didn't even ask about the researcher's income.

Equity release has several risks that should be flagged up. Some advisers didn't mention how quickly the debt would grow or discuss the effect of compound interest. One IFA said there was no chance of using up all the equity in the 'customer's' home 'unless you live to 150'. Which? Was also disappointed that almost half of the advisers didn't mention or dismissed out of hand home reversions, one of the two main types of equity release plans. Some advisers were backwards in coming forwards about their fees too - instead of disclosing the details early on in the advice session, 13 advisers didn't discuss this until later on and a further five didn't mention them at all.

Martyn Hocking, Editor, Which? Magazine says: "If you've been hit by plunging pensions, it might be tempting to release some much-needed money using your home. However, opting for an equity release plan is a big decision and it's not one that should be taken lightly. Which?'s investigation has uncovered some major flaws in the equity release advice process. We'd like to see a tightening up of the advice process but, in the meantime, if you're considering it, make sure you visit two or three suitably qualified independent advisers to be sure you're making the best decision based on the options available to you."

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