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T-C NEWS

COMPETENCE • EXPERTISE • PROFESSIONALISM

JULY 2020

Steering Certification through lockdown

By Julie Pardy, Director Regulation & Market Engagement from Worksmart Limited

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Welcome to the July edition of T-CNews. Whilst the Covid-19 lockdown is gradually easing we hope that everyone remains safe. New ways of working are with us and phrases like 'working from home' or 'WFH' cropping up every where you look. The chances are you have been Zooming, Microsoft Teaming, Skyping or other form of video conferencing; ways in which you would have discounted a year ago. Regular references are being made to the 'new normal, whatever that maybe' as recognition that future normality will be different to the one we left behind. The regulator has made some adjustments to reflect the challenges of operating in the current environment but still expects firms to comply especially when it comes to matters SM&CR. We hope you enjoy our collection of articles this quarter and once again a big thank you for all our writers helping to pull this edition together. Enjoy.

Jeff Abbott

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How Covid-19 is impacting environmental, social and corporate investment

At the start of 2020, sustainability, ESG (Environmental, Social and Governance) investment and Green Finance were heading to the top of the political agenda. Then the coronavirus pandemic changed everything.

David Gristwood, Senior Learning Designer at The Access Group, takes a look at what's been happening…

2020 looked set to be a year in which focus on sustainability issues was to be intensified. The United Nations Climate Change Conference was originally scheduled for November and there had been growing momentum on the Green Deal in Europe, aiming to transform Europe from a high to a low carbon economy. And let's not forget, the latter aims to do this without reducing prosperity, all while improving people's quality of life through cleaner air and water, aiming for better health and a thriving natural world. That's not just a Green Deal…it's a big deal too.

Then along came Covid-19. That meant the 2020 Climate Change Conference was postponed by a year. Meanwhile, we have to be realistic about the Green Deal for Europe which is going to suffer in the shorter term whilst Covid-19 continues to change our priorities worldwide. In the immediate future, policymakers are focusing on crisis management and redirecting already scarce financial resources to support their economies.

However, there are some positives to come out of the pandemic with regards to sustainability. For example, with such a large percentage of people in lockdown, satellite images from NASA recently showed a substantial drop in the noxious gases emitted by motor vehicles, power plants, and industrial facilities. Concentrations in many countries were down by 50%.

How the pandemic could accelerate the Green Finance Strategy

At a time when governments need to reorient their focus and financial efforts towards crisis management, private investors have the opportunity to step in and fill the gap governments leave with investment in projects that give a return, but also support the environment's long-terms goals.

In the UK, this could actually accelerate what the UK government intended when it launched its Green Finance Strategy last year, ahead of the Green Deal in Europe. The Green Finance Strategy recognises the crucial role that the financial sector will play in delivering environmental objectives and lays out a plan to incorporate redirecting private finance flows into areas such as improved air, water and wildlife.

If you're not familiar with the strategy, it sets out the UK's 10 goals for improving the environment within a generation (approx. 25 years). It details how the government plans to work with communities and businesses to achieve this across 10 headings. For example, the first 3 of the 10 headings are: 'Clean air', 'Clean and plentiful water' and 'Thriving plants and wildlife'.

Each of the 10 headings then has substantial goals within it. For example, just one of the objectives under heading 1, 'clean air' is to: reduce emissions of the five major damaging air pollutants and improve air quality by 50% by 2030. To this end, you may have perhaps heard the government announce a few months ago the ending of the sale of new conventional petrol and diesel cars and vans by 2035.

Yes, there will be inevitable setbacks due to coronavirus, but if you look at the dates for goals such as above, there's still time to 'catch up' and achieve these.

Now in addition to the considerable challenges each goal presents, a big one across the board is raising and sustaining the necessary levels of finance required, particularly when the pandemic will have a long-term impact on the world's economy.

However, private investors still have the opportunity to get involved in projects that give them a return, whilst also supporting long-term environmental goals. Even before the coronavirus crisis it was estimated that public funds alone would only cover 15% of what is required for the projects to meet their goals. This leaves the private sector - firms and investors - the opportunity to provide the balance. They should be keen too, as the potential return on a lot of these projects is as much the priority as the environmental benefits.

Using finance to support firms with environmentally conscious objectives is of course nothing new. Prior to the Green Finance Strategy, many firms used terms other than Green Finance to represent the flow of money to projects with such objectives. But what is new is the much bigger scope for Green Finance, plus a momentum to get behind the use of the term 'Green Finance' compared to other perhaps more traditional terms in this area.

Prior to 'Green Finance' the most popular term in this area was 'ESG investing'. It works well as a term as it can be shown that E, S and G stand for three words - Environmental, Social and Governance - and these can be broken down into further specifics for use by socially conscious investors as a set of standards to screen potential investments.

However, that shows that green finance and ESG investing are not actually the same thing. It might be a touch simplistic, but Green Finance is in effect redirecting private finance flows into the 'E' aspect of ESG investing.

But let's not get hung up on labelling with arguably interchangeable terms. The main point is that the UK financial services sector and its investors – be it banks, insurers, lenders – has an opportunity to do something really good here. They can be the facilitator that redirects finance flows into clean growth and environmental sectors with literally life changing results. The planet – yes, literally the whole planet – will change for the better if they succeed.

"However, private investors still have the opportunity to get involved in projects that give them a return, whilst also supporting long-term environmental goals

Can you think of a bigger and better objective? Perhaps beating coronavirus is one, but you'd be hard pushed to find another.

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DB Transfers: CP19/25 becomes PS20/6…

Gayle Conway,
Managing Director
Expert Pensions

> "The FCA are encouraging firms to comply with the new requirements as soon as they can

Well I think it is safe to say that the year 2020 hasn't quite gone as planned! We have all been thrown into an uncertain time where we need to quickly adapt and change the way we operate, to keep up and move forward…

Then on the 5th June 2020 the FCA issued new rules and guidance on a variety of subjects directly related to defined benefit pension transfers advice and guidance and these will be effective from 1 October 2020. We need to adapt and change the way we operate, to keep up and move forward…

A brief summary of the key points:

- Ban on advisers using contingent charging for defined benefit (DB) pension transfer advice.
- Only exemption to the contingent charging ban is for certain groups of consumers who cannot afford to pay for advice but still may benefit from a DB transfer. This group will be a 'carve out'.
- The introduction of abridged advice. Empower consumers to make better decisions by improving how advisers disclose charges and requiring checks on consumers' understanding during the *advice* process.
- A requirement for advisers to disclose charges and to undertake checks to confirm the client's understanding during the advice process.
- triage should be an educational process so that consumers can decide whether to proceed to regulated advice. Education BEFORE Advice. Firms should not use decision trees and traffic-light RAG-rated questionnaires within a non-advised triage service
- Pension transfer specialists (PTS) to undertake an additional 15 hours CPD per year specific to pension transfer advice, in addition to their existing requirement. At least 5 of the 15 hours must be provided by an independent provider external to any firm that employs or contracts services from the PTS. One area that the FCA have highlighted to achieve better client outcomes is by PTS's improving their levels of knowledge and understanding…it makes sense that an advisers competency is fresh, up to date and recorded. This would be in addition to any other existing CPD requirements that an adviser may need to meet for other types of advice.
- A requirement for advisers to consider the workplace pension (if available) as a destination for the transferred funds, and to demonstrate why any alternative solution is more suitable

The deadline for these changes is the 1st October 2020! Even quicker, are the changes to using triage in the advice process, which is effective NOW (from 15th June 2020).

Not only are the rules changing on the dates outlined, the FCA are encouraging firms to comply with the new requirements as soon as they can to help improve consumer outcomes as quickly as possible.

Welcome to the 'new' world of defined benefit transfer advice.

At Expert Pensions we are passionate about client and adviser education. This is not new for us. It is what we do and have been doing for many years. The FCA encourages firms to comply with the new requirements as soon as they can to improve consumer outcomes. The full policy brings many changes to the DB Transfer advice process and you can read it here:
https://www.fca.org.uk/publication/policy/ps20-06.pdf

There are many challenges ahead that we can face together as an industry and as financial professionals.

Here's to accepting change and moving forward.

50 Tips for Running Zoom Interactive Training Workshops

Paul uses Zoom every day for his interactive training workshops and now shares with you 50 top tips to ensure collaboration and success with your groups

Breakout Bonanzas – Syndicate Groups Rule OK!

1. For those wanting to copy what they do in face to face learning workshops, then running syndicate exercises is a must. Zoom allows this to be done fluently through their breakout room feature, which is my favourite. It's a little like a time machine. You create rooms, name them and then add participants to them. You press "create rooms" and, once each participant has clicked they're OK to go, they go. Your desktop has lost them; you no longer have control. They return to your desktop when they want to or at the end of your allocated time.
2. Use breakouts sparingly, as if you only have one night out after lockdown. Choose which exercise to run with the breakout facility. Can the exercise be handled via a group discussion instead?
3. Ensure the instructions are clear; timescale is given in advance. Encourage the participants to photo the guidelines, as they won't be able to see your shared screen after they've gone into their rooms.
4. Appoint roles for the group to play: leader, timekeeper, note-taker.
5. Help them to understand how they'll feedback to the entire group. Encourage them to create a Powerpoint slide or word document to share the screen with, when they return.
6. You can either broadcast a written message to all groups or pop in as a video into their room. This is quite startling for them at first, seeing you appear out of nowhere, so tell them you may do so beforehand.
7. You can change people around the rooms, or just leave the system to allocate people into the rooms at random.
8. Tell them how to log out and log back in again, if they get stuck in the time warp, people do. And remember to keep an eye on the waiting room room, especially if you've locked the main room at the beginning of your workshop, using the security functions. Otherwise, they'll be banging on the room all day.

Think about Flipping the Classroom

9. Flipping the classroom is a delightful phrase which allows you to move content from your workshop and place it in a digital format to be enjoyed before the workshop. For example, I was running a presentation skills workshop on Zoom. I decided to pre-record myself demonstrating to the group how to present in public, the body language and skills involved in maintaining the audience's attention on camera. I formatted this into an 8-minute video clip and allowed my learners to watch this before attending the workshop. During the group session, we'll discuss this and help them to apply the learnings. I'll save myself ten minutes delivering content.
10. Other content can always be provided in a digital form beforehand. Think podcasts, which they can listen to while driving or in the gym or videos they can ingest on their phones. Or even a PDF written document although that's so 1990's.

Presenting in the Traditional Sense

11. With Zoom, you can maximise your facial video, so it dominates the whole screen either by asking the participants to "pin" you or by putting the spotlight on you. This allows you to use a whiteboard or flipchart live on screen.
12. The "presenter" view that most people select only highlights the video of whoever happens to be talking. I always encourage active discussions with everyone talking, so this confuses the "presenter" mode. "Gallery" view is the other option which brings the familiar tiled image of everyone's videos on the screen. You can toggle between the two.
13. Now that you have their attention, you can present with the whiteboard or flipchart supporting your words. Use the graphic capability to your advantage or maximise your presenting ability. Bear in mind you won't have a long time to keep their attention, so here are some more tips.
14. Place yourself according to the rule of thirds on your screen. Imagine cutting your screen into three equal vertical slices. Place your head in the left or right hand third, with the remainder for your whiteboard or flipchart.
15. Remove all background clutter. Ideally have a whiteboard occupying the entire back wall or a flipchart behind you
16. Light yourself up properly, no lighting behind you, just to your sides illuminating you and your whiteboard.
17. Stand and present, sitting is for group discussions and Q&A's. Standing gives you more energy and vitality.
18. Alternate your angles with multiple cameras. I have three webcams attached to my computer, allowing me to alternate the view just like on BBC News.

19. Look into the camera lens when presenting. A tricky but essential tip is to place a monitor with their faces close to the lens. It's insanely challenging not to look at people's faces when you talk, so the closer this is to your lens the better. Besides, looking at them in the eye allows you to gauge their interest and attention.
20. Smarten up your voice. It's always best to wear a BlueTooth headset or earbuds with built-in mikes. That way, you can turn to the whiteboard, and they can still hear you. Don't be tethered by a wire.
21. Explain every movement you do. When you want to move to another webcam or screen share, make sure you narrate every action you do.
22. Help them to put their names against their video images, this should happen automatically, but occasionally someone gets called ER556JFT on their call-out.
23. Have your running notes available to view at all times. I have a note holder just to the left of my primary camera, which I can use to keep my notes in card format as paper can fall off. The card stays still.

Rules for Participants – Starting the Workshop

24. If you're running a half-day workshop or even a full day one, participants will need to follow the rules. Now you don't need to give these all at once; so don't be tempted. To begin with, I only provide the video screen rules, i.e. to toggle speaker view or gallery view. This is after I've taught them how to turn on and off their microphone and video. If they are real novices, I'll arrange a one to one with them so I can go over the technical aspects before they even log on. The worst-case scenario is the participant who has little or no idea what's going on and holds everyone back.
25. The most important rule and one which is non-negotiable is that video and audio should always be on. This is an interactive workshop, not a webinar, and having a video on display focuses the mind more than anything else and rids people's ability to multi-task. Be prepared to defend this law.
26. The new security tab allows you to turn on and off their screen sharing abilities, stop them using chat and renaming themselves. This "Zooom Bombing" prevention tab also will enable you to close the waiting room and lock down the workshop.
27. As the workshop continues, you can teach them other instructions as needed, for example, with breakout rooms. Teach as you go, is my rule.

It's All About Design

28. Design is a crucial part of your success. Just like a face to face workshop needs robust design, an online version requires the same design durability. You may want to be familiar with the features of Zoom before you start designing, but sometimes it's best to use strong design and then figure out how you are going to deliver this virtually. For example, in my presentation skills workshop, I need each participant to present in front of a camera for five minutes so we can coach them. In a real room, that's easy; I ask them to stand, deliver and I record. In a Zoom environment, it's a little more tricky because I don't know where they'll be. Possibly in a spare room at home or a tiny broom cupboard. So I've flipped this and asked them to present using their phone camera before they attend. When the moment is right, I'll ask them to share this via WhatsApp or email or just watch it on their phones.

29. Build-in 10 minute breaks in each hour of delivery. I run for 45 minutes then break for 10 to 15 minutes throughout the day. Running online workshops is more tiring.
30. Build in a soft start, to test some of the buttons and features. Play a game. Ask them to mute and then unmute, turn on and off videos, go to gallery view, pin the speaker and so on. It's fun and gets them working straight off the bat.
31. A neat exercise to test existing learning is the "know, want" grid. Prepare one on the interactive whiteboard in advance and get them to type their wants and what they already know. That way they'll also practise the annotation feature.
32. In your slides, add extra ones with reminders and messages to yourself – e.g. stop sharing now, or switch to the gallery view.
33. Plan your opening to allow latecomers to enter without being embarrassed. I call it a soft start, so

people can quickly join in seamlessly. Some will encounter technical glitches on entry.

34. When sharing things on Zoom, be mindful of the app you want to use, don't just default to sharing your whole screen – that's lazy. For example, if it's a PDF, make sure you share the PDF viewer app rather than the entire screen. For videos, share your video player or your browser if you're sharing a YouTube video. Sharing the app on Zoom allows a cleaner interface and less latency, i.e. a gap between the voice and the sound on the video. Think 1950's dubbed French movies. Don't embed movies into PowerPoint as you will get nasty latency to spoil your viewing.
35. Use music particularly in breaks, but make sure you have the relevant legal licenses to share music. To share sound from your computer, you need to click on the share tab and select advanced sharing and select "share music or computer sound".
36. Think face to face and how you can migrate to Zoom. But be prepared to break the rules or your sacred cows. For example, I would generally run a full day's workshop to include roleplay etc. Using Zoom, I'm more inclined to run two half-day modules or three two-hour modules spaced over time. After all, you don't have travel constraints to worry about.

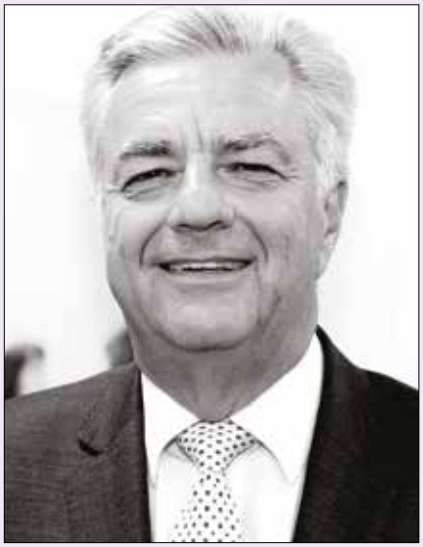
Making it More Interactive

37. The whiteboard and annotation feature is jolly useful in Zoom and allows participants to share information en masse, for example when brainstorming. They can annotate a blank whiteboard or a PowerPoint file with mouse drawing or type. You can save these and turn them into handouts for later. Preparing whiteboards in advance is a fabulous feature. The pros and cons of personal pensions can be typed beforehand, and the group can add their answers. When sharing PowerPoint or another document, look out for the annotation button at the top of the screen, let participants know that they must click on this to be able to draw and type on the shared document.
38. The polling feature is a little old hat now, a legacy from webinar days, but it does have a few uses. The live answer feature is cool; participants can see how others are answering in real-time and Zoom displays the results in a pretty graphical format. Don't use it for the sake of using it, though.
39. The chat feature has limited use for training workshops where you have a small number of people; after all, they can speak instead and should be encouraged to do so. But if you have a large number, the chat feature can and does work for quick communication. It's useful for a Q&A session; people sometimes are more inclined to ask questions on chat that face to face. Be careful not to slip into the habit of using chat as these are not webinars, but live virtual workshops. The chat feature is beneficial for sharing a document with the group.
40. Do not even think of using the emojis or hand rasing features, that's so 2000's

Techy Stuff You Must Do

41. Get your settings just right, experiment with them. Use the settings tab in the website app after signing in. Always run Zoom from the latest desktop app, don't even consider running a workshop from a phone or tablet, it just won't cut it. Update your app regularly.
42. Make the security tab your best friend. This is now at the bottom on the menu ribbon. It'll close down the room, ban anyone entering, prevent sharing desktops and generally keep you clear of Zoom Bombers.
43. Test your microphone and speakers, or headset, before you open up the room.
44. Log into the room ten minutes before everyone else and get set up, if you can log in off the hour, that way you'll get priority on the HD settings from Zoom, because "on the hour" is a popular time for meetings and Zoom has to ration the bandwidth.
45. Reboot your computer and close down all WiFi hogging apps you won't be using.
46. Only use virtual backgrounds if you have a sufficient grunt powered computer. Best to leave alone and treat as an unnecessary whizzy thing.
47. Likewise, subtitles can be used for presentations, its not brilliantly accurate but can add something to dull presentations.
48. Enhance your computer to share the app on up to three monitors. That way, you can have chat and participant boxes open on one screen, gallery view on another and your participant's full images on the monitor just to the left of your webcam. Makes it almost real.
49. Plan for emergencies. If your WiFi goes down, have another one to use or tether your phone to a mobile hotspot. I prefer to ethernet my internet to my computer rather than rely on unpredictable WiFi. Have a second microphone handy – maybe a USB one or the one attached to your webcam. Agree with someone to run the show if you crash entirely and have to log back on again.
50. In your account, be sure to add a profile picture of you, so when you douse the video of you when live, a pretty profile picture comes up not your name. One of the latest security protocols created by Zoom recently means that all participants have to create an account on entry, encourage them to add a profile picture too. People love doing this and have their best social media one always ready to hand.

Business as usual – even in a crisis



Nick Baxter from Baxters Business Consultants

> Firms need to rethink their processes for oversight and challenge

For many firms, current working methods, processes and procedures are far from 'business as usual'. Most financial service firms have had to adapt to a new world of remote working and social distancing; nothing is the same. However, those changes are the simple bit, the complicated part is continuing with business transitions in a compliant manner, even though customers are looking at new ways of working with firms and buying products. And all this while staff and compliance teams are spread across multiple locations. As we work through to whatever the new normal is, it is becoming clear that what is certain is that 'business as usual' is a long way off for many firms. The exception to this is the Regulators – especially the Financial Conduct Authority.

While the FCAs final 'outputs' are the conclusion of many months of analysis and consultation its recent flush of decision notices show that it is 'business as usual' as far as it is concerned.

- First, we received a notice of a £64m fine, which would have been £91m were it not for an early settlement discount, in respect of a bank failing to fully rectify failings in their mortgage arrears handling activities. We also learn, in the decision notice, that a 'step 2' penalty of £152m was also considered.
- In the same week, we learn of a £37m fine, which might have been £54m (if an early settlement was not applied) and where a step 2 amount of £163m was considered, for anti-money laundering failings.
- And we now see the FCA has highlighted significant failings in advice practices via a damming report on the equity release advice market. How can that sector get it so wrong? Advice processes should have been perfected over the last several decades, especially as that sector has had so much experience from mis-selling scandals. Despite, that the conclusions were, a number of firms did not always sufficiently take into account consumers' personal circumstances, didn't challenge consumer reasons for looking at equity release and weren't always able to evidence that their advice was suitable.

So, while many firms are content to 'pat themselves on the back' for managing through the crisis there is no let-up in BAU for the FCA, and there should not be for regulated firms either.

So, what is the message for risk and compliance teams? Tempting as it might be, there is no time to bask in the glory of keeping business rolling while staff are spread far and wide, now is the time to double efforts. FCA decision notices often show that firms take misguided comfort from their well-documented systems and procedures. Ironically, comprehensively documented policies and 'oversight' outputs often give a false sense of security and are not 'challenged' because no one thinks to question the status quo. Firms need to rethink their processes for oversight and challenge. Business owners and those responsible in businesses, board risk/compliance committees or boards depending on the size of the business, need to consider how to improve the independence of oversight functions and challenge. Not surprising then that the best third line is often an independent external company, eliminating the issue that sometimes things just get a little too comfortable! Afterall, do you really want the oversight functions attending the same summer barbeque as those they are checking!

Nick Baxter is a Partner with Baxters Business Consultants. Baxters Business Consultants is a business consultancy offering training, marketing and expert witness services within the lending industry

Getting your business "Compliance-Ready" again

By **Vivek Dodd** from Skillcast

With the government's singular focus on beating Covid-19, thousands of businesses in a state of induced coma, and the understanding attitude taken by regulators, it is quite likely that many compliance infringements went unnoticed over the past four months. But for how much longer? At which point might the regulators give a wake-up call to businesses, which have gone slack after months of inaction? What will compliance look like in the new normal?

Businesses should be asking themselves these and other questions, and working out ways of re-engaging their employees with their compliance imperatives, whether the employees are working from home or returning to your office now.

Take stock

In doing so, it's essential to start with an assessment of where you are with compliance management.

- ❑ How good is your staff's awareness of the regulations that apply to your business?
- ❑ How good is their understanding of compliance procedures?
- ❑ Do they understand who to turn to for questions and support?

> "Ultimately, every act of compliance, or the breach, of regulations or your policies and procedures, is committed by an individual.

- ❑ Is the responsibility for compliance devolved to heads of departments?
- ❑ Do you have systems and controls to flag up potential breaches, and conduct audits and investigations?
- ❑ How well have you tracked the regulatory change affecting your business over the past year?

The answers to these questions will determine what kind of shape your business is in, and what actions you need to take to get back to normality.

Turn the crisis into an opportunity

The best-run businesses will go further and take this opportunity to strengthen their compliance management with the necessary checks and controls that have been missing in the past. Consider a few examples.

Do you have documentary evidence of your staff have read and attested your corporate policies? That's a cornerstone of your compliance. If they've not done so, now is a great time to get that attestation.

Do you record all the gifts and hospitality is that your employees offer or receive? That's essential for your compliance with bribery and corruption laws. Implementing a register for tracking any gifts and hospitality now would not only help you to track and evidence such items, but also send a strong message of ethics and compliance to your staff.

Are your systems up to standards for protecting personal data and delivering on individual rights? For data protection, you should be considering a systems audit that includes penetration testing. Individual rights require you to provide access to all data that you hold on an individual at short notice, make updates/corrections to that personal data, and erase the personal data if it is no longer required or if the individual makes a valid request. This can be difficult if your customer and employee personal data is spread over multiple systems with no single point of reference. So, this is an excellent time to rethink and make necessary changes to your systems and procedures.

Don't forget the people dimension

Ultimately, every act of compliance, or the breach, of regulations or your policies and procedures, is committed by an individual. Therefore, considering the psychology and behaviour of individuals is essential to ensure compliance.

The pillars of your ethics and compliance programme should be tone from the top, culture, risk awareness, and monitoring. Are the messages from your senior management striking the right balance between reassuring your staff, who might be anxious in these uncertain times, and being vigilant to potential breaches? Are your employees trusted to do the right thing, or are they being micro-managed, potentially increasing the likelihood of lapses?

Maslow's motivational theory of psychology provides an approach for engaging with staff for peak performance in testing times. Start with physiological needs for safety and personal security. Work up through the levels, e.g. consider how you'll stay positive, provide meaning for others during the disruption. Create a sense of personal and organisational well-being. Look at how you react during times of business disruption. Ask your staff what challenges, obstacles and changes in pressure or impetus they are facing. Look for tendencies to cut corners when employees under extreme stress or pressure. Are some employees becoming disheartened and jaded? Consider the impact that the action certain non-compliant employees and any subsequent disciplinary actions may have on the rest of your staff.

Do you study past compliance issues or near-misses to understand what people factors contributed to those incidents? Business functions with a high turnover or units experiencing repeated problems can indicate poor management practices. You should identify people or departments that may be especially vulnerable at times of disruption. This requires supervisors to have an understanding of compliance personas of each of their team member - to know who is habitually compliant, wilfully or accidentally non-compliant. They need to understand how to manage the opportunists who may phone in sick when nothing is wrong or the overly conscientious staff who put others at risk by refusing to stay home when they are sick.

You need to provide adequate supervision for new hires or people working remotely, including those in quarantine. Make sure they know the rules and your expectations, provide regular support and reassurance (especially with new hires) and urge them to seek advice if they're unsure of what to do

Finally, it's never too late to prepare your team to cope with known and emerging risks with training and awareness programmes. Digital learning can enable you to get around restrictions on travel or meetings. Your dispersed staff can attest to policies, improve their understanding of procedures and rehearse their response to situations, on their laptops and mobiles anytime, anywhere. With less than usual distractions and pressures, this could even be an ideal time to catch up on training!

The Purpose of a Business

By **Ian Ashleigh** from Compliance Matters

How a firm articulates and communicates its purpose is increasingly a focus for the FCA as it carries out its supervisory activity. It will look at the purpose of a firm to understand what the firm is trying to achieve in practice rather than simply reading what it written down in the mission statement, and, it will test if staff understand the what the written down purpose of the firm is.

In a recent update to a paper on culture and governance published on its website, the FCA states: "We define culture as the habitual behaviours and mindsets that characterise an organisation. We do not attempt to assess mindsets and behaviours directly; instead we recognise that there are many drivers of behaviour which firms can identify and manage. As a regulator, we focus on 4 key drivers which we believe can lead to harm:

- Purpose
- Leadership
- Approach to rewarding and managing people
- Governance

Through our supervision of firms, we determine how effective each of these drivers of behaviour are in reducing the potential harm arising from a firm's business model".

In its document ***FCA Mission: Approach to Supervision***, the regulator also states, under the heading *Focus on culture and governance*: "We look at what drives behaviour in a firm. We address the key drivers of behaviour which are likely to cause harm. These include the firm's purpose (as it is understood by its employees), the attitude, behaviour, competence and compliance of the firm's leadership, the firm's approach to managing and rewarding people (e.g. staff competence and incentives), and the firm's governance arrangements, controls and key processes (e.g. for whistleblowing or complaint handling)".

But what is the purpose of a business? We will explore a business definition of purpose and link it to FCA expectations.

The Purpose of a Business

The purpose of a financial services business is to offer value through advisory or discretionary management services to clients or customers, who pay for the value. The money received should fund the costs of operating the business as well as provide an income to the owners and dividends to shareholders. Any money in excess of funding and salaries, i.e. profit, may be used to reinvest in the business for future needs or set to reserves.

While job titles may change over time, essentially, we are advising our clients which is the most suitable insurance, protection or investment product for their needs and how efficiently to use tax wrappers where available.

At the highest level, the firm's mission statement could lend itself to a marketing strapline e.g., 'never knowingly undersold' or 'every little helps' and we immediately know the two retailers who have used those. To articulate the purpose of your business you need to consider its actual impact on your clients or customers and it will define what it is you offer them.

If we break this down, the purpose of a business has been defined as "an organisation's meaningful and enduring reason to exist that aligns with long-term financial performance, provides a clear context for daily decision making, and unifies and motivates relevant stakeholders."

This is where the FCA will look for cues that inform how the culture and governance of your firm will meet the 11 principles for business (found in PRIN) and the conduct rules (in COCON) as they apply to both individuals (of which there are five rules) and senior managers (who have an additional four to comply with). They will want to see the business driving good customer outcomes and that customers and the market are at the heart of way a business is run.

What are the Characteristics of Purpose?

If we now break the above definitions into five characteristics, we can see how they may apply to your own business.

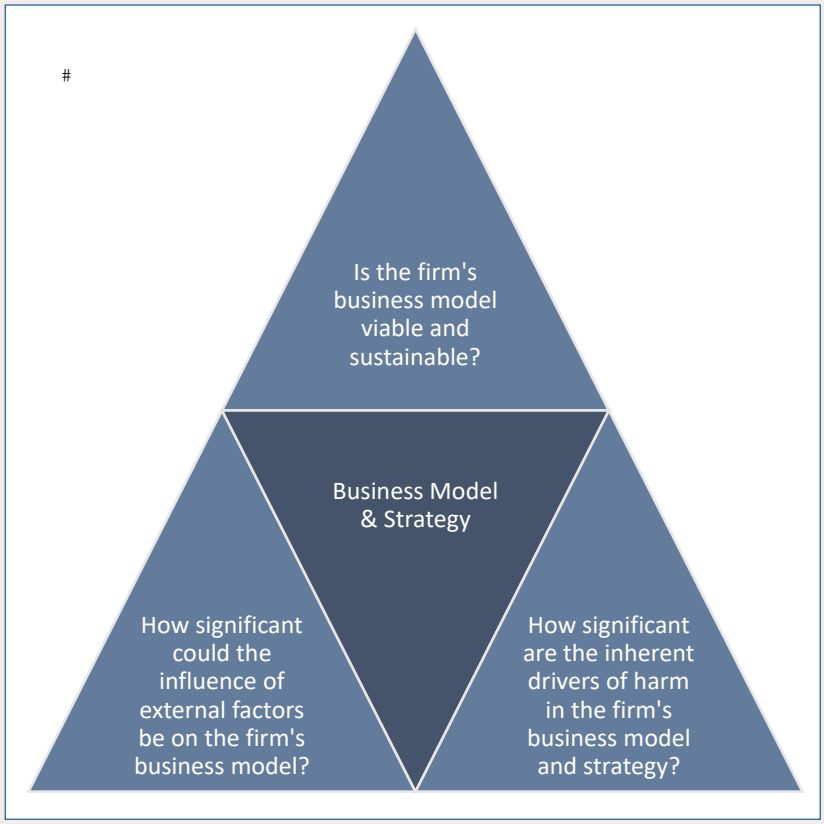
- **A meaningful reason to exist**
  This is more than simply selling your service to your clients and customers. It should include the development of employees to help their growth and achievement, and, could include active involvement in the local community for, say, the benefit of disadvantaged groups.
- **Purpose forms an organisational identity**
  It helps the public perception of the business, or its reputation. Do you want your staff to be proud to work for you, do you want your customers to be your advocates? How does your business purpose inform your business strategy?
- **Purpose and profits**
  As we have seen above, without profits, the business would cease to exist no matter how laudable the purpose. You need profits to drive the business forwards, but these profits could be a direct result of the purpose of the business.

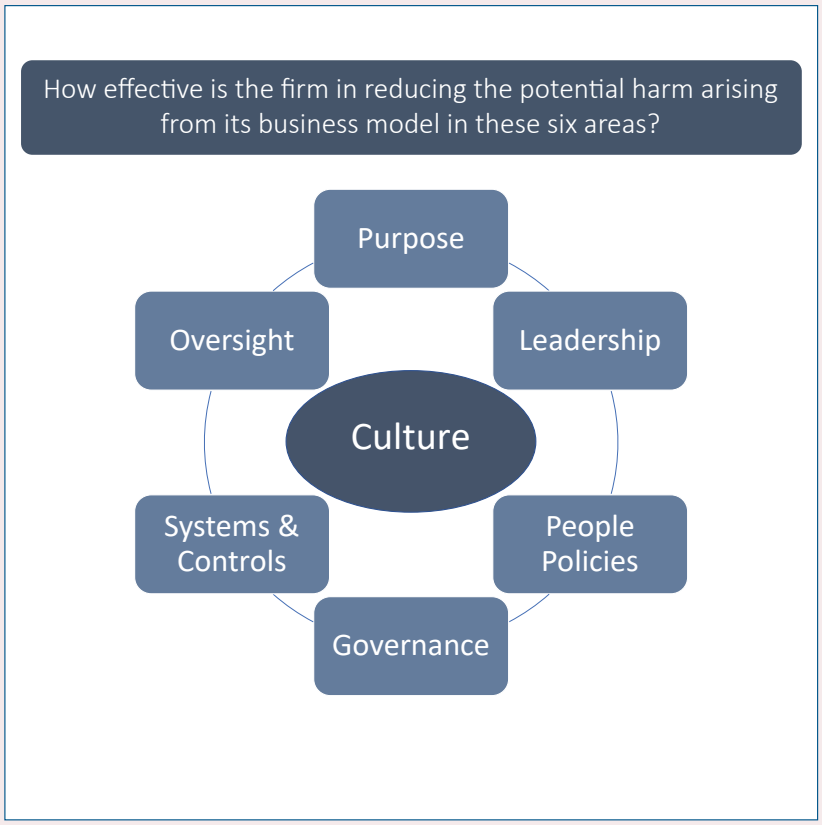
- **A clear context for decision makers**
  This is the area the FCA will focus on. A carefully articulated purpose will provide key decision makers with clear guidelines regarding the values of the business. The regulator will expect these to be applied consistently on a daily basis.
- **Unifying and challenging stakeholders**
  Articulating your business purpose may challenge stakeholders who may need to change long-held practices. Alternatively, it may bring them together are they strive to achieve a unified purpose.

> "They will want to see the business driving good customer outcomes and that customers and the market are at the heart of way a business is run

Putting it into practice

Articulation of the purpose of your business should be the catalyst for building long term value for all stakeholders whether they be the Board, senior managers, staff, customers, or the communities around which your business is based. The FCA will focus its attention on good customer outcomes and your business purpose should support these.





Annex 2 of the ***FCA Mission: Approach to Supervision*** document illustrates its Firm Assessment Model in two parts:

- Business model and strategy; *and*
- Culture.

The diagrams illustrate the questions the FCA will ask your firm in their supervisory work. It would be as well to commence your conversations internally.

Are you an adviser?

By **Tony Catt** from TC Compliance Services

We live in interesting times as financial advisory firms come to terms with the lockdown and the gradual release from that. It will be interesting to see whether the efficiencies generated by working from home, webinars and client meetings on Zoom, Skype or Teams and documents completed and signed on docusign (other digital confirmation systems are available) become the new normal or whether advisers will return to face-to-face client meetings as soon as they can.

> "The FCA gives high importance to promised reviews actually being provided and at the time that has been promised

There will be very few advisers who have managed to continue to do business at the same levels that they been accustomed to achieving. In this difficult time, many advisers may have been kept afloat by their ongoing adviser fees and pipeline business completing. Of course, ongoing fees are only paid to investment and pension advisers possibly with some commissions coming from older protection plans. This is not available to mortgage advisers who are entirely dependent on fees and procuration fees on current and repeat business.

In an acknowledgement of this current situation, last week, the FCA sent out a questionnaire to many firms asking about their financial viability, cash flow and capital adequacy at this time. It seems that the point of this questionnaire was to take a snapshot of the current financial state of many firms with a view to trying to ensure that if they were in financial difficulty, that they would stop trading in "an orderly manner". What a shame that it did not seem to be asking what assistance firms may require to enable them to continue trading.

Recently the FCA has investigated contingent charging on DB Transfers and has come to the conclusion that it should be stopped. This has been decided in the belief that if advisers only get paid if a client completes a transaction, in this case, the transfer out of a DB scheme, this could lead to poor outcome for clients because advisers may be tempted to recommend transfers that do not represent a good outcome for clients.

This is just the latest attempt by the FCA to move advisers away from being paid commission for writing business. One of the major thrusts of the Retail Distribution Review which was put into place on 31st December 2012. At the time, this plan was circumvented by providers re-badging commission as adviser fees. In my opinion, a baby playing peek-a-boo would have picked that up and stopped it at the time.

This move away from commission was to drag advisers kicking and screaming into the world of fee charging professionalism that is occupied by solicitors and accountants. The advisers would be considered to be professional having achieved a minimum of diploma level qualification, undertake regular training to retain their knowledge levels and charging fees for work undertaken. Thus, advice became a service in itself for which the clients would pay a fee.

However, there was a lot of resistance from adviser firms that had built up considerable value in their business by the collection of trail commission and ongoing commission on investment funds under management and it was thought that it would cause many firms to go out of business if this practice did not continue.

This matter has not gone away. Under MiFID2, which came into effect on 3rd January 2018, advisers were expected to undertake reviews of clients on an annual basis – to ensure that the product that had been recommended was still the most suitable for the client. The main point of this was to try to ensure that customers were being offered and more importantly receiving reviews of their products from their advisers. Part of this review involved the advisers confirming the costs of the review service each year, so that clients are aware of how much they were actually paying their advisers and being able to consider whether they were getting value for the fees they were paying.

The traditional method of adviser payment has been from the policy rather than direct from the client. So, effectively, the clients could be unaware of how much was being taken from their fund and the adverse effect that this may have on their investment. Also, many reviews were offered, but not undertaken. An adviser charge of 0.75% per year does not sound much. However, if the fund is £100,000, the cost is £750. If the fund is £1,000,000, the fee is £7,500. If the costs of undertaking a review to the adviser is £750, the adviser is breaking even on the smaller

fund, but the larger fund is highly profitable. It could be argued that the larger fund may involve more working time, but probably not 10 times longer. It may be that clients with larger fund are subsidising other clients. Is this fair?

So, we come onto what a "review" involves.

Any reviews undertaken should be recorded, on a fact find or similar document. This will involve a review of:

- their personal circumstances and any changes since the previous meeting
- An update of investments, pensions and protection plans.
- Review attitude to investment and other risks
- Review client needs and objectives
- Possibly make recommendations for each of these going forward.

The FCA gives high importance to promised reviews actually being provided and at the time that has been promised. This ongoing advice is very important to ensure that any advice given is still suitable or that other objectives are addressed in a timely manner.

The FCA has been keen for advisers to classify their clients into various segments of service levels. Most clients would be classified as retail clients, although corporate clients, sophisticated clients and professional clients should also be identified. The retail clients should be classified for the regularity of reviews or alternatively, at the other end of the scale, transactional clients, who will not receive any further service unless they request it.

This segmentation should be undertaken on the basis of client needs – mortgage and insurance clients, investment clients, pre and post retirement clients. Note that this is aa consideration and classification based on needs rather than the magnitude of investment funds. Although, it may well be that the client with a larger fund will have 2 or 3 reviews per year rather than just one. Alternatively, somebody just getting to retirement will require more time and care than somebody with 10 years to go before retirement.

This client review service is where I believe the FCA would like to see advisers spending their time and efforts rather than chasing around trying to find new clients and sell products to them. This is where real advice and knowledge to provide advice as a valuable service in itself rather than as a conduit to generating sales.

There are firms with large untended client banks. If an advisers works 240 days each year, how can they have a client bank of any more than 120 people? This would be an annual review every other day before the adviser considers doing anything else, extra reviews, writing new business or even CPD.

This may well bring us back to the lockdown causing us to start to use online meetings and digital distribution of documents to efficiently provide a good quality advice service to their clients.

Steering Certification through lockdown

By **Julie Pardy**, Director Regulation & Market Engagement from Worksmart Limited

It has been said a thousand times, but these are times like we've never known before. Many things we took for granted have changed, possibly forever, and other things have quickly become part of the new normal. One thing is clear however, business life has become tougher. As lockdown is gradually lifted, it will be interesting to see what pattern working life will take and how financial services firms will face up to the challenges created by CV-19.

Even before the crisis, the industry was regularly challenged by the FCA around culture, leadership and generally improving conduct amongst firms. The results of the Banking Standards Board's annual survey on behaviour, competence and culture in late 2019 identified that, whilst firms were making progress in some areas since the surveys began in 2016, the general trend was that of an industry *'moving sideways.'* To put that comment into context, consider this compare and contrast of survey questions from 2016 – 2019.

Dimension	Question	2016	2019
Honesty	I believe senior leaders in my organisation mean what they say	62%	70%
Accountability	I see people in my organisation try to avoid responsibility in case something goes wrong	35%	38%
Openness	If I raised concerns about the way we work, I would be worried about the negative consequences for me	28%	29%
Respect	In my organisation we are encouraged to follow the spirit of the rules (what they mean, not just the words)	80%	81%

The FCA's 2020-21 Business Plan made it clear that one of the FCA's priorities was ensuring that firms and individuals behaved to the highest professional standards and that it would maintain a strong interest in firms' culture, and in particular a firms'; ***purpose, leadership, people policies and governance.*** No doubt they will be interested to see what the results of the BSB's 2020 survey will show them.

Guidance from the FCA

Against this backdrop, people responsible for managing firms' SM&CR regimes are faced with a number of operational challenges and as a result, tough choices. As you would expect, the FCA has issued guidance across many areas of regulation, and SM&CR and its application have been given a fair share of flexibility in a number of these communications. For instance, the FCA has extended the time period individuals can hold Senior Management Functions (SMF's) on a temporary basis from 4 to 12 weeks (within Solo- Regulated Firms). In addition, those individuals captured by T & C related CPD requirements have seen greater flexibility handed to them if they are unable to achieve their required hours as a result of the pandemic during 2020. Alongside new flexibility around CPD, the existing requirement to achieve relevant qualifications within a 48-month period has seen an extension that will effectively allow individuals up to 60 months to achieve relevant qualifications, subject to the employing firm's agreement. This concession has been given to take into account that many professional bodies have cancelled planned examination sittings in light of CV-19. Whilst relaxing the rules around CPD and qualifications could be argued to pose potential risks to firms and customers, they absolutely make sense in the current climate and come with obvious operational benefits.

However, whilst relaxing these factors the FCA has remained resolute that the on-going assessment of Fitness and Propriety is a critical check and one that needs to remain in place. To make the point, the CV-19 guidance for dual regulated firms, from the FCA is:-

"Firms should continue to take reasonable steps to complete any annual certifications of employees that are due to expire while coronavirus restrictions are in place. We understand it may be necessary to adjust standard certification processes and policies. And we recognise that what constitute reasonable steps may be altered by the current circumstances. However, even in these circumstances, Certified staff who are not fit and proper should not be re-certified. Certification is an important mechanism for firms to ensure their critical people are fit and proper. It is even more important now for the public to be able to trust in the individuals delivering critical financial services."

The lack of a formal statement of this nature for solo-regulated firms may be because the first round of certification is not due until December 2020. Nonetheless, the absence of extending the flexibility given to CPD and qualifications can't be helpful for those responsible for certification in solo-regulated firms where resources needed to undertake these assessments may be thin on the ground. Talking to our clients I know that greater clarity around other elements of CV-19 would be welcomed for example, e.g. what is the guidance for conducting fit and proper reviews with furloughed staff?

The Wider Working Situation

Then of course there are the day to day realities of working life today. Research undertaken by YouGov on behalf of the CIPD in April 2020 identified that 21% of those surveyed had been furloughed and of the remaining 79%, six out of ten were working from home. 30% of respondents said their ability to work has been impacted by a change in caring responsibilities since the outbreak, e.g. home-schooling, caring for vulnerable relatives etc. And, worryingly, 43% of respondents said their mental health had deteriorated since the crisis began and a further 35% said their physical health had been impacted. These results paint a tough picture for those responsible for certification and fit and proper in particular as firms struggle to manage with less staff and staff who may not be able to operate as effectively as before.

And finally, these challenges may be made even harder by priorities within the teams responsible for managing their internal certification regime. For example, in a recent survey conducted during a webinar of over 100 HR, compliance and T&C professionals one of the questions was about priorities. Admittedly this survey is only as snapshot from a single group of individuals. However, it does shed light on firm's priorities regarding SM&CR, and even though the Certification deadline is only December 2020, it would appear that the majority are still focused more on the Senior Managers element of the regime.

Not surprising that during a crisis, governance and decision making are key within firms, however if this result is indicative of the wider industry, then there may be considerable challenges to completing the certification process to the standards expected by the FCA in December 2020.

Managing the Certification process

In the absence of any change to the guidance for solo-regulated firms, it should be assumed that the deadline for completion of the first round of certification by 9th December 2020 remains.

It seems to me that there are many significant challenges for firms implementing their Certification regimes for the first time. From ensuring that firms have the right staff in scope, that the range of data and evidence to be used has been well thought through and is accessible come assessment time, all the way through to clarity about consistency of assessment processes and the sign off process itself. There is a lot riding on this from a regulatory perspective and the FCA will be watching with interest! The most consistent piece of feedback we received from our banking clients who undertook their first Certification assessments back in late 2016, early 2017, was that if they had their preparation time again, they would most definitely have run a "trial certification process". The reason for this they tell us is to give them the opportunity to understand what did work, what didn't work and where it would be prudent to refine intended processes.

> "The most consistent piece of feedback we received from our banking clients who undertook their first Certification assessments back in late 2016, early 2017, was that if they had their preparation time again, they would most definitely have run a trial certification process

Fitness and Propriety

It would appear from our work across the sectors that Fitness & Propriety means many different things within firms and is used interchangeably by many around the financial soundness element of the assessments. These different interpretations mean that it is worth taking the time to go back to basics and consider the actual FCA definitions in a bit more detail. Taking each component of the fit and proper assessment in turn:

Honesty, Integrity & Reputation: This requires firms to check whether individuals have the 'honesty, integrity and reputation' to work in the industry and carry out their role.

From a regulatory perspective, the FCA are looking for firms to identify, through background checks, whether the individual might be suitable for the role that they are being considered for. This will include mandated Criminal Record Checks for those undertaking Senior Manager roles, and over the last

few years, a growing number of firms also mandating these for Certified staff.

Through the regulatory reference process identified as a requirement for Certified staff, firms are expected to consider their past employment history and whether through this assessment whether any adverse employment history might exist.

Competence and Capability: This requires firms to ensure individuals have the competence and capability to undertake the role that they are being employed for. This is likely to include research around an individual's past experience, qualifications, CPD and history in relation to previous connected roles.

Although competence and capability assessments can use a range of data to assess competence, e.g. T&C records, performance management, HR records, CPD etc., in the current situation firms may need to decide which set of data constitutes the minimum requirement. Typically, within the banking sector organisations will pull data from a wide range of areas as noted above, however against the current backdrop, it may be that firms will not have the widest range of complete data to call on. In this instance, it would be prudent for senior managers to undertake an assessment of the impact of CV-19 and home working on their evidence processes and note down the logic and rationale for any narrower assessment criteria they settle on.

Financial Soundness: This requires firms to check whether the individual's finances may influence their ability to undertake their role. At its most basic level, firms should check the individuals' position with regards to debt or bankruptcy proceedings against them.

Beyond that the FCA states that in FIT 2.3 (G) that they *"will not normally require a candidate to supply a statement of assets or liabilities. The fact that a person may be of limited financial means will not in itself, affect their suitability to perform a controlled function."* In our experience, many firms however do require individuals to supply a summary list of assets and liabilities periodically with a statement each year listing any demonstrable changes.

In the current situation, firms will have to consider whether they are prepared to consider a narrower assessment around assets and liabilities, with a commitment to undertake a fuller review next year. Bearing in mind though that for many individuals this will be the first time that they have been assessed under the Fitness & Propriety rules, employers may be reluctant to take a lesser that full approach. However, there will be a Senior Manager(s) within each firm who has the regulatory accountability for Certification and therefore as a 1st step, engaging the Senior Manager in the operational challenges would be a wise starting point.

Looking beyond fit and proper to the other key activities in the certification process:

Conduct Rules Training: The regulator expects all Conduct Rules training to be "role relevant", so how do firms do that? If firms are using on-line learning, this is a great first step for general awareness, but if the material is not aligned to the sector that you operate in and the roles that you undertake, then this will very likely fall short of regulatory expectations. Having conduct rules training online however via Microsoft Teams, Zoom Rooms, led by managers with case study type scenarios appropriate for the audience will enable individuals to complete the training remotely. By adhering to the "role relevance" expectations, this should allow the training to make much more sense to individuals as it brings alive the rule requirements, but with the context of fitting into the roles that individuals actually undertake.

One of the good things emerging from the CV-19 crisis has been the acceleration of trends that were already happening. For example, homeworking has been a major success for many, largely by increasing our use of technologies such as Zoom and Microsoft Teams. Increasing the use of technology to help manage certification process will save time for individuals and managers plus ease the burden of central oversight.

The upside of the difficult situation we find ourselves in is that it gives us permission to look at things with a fresh pair of eyes. When we get back to normal (whatever that new normal looks like) let's hope that firms take time to consider how their 2020 certification process can be streamlined. We have all learnt more so now than ever before that technology can make our working lives more efficient and effective. Post pandemic, perhaps there is a case for seeing the *"glass as half full, not half empty"* and utilising technology more to ease the complexity of processes such as Certification.

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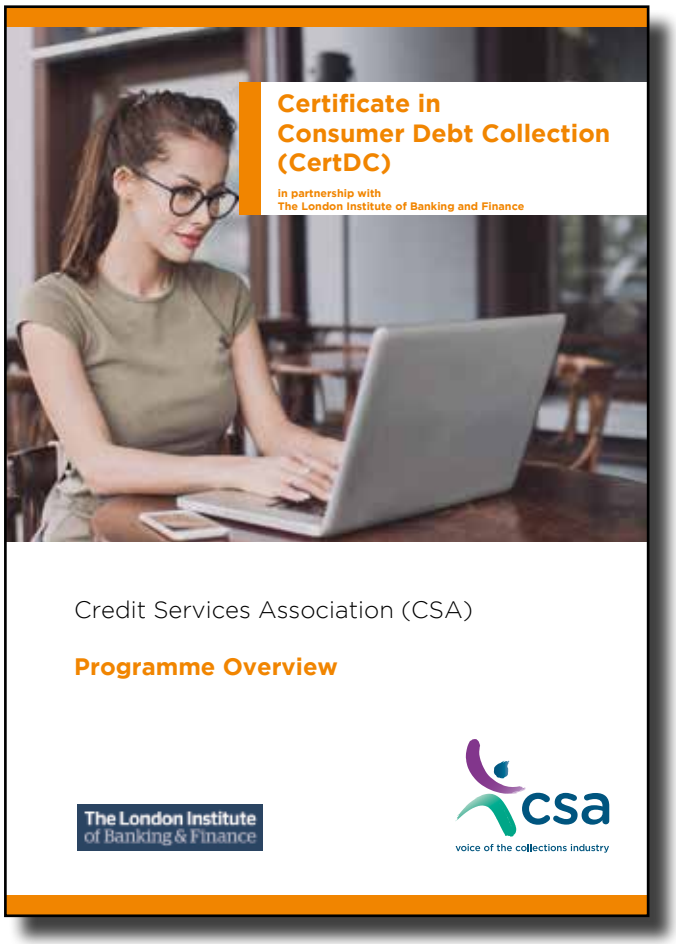

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React, adapt and succeed

Fiona Macaskill, Head of Learning and Development, Credit Services Association (CSA)

With a country-wide lockdown in place, and businesses focused on adapting to new ways of working, you may be forgiven for thinking that training would be the last thing on people's minds. However, as a Main Provider on the Register of Apprenticeship Training Providers (RoATP), what we have been seeing very much proves that this has not been the case.

For us, the last few months has brought a new level of focus as we continue to engage with employers who see the ongoing importance of developing skills within their workforce.

Since lockdown, we have all been dealing with challenges we simply couldn't have prepared for. The introduction of the Coronavirus Job Retention Scheme brought about many questions, especially for apprentices who were furloughed. Was training 'work' or could it be exempted? The Department for Education pushed back and thankfully it was agreed that apprentices could continue to train while furloughed. Many apprentices in this situation have therefore taken advantage of this time to study.

Technology has also played a big part for us in adapting to the pandemic. There is a huge amount of face to face interaction when completing an apprenticeship, and the CSA and its tutors have had to adapt accordingly. All interactions are now taken online via video calls and so far this has been well received by all involved. Our tutors have also been busy prepping existing learners for their end-point assessments, supporting them with their showcase portfolio and professional discussions. It was always hugely important that we continued as close to "normal" as possible, especially for those apprentices who had worked so hard to get to this stage of their apprenticeship. Thankfully we've managed in a way that has seen only slight delays however we look forward to celebrating the achievements of our next set of qualified apprentices in the coming months.

Safeguarding our learners

The current situation has meant that learners have found themselves, in some cases, being moved into the frontline, due to the nature of the businesses they work for. We have seen examples of learners becoming involved in the set-up of one of the Nightingale Hospitals, and in other areas, the preparation and delivery of emergency food parcels. Naturally, this proximity to operations that are in direct response to Covid-19 has the potential for people to become more vulnerable both physically and mentally, and we take our safeguarding responsibilities of our apprentices very seriously.

As part of this, and at the beginning of the UK lockdown, we successfully launched our Employee Assistance Programme (EAP). Our EAP is a confidential service designed to help any of our learners deal with personal and professional problems which could be affecting their home life, their work life, and / or their health and general wellbeing.

> "There is a huge amount of face to face interaction when completing an apprenticeship, and the CSA and its tutors have had to adapt accordingly

Responsibility for EAP was given to Ashleigh Johnson, the CSA's Safeguarding Officer and Head of Internal Operations. She says tutors have been extremely supportive in providing essential signposting to this confidential service, and apprentices are being actively encouraged to seek expert advice when they need it.

The EAP provides six sessions of online or telephone counselling, per employee each year, and the service also extends to immediate family members. The telephone support line is available 24/7, 365-days a year, providing critical incident and trauma support, and giving apprentices access to in-house counsellors, legal and financial specialists.

This has proved to be a very timely launch when the need for support is arguably at its most acute. Some employers have their own EAP schemes already in place and therefore the CSA's EAP plugs an important gap for those apprentices who don't have access to a programme. Balancing everyday life and juggling the requirements of work and home can create pressure for

all of us, even in ordinary times and it is vital that our apprentices find a productive, healthy environment in which to thrive.

New course launches

In amongst the adjustments that we have had to make, the Learning and Development team has also been able to launch two new courses in recent months. There was, of course, some trepidation about launching during a pandemic, but we were confident the demand was there, despite the unprecedented challenges facing businesses. The development and continued expansion of courses is crucial, especially at a time when more and more businesses can take advantage of apprenticeships.

The first is our Level 4 Counter Fraud Investigator Apprenticeship.

This 24-month apprenticeship standard is designed for the Counter Fraud Investigator (CFI) operating within the Counter Fraud Investigators sector who would be typically employed by HMRC, DEFRA, Department of Health, , DWP, Financial Services, and Local Government. Apprentices completing this standard will be training to lead non-complex, criminal and civil investigations, or act as case officers within a large investigation team working on more complex investigations. The standard supports and develops the skill and knowledge required to proactively investigate allegations of fraud and make effective, autonomous, operational decisions from referral to conclusion to drive their investigations.

Next was a remote debt collection diploma we launched in partnership with The London Institute of Banking and Finance (LIBF).

This is a 12-month course designed to be delivered to learners remotely with no workshop or classroom-based learning. The video classes and monthly remote coaching sessions are delivered by a team of financial services, risk and compliance professionals, who combine extensive industry knowledge and understanding with highly developed training, coaching and assessment expertise. Completion of this course leads to the award of a Certificate in Consumer Debt Collection (CertDC).

The future is learning

Since January this year, all employers no matter what shape or size, have had better access to apprenticeships. Previously, only businesses with an annual total payroll of over £3million were able to use the full benefits of the apprenticeship service. This has now been extended to small and medium sized businesses who now only have to contribute to five percent of the apprenticeship fee.

As we journey through these uncertain times, we remain optimistic. We are expecting more interest from both CSA members and other businesses looking for specialist learning opportunities. We are all moving towards what we now refer to as "the new normal" however, I have no doubt that learning providers, employers and employees alike will fully embrace this change and thrive to succeed.

Managing staff working from home

Nikki Bennett from Searchlight Insurance Training

> Regular positive communication keeps people engaged and motivated.

Getting the best from people working from home has lately become a core skill for many UK managers. Given how suddenly Covid-19 accelerated a pre-existing trend towards remote working, many have been learning through experience. Some lessons have been learned the hard way. But, by and large, Britain's mass experiment with home working has worked out well. Many firms have found they function fine without employees always seated side by side. The workplace of the future looks set to be increasingly distributed – held together by web-enabled technology. That means working with remote employees will still be an essential management skill long after the current coronavirus crisis has abated.

Like any self-respecting training provider, my own firm has been compiling and updating learning resources on that very topic. But we've also been experiencing the challenges and rewards of remote working at first hand. That's certainly helped to separate the must-have skills and strategies from the nice-to-haves. Communication is the key here. It's true in any workplace – but especially so in virtual ones – that communication doesn't happen by itself. It's essential anyone managing employees working off-site communicates in a regular and structured way with anyone reporting to them.

The first thing to communicate, and continue communicating, is what you expect from them and what they can expect from you. Make sure they have a sense or structure and routine – that they never have to wonder what they should be doing next. Don't overload them, but make sure there's always something constructive and purposeful for them to get on with if they've ever reached the end of an allotted task when you're not around to issue further instructions. Make sure, also, that they understand when you are and aren't going to be available to answer any questions they may have.

Make time for one-to-one chats – and don't cancel or move them around. People work best when they understand you value what they're doing. Congratulate and encourage them whenever you can. If you let remote workers feel neglected, they'll quickly become demotivated. If they're not sure what to do next, they may wander off, mentally or physically, and that sense of purpose and routine can start to wane. Regular positive communication keeps people engaged and motivated.

Obviously, it's easier to achieve this when you can talk face to face. But, with a host of video conferencing technology available free or at minimal cost, there's no excuse for not doing the next best thing. It's a big mistake to think you can just rely on emails or texts to manage off-site staff. A call or, better still, a video call, can go a long way towards making up for not sharing physical space. Of course, there will be times when messaging's all that's needed, or all there's time for. But try to use emojis or animated gifs to compensate for the lack of visual cues that comes with disembodied communication.

Team meetings keep teams feeling like teams. But one-on-ones are just as important, giving you a chance to understand what challenges team members may be facing - and to work out how to help them overcome them. One-to-ones give you a chance to understand more about how and where they're working, whether they have the technology and the physical workspace they need to function efficiently, and whether they have distractions you can help them work around – for example by flexing their hours. You will also gain insight into any mental or physical health problems they may be facing. As a manager, these are things you need to know.

It's important – both with teams and one-to-one – that you don't just talk about work. Allowing time for social interaction is essential for motivation. That's more important than ever with remote workers, because the evidence shows that well motivated home workers often experience lower stress and higher productivity than office-based staff.

If they understand clearly what's expected of them and how to achieve it, you may even find team members spending hours they might have spent commuting *going the extra mile*. Another crucial aspect of motivation is a sense of being valued, invested in and, ultimately, having a career path. You can help remote employees with this by arranging online training that allows them to acquire new skills or upgrade existing ones. Perhaps a course on how to work from home!

Time to create the calm from the chaos!

By **Michelle Hoskin** from Standards International

I think it is safe to say financial services have just experienced one of those moments in time that will go down in the history books! An endless collection of bedtime stories for the grandchildren for sure!

Now, while financial services have come through this pretty unscathed (in the main!), what has emerged is a new breed of business. For the majority, there has been a dramatic and significant change in how they work as a team, with their clients and as a business as a whole. Behaviours and beliefs have changed and what I believe will emerge will be a more flexible and accommodating way of working. This in my opinion is a refreshing shift and one which is years overdue!

So, with all of these changes to the team and the way stuff gets done – how can we make sure that we keep it together? How can we prepare ourselves to bat off the landslide of work that needs to get done once the flood gates of the world are fully open?

Well, for me, I still think it comes back to some good old-fashioned principles of organisation and the control of the 'controllables'.

Regardless of the business area, team or department, the methods by which an organisation delegates, logs, tracks and gets stuff done will ultimately define how effective and successful the team are as a whole.

Teamwork is ultimately the key to a business' success, which is why it is essential to have robust and scalable processes and procedures to help individuals be as effective as possible, whether they are working together or on their own.

Coming in thick and fast!

Requests for tasks to be completed can come in from all directions, such as clients, colleagues, business associates and suppliers. Each has their own agenda, which is why everyone within your team (you included) should remain focused at all times both on why the task is being requested in the first place and also on getting it completed as effectively as possible! If a task is worth starting… it's worth completing!

There is a caveat to this, though. It is often the case that the amount of work required simply outweighs the amount of time that has been allocated to it. It is important to be realistic with what it's possible to achieve in the time that you have available. DO NOT under any circumstances over-commit and then under-deliver on your promises! No one wins. The damage that follows includes stress, unhappiness, low morale and ineffective performance. It is simply not worth it! Be honest and open and work within the parameters that have been set; always do your best but do not over-work yourself and NEVER, EVER take on the work of another member of the team if their failure to complete the task stems from a lack of care, skills or ability. If this situation is happening, you must speak to another team member, your line manager or the business owner. It is not your job to do someone else's!

Never underestimate how managing time effectively is an artform. It takes skill, practice and dedication to get it right. It is a change in mindset and will support the achievement of every task, regardless of size!

The rules

Always remember:

- *Being busy doesn't mean you are being productive!*
- *Lists and structures (whether held in hard or soft copy) are crucial to success!*
- *There is always a more effective and efficient way of doing something – so strive to find it!*
- *Learn to love lists and structures!*
- *We are not designed to multitask… so, wherever possible, don't even attempt it!*

Start as you mean to go on!

I always kick-start the day with some planning time. I find it's important to set out my stall, and get my head around the day and what is to come. I run through in my mind the key things that I need to get done before the end of the day. I then commit to up to five things that, by hook or by crook, I must get done that day! If

I need to review my inbox before I can define my list, then I do. BUT I WILL NEVER respond to anything until my plan for the day is in place.

My daily commitments are the most important things on my agenda. They become the key tasks that MUST be completed before the day is out.

Getting these tasks straight in your head, prior to taking any action, will help you stay focused and not get distracted by the many other things that will likely come hurtling towards you during the day.

If you don't take a moment before the chaos of the day takes hold, you may spend hours in a frenzy of activity. However, you are in danger of achieving mixed results because you are simply not concentrating your efforts on the things that matter the most.

It's simple, really! Whose agenda are you working to? Yours or the next person who emails or messages you? Shut out the noise, even if it's just until the big-ticket stuff has been done. If you need help prioritising, ASK. It's much better to seek the input of a colleague or (preferably) your line manager than to risk getting stuck down a rabbit hole facing in the wrong direction!

Deadlines

Oooh, I love a deadline! Everyone needs a deadline and the primary deadline rule is that no task should be delegated or requested without a deadline attached. We are all really busy, we all have more stuff on our lists than we have hours in the day, so the main purpose of a deadline is to focus the mind – be that your mind or someone else's.

Think about it – when you are facing a mountain of tasks, after the initial panic of 'How the hell am I going to get all of this stuff done?', the question becomes, 'What do I focus on first?' Most people are drawn to start and (hopefully) complete the tasks that have a direct deadline attached to them. In fact, most people do their best work when a deadline is fast approaching and the pressure is on. Why? Focus… the deadline is forcing them to focus!

With an imminent deadline there is no time for faffing, over-thinking or procrastinating! It's time to focus and get it done! So, even if there isn't a deadline associated with a task, give it one! Even if you have to make one up. Trust me… with a deadline, everyone's a winner, baby!

Effective handover

- ❑ If the required task needs completing by someone else, it is vital that the handover process is effective. A misunderstood task could result in catastrophic outcomes, so this should be avoided at all costs. Be clear about what is expected and make sure that the person doing the task has all the information they need from the outset.
- ❑ Adequate time should be allocated to the handing over of key tasks. Notes should be taken to make sure that the instructions and details are clear and can be recalled at a later point if needed.
- ❑ Be clear on the absolute and desired outcomes. Ambiguity doesn't help anyone!
- ❑ During the handover meeting (which should be scheduled into all diaries), both parties should be clear about the work involved and the time allocated to complete it. Any potential issues should be raised, discussed and resolved at this point.
- ❑ Agree check-in points. It is no good discussing what needs to be done at the start and then not again until the end. You don't want anyone to go off track and waste time. Work in progress meetings are recommended throughout the task.
- ❑ Once the action points have been agreed, these tasks should be incorporated into the master 'to do' list (see below), task planner or project planner.

> "Never underestimate how managing time effectively is an artform. It takes skill, practice and dedication to get it right.

Plan your diary

You've heard it all before I know… which is why I'm telling you again!

- ❑ The trick is to plan your year first and your day last
- ❑ Enter key year planning dates in your diary:
  - regular meetings for the year
  - known one-off events (e.g. annual seminars)
  - holidays
  - family occasions
  - key tasks (e.g. monthly returns).
- ❑ Plan your next month:
  - count the unplanned days available
  - reserve a free period each week to review and plan
  - reserve key task time.
- ❑ Plan this week:
  - develop regular habits (e.g. CPD, general filing, time for reading, review the 'to do' list).
- ❑ Plan each day at the start of the day – or, better still, the night before:
  - develop regular habits
  - set specific times to review work
  - list and rank jobs and phone calls
  - make daily action lists.
- ❑ And also…
  - make a list of tasks, work out the time needed for each and prioritise
  - isolate the key tasks (between three and five tasks per day) and make sure they get done

- don't be too ambitious and clutter each day with tasks that can wait
- build in a time for solitude and/or to handle an issue that could crop up
- tie each day in with your plans for the week, the month and the year
- only access emails two or three times a day and allocate a time to respond to those that require your attention
- follow up effectively by using three follow-up files – 'This week', 'Next week' and 'This month'
- use a consistent diary/daily planning format – adopt a system which can accommodate detailed timings and sections (in each day) to list 'Tasks to be done', 'Phone calls to be made' and 'Emails to be answered'.

Get your priorities right

Think about the set tasks for the day. You then need to consider how much time should be allocated to a particular task. Focus your energy on the tasks that are significant to you. Is there a particular time of the day when you feel most productive? If your thinking powers are particularly sharp in the mornings, try to finish your important tasks during that period. You can use the rest of your time to finish the seemingly smaller tasks later.

Keep some extra time in hand

Time management is all about dividing your work schedule in your planner but there may be certain hitches along the way. Sudden meetings or additional time spent on a particular project may require you to change your schedule. You need to be aware of these possibilities and add more time to a particular task in advance to have some extra time in hand. In this way, if there are any unexpected issues, you will still be left with a comfortable amount of time to deal with them.

Avoid procrastination

Procrastinators end up working more than required and often feel stressed about work. Avoiding work so that you can do it later is not a good idea. Know the reasons why you are avoiding a particular task. It would be a better idea to finish the task before its deadline rather than keeping it piled up for the month end.

Organise your workspace

Perhaps the most important aspect of organisation (and one which affects everyone's ability to tackle important tasks) is how your desk/workspace is managed.

Ways to clear your desk:

- ❑ Don't leave any papers on it when you leave.
- ❑ Don't have papers out for more than one task at a time.
- ❑ Don't keep papers hanging around:
  - diarise when to action and then file them
  - dump unwanted items
  - pass on, with action notes.
- ❑ Don't let filing pile up.
- ❑ Don't get side-tracked reading items that should be put in a separate to-be-read pile.

Have focus and have fun!

Maintain your focus on the important tasks and the key priorities. People often waste precious time on stuff that is just not important! Be creative, remember work is work; there is always lots to do so approach everything you do with a joyful effort and, most importantly, have fun!

T&C – the new 'normal'

By **Vince Harvey** from Compliance Cubed

When I agreed to write this article at the end of April we had been in lockdown for just over a month and I was looking forward to a fairly swift exit – a trip to France booked in late May beckoned.

The trip has since been moved to mid-July and is looking increasingly unlikely as I write. Brittany Ferries have been excellent at keeping us informed: three times a week the CEO posts an update on the website. In one that I read earlier this week his frustration with the lack of clarity and co-ordination between the governments of the four countries to which they sail was evident.

Like all other businesses across Europe we long for the return of a more normal life but we're not yet clear on what that normal will look like. For a ferry operator it's obviously getting ships sailing, but they will operate differently if social distancing is to be maintained once sailings do resume. Airlines are facing a similar challenge in terms of how many people they can take on planes. In both cases fewer travellers on board has to mean increased costs for those who do travel.

As I have been talking/zooming/skyping/MS teamsing (is that a word??) with my clients over the past 13 weeks one thing has become apparent: working from home isn't so bad. It has been an opportunity for firms to test their business continuity plans, consider the data protection issues around IT devices and support (multi-factor authentication anyone??) as well as the mental health of staff.

Some tough decisions have had to be made by some firms in terms of which staff are essential and which need to be furloughed – how much resentment will there be from both sides when everyone is back again? My workload has been as high as ever but there are moments when I am a little jealous of one of my sons who has been furloughed and gets to be with his wife and two year old daughter all of the time.

Several companies are questioning whether they will need the same office when 'normal' resumes – indeed one firm that I work with decided not to renew the lease on their office when it expired. Several people have said to me that their staff are just as productive, if not more so, working from home.

Much as I have enjoyed interacting with my children and grandchildren via devices it is not the same as being with them. I feel the same about my clients: we can keep in touch but face to face meetings remain important. From many conversations, firms are looking for some kind of balance between the efficiencies (and cost savings) of staff working from home and the need to maintain communications and the sense of being part of a team. Maybe a smaller office with regular team meetings at hotels or coffee shops will be the solution. The planet will benefit from fewer people commuting every day.

On that subject, there has been a noticeable increase in webinars, particularly around ESG offerings, as a way for firms to continue their marketing and this helps with meeting CPD targets. It seems to me that this will continue – my professional body, the APCC, has decided that its Autumn conference will be remote even if lockdown has been relaxed. Will the likes of the PFS return to their quarterly conferences around the country or move to an online approach?

"Several companies are questioning whether they will need the same office when 'normal' resumes

With the technology at our disposal many firms were already using their systems to carry out much of their T&C monitoring remotely. It will be interesting to see how observed meetings develop once clients can more easily come into offices or advisers go out to them. Will they want to, or can supervisors join in a remote meeting where everybody is in the comfort of their own homes sharing documents on screen?

My sense is that many individual advisers and firms were already looking to increase efficiency but were concerned about how people would adapt. The current pandemic has forced us all to get used to an approach we wouldn't have expected even six months ago. As a nation and as individual businesses we need to increase productivity, spending less time and undergoing less stress travelling will mean that we can be more productive and still have time for the other important things in our lives such as our family, hobbies and our communities.

I think the challenge for T&C professionals will be to ensure that our processes adapt to the changing environment but retain their focus on the competence of all staff, however much time they spend in the office.

Unintended consequences

Julia Kirkland,
Partner in FSTP

> It could be sometime before you feel the human touch that ironically many investors are craving at the moment.

Here, now 3 months into the COVID outbreak in the UK what are the issue for our Asset Management and Wholesale firms – goodness where to start?

From talking to a number of firms in the past weeks, it's obvious that generally technology has stood up well to the new norm of WFH (working from home) and people have adjusted well. We have heard of desks being couriered to individuals so they can set up a more practical working environment (I'm lucky I had a office built years ago with big monitor screens and all the office paraphernalia I needed to replicate an office). Those lucky enough to have space can create this too. I have seen a lot of kitchens and bedrooms in Zoom and MS Team meetings with people obviously still hunched over laptops, which I suggest will bring a lot of work for osteopaths when they re-open.

Senior Managers are now however concerned that getting people back into the office will be the issue. In fact we have heard some of the big houses have already said that a return to the office is unlikely before 2021 as they are functioning so well. That means servicing for retail clients and those of who are distributors, is likely to be with someone working remotely for a long time to come.

As the larger firms, have on the face of it coped well, many are thinking about their business strategy and the potential and inevitable failure of some smaller entities will play into their hands. The vertically integrated (VI) models are looking for the opportunity to boost organic growth with acquisition. Whilst on one hand this could be a god-send for those who were completing selling up before the pandemic hit, there could be some who feel their hand is being forced and the reward for sale is limited due to the economic climate. But what does this mean for clients? Rather than dealing with friendly well known and likely local Adviser, they may receive a letter to say their investments and advice will now be provided by much larger entity whose Wealth division, whilst undoubtable much better prepared to cope with similar situations in the future, are likely to be utilising the funds, models and potentially even platform services of the group. Is that always best for the client? The suitability rules don't go away under these circumstances, but isn't part of the decision to entrust your wealth a conscience decision to "buy" the person sat in front of you? With the determination of larger firms to offer flexible remote working to employees, it could be sometime before you feel the human touch that ironically many investors are craving at the moment.

Merger and acquisition, I suspect, will be common place over the next few months into 2021 and it's the larger VI firms who will benefit from this. However, how they manage it with the conflicts of interest that arise and the obvious drive from the FCA to ensure that at this time customers must be treated fairly, is a wait and see.

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Time for a change... The impact of Covid-19

By **Len Horridge** from The Skills Exchange

Recent research (yes, that's still happening) shows that we know what we thought we always knew was, in fact, wrong, and the changes forced upon the world in the first half of 2020 will mean a radical re-think of how things are done and change the way we do things. If that opening sentence hasn't been as confusing at the year so far, I don't know what is.

In a nutshell, we have had change forced upon us so it's time for us to use this time of radical change for our own good... and how many times have I said to companies "you need to change?" (No, that's not a Zoom Quiz Question).

"You never change things by fighting against the existing reality. To change something, build a new model that makes the old model obsolete," said Buckminster Fuller (no, I have no idea, either, but I don't care, this makes so much sense at the moment. But he was an American architect, systems theorist, author, designer, inventor, and futurist.). It's a sensible comment. Unless you have a viable option for change then people will tend to stay with the status quo; it's natural, even if it does only have three chords.

People don't naturally like change and, when given the chance, can and will slip back into the "old ways". It's natural behaviour, not a criticism. But what we have faced in 2020 seems to have led people to re-think what they do, how they do it and why they do it. Now, therefore, is the time for companies (and individuals) to capitalise on this to make the most of what's been a rough time for most.

Over the last few months, many companies will have had new models forced upon them. Now is the time to ensure those new models work and are robust enough to last.

Here are seven things to use to start to re-build that model.

1. **Working from home**
   70% of people working from home say they are more productive than they were before (source: USWITCH). Yes, it can be done and we need to do more of it for people's and the planet's well-being. We need to encourage this encouraging statistic, we must trust our employees to do their job and target them correctly but also look to give more support to them. Which means a changing role for managers (who also need to be supported).
2. **Trust people**
   Most people want to do a good job, feel like they have achieved and just like to "get things done". So let them. Some people will need to come back into an "office" environment, some won't, some will need a bit of both, so if you can do this, do it, be flexible and be fair.
3. **Performance**
   The only thing you want from people is to perform their role and achieve the tasks you have set. So, these may need to get clearer (please don't see government guidelines and, please, no Barnard Castle jokes here) and will need to be monitored more. But do it fairly and it will all work. Judge people on what they do in the time not the time they put in. Presenti-ism is no longer a viable option.

> "You never change things by fighting against the existing reality. To change something, build a new model that makes the old model obsolete.

4. **Organisation**
   As a manager and a company, you will need to be organised, to manage people from afar, to get people onto on-line meetings, to help and support them. You may not be dragged around into things you shouldn't be doing any more, so use that free time if you have it and use it well.
5. **Savings**
   This is an opportunity for companies to save money on offices, cars, travel costs, etc. This may be the difference between surviving and thriving in the "new world" for some.
6. **Support**
   People will need support. Some people will be fine, some people will be slightly scared and some will be a mixture of both. And some will need help with dealing with what has and will happen to them mentally. The support of the company here will have a massive impact on how people develop and cope and, in the end, perform and on society as a whole.
7. **People**
   Processes need looking at, of course, but now we need to focus on the importance of people and what they need to perform and develop. Everyone is different, of course, but what we have had to cope with for the first half of 2020 has given lots of people a focus of what they really want to do. Help them out.

These are just some ideas; some will already have happened, some may need to be taken on, there will be other things that come out when the new normal finally hits. But there is now no normal, there is only "new".

There's a lot of good coming from the bad... it's time to build new models on these new ways of working.

Is pension policy delivering or stymieing innovation?

By **Henry Tapper**, CEO from Age Wage

> The DWP estimate that unless something is done we could see 50m abandoned pots by 2050.

In a recent meeting of the Pensions NetWork the two innovations that were discussed most were the pensions dashboard and the developments of defined benefit super funds.

In this article, I ask if the creation of safe harbour legislation to allow super funds to operate in a regulated environment might not be copied for the dashboard. Let me explain what I mean; it has long been possible to run multi-employer defined benefit schemes (the Pensions Trust is a good example). But only one defined benefit scheme exists where there are no sponsoring employers and that is the PPF, it gets sponsorship from a very large levy on solvent schemes.

Short of declaring insolvency (in which case your DB scheme goes into the PPF assessment period) , an employer has in the past been able to buy-out all or part of its pension obligations with an insurer , but there has not been an opportunity to sell-out to private markets. The two private market funds Clara and Pension SuperFund have been ready for business for some time but without the rules from the Pensions Regulator in which to operate, they have not opened their doors.

Like socially distanced shoppers, interested schemes have formed an orderly queue.

What the Pensions Regulator did yesterday, was offer super funds and prospective clients a safe harbour in which to negotiate terms and transact. It seems that the pensions regulator has applied the same methodology to authorising super funds as it did DC master trusts. It is raising the bar but providing security for those operating within the authorised perimeter.

I am allowed to exempt myself from the Chatham House so can say that I asked the meeting last night, whether such safe harbour regulations might not be applied to the development of pension finding services – and indeed to those using those services to offer people dashboards.

The risk of not having

Despite not making it into the Pension Schemes Bill, the arguments for having super funds backed by capital rather than insurance have all been around protectionism. The ABI argued (and still do) that super funds provide buy-out on the cheap while pension schemes want buy-out on the cheap. Perhaps the solvency of many employers forced the DWP's hand, TPR sees itself protecting the PPF and if a number of

schemes can avoid the PPF by buying members into a super fund (where insurance was too expensive) needs must! Super funds are now competing with insurers which hopefully brings down the cost of insurance (guaranteed annuities). The risk of not having super funds became too great.

A similar argument could be made for the pensions dashboard. Progress of late has been painfully slow , there is a "new" website (www.maps.org.uk/pensions-dashboards/) that has been published this week by MAPS, but it is just a better brochure – we are yet to see progress on common data standards for the pension finding service, the promised consultation on next steps or the onset of procurement. This cannot be blamed on any part of Government, it is just in the nature of large IT projects managed by Government that they go at the pace of the slowest.

But here the slowness of the Government is creating new risks. It was mentioned last night that now that DB pension transfers are pretty much out of bounds, the focus shifts to DC transfers which are very much in the sites of the less savoury parts of the pension community.

I have seen it argued that the creation of commercial dashboards that show people's policies in one place will increase the likelihood of scamming. The FCA's pension policy statement PS20/06 mainly focuses on DB transfers but does look at safeguarded benefits with DC schemes (GMPs and GARs are treated as if DB). There are of course a lot more opportunities to lose money on a DC transfer - they include the loss of terminal bonus from a with-profits contract, exit penalties (especially for the under 55s) and the loss of loyalty bonuses or guaranteed life cover and waiver of premium.

For all these reasons, DC transfers should properly be conducted under the eyes of the FCA , But whether however all DC transfers need to be "advised" is another matter.

The FCA has said that it wants to regulate commercial dashboards and for this reason commercial dashboards have not emerged. Just as pension super funds had to wait for the safe harbour regulations, so with pension dashboards.

But just as the pressure for DB schemes to consolidate has increased, so the pressure from consumers to get to grips with DC pots. I'm pleased to see that we now have nearly 500 volunteers waiting to test our DC aggregation service in the FCA's sandbox. This is around ten times the size of test group we had originally envisaged.

The risk of not having properly regulated DC aggregation services is primarily because it allows scammers to operate outside of the perimeter in much the way as we saw at the peak of pension transfers in 2017/18. But there is a further risk posed by pot proliferation, some master trusts already have many times more deferred than active members with small pots abounding. The increase in unemployment predicted at the end of furlough will create a further spike in deferred pension pots. The DWP estimate that unless something is done we could see 50m abandoned pots by 2050, the PPI currently estimate that there is £20bn of lost DC pension pots.

So long as there is not a safe-harbour for firms offering people the chance to see their pensions in one place, there will continue to be suspicion among pension providers of letters of authority used to find pensions, Pension aggregators increasingly need to be FCA regulated to properly carry out pension searches and it is only a matter of time before the aggregators find ways of displaying the various pension pots so that pension consumers can make informed decisions for themselves.

Since the cost of advice on transferring a DC pension pot can be more than the value of the pension pot itself, there is clearly a need for ordinary people with pots not subject to safeguarded benefits, to be able to use aggregation services without advice.

The risk of this not being allowed is that frustrated savers find help with those on the fringes of decency.

The right balance

It is great to have MAPS building its dashboard team and I admire the thoroughness with which Chis Curry is building the dashboard proposition. But we still don't have a timeline for having a timeline and are unlikely to have a clear delivery timetable till the end of this year.

Online pension inquiries are, according to one insurer speaking last night - rocketing. Empowered by their use of new technologies during lock-down, people are using all kinds of financial services online. But there is no pension dashboard for them to use and commercial firms who have the capability to show multiple pensions on one screen are shying away from doing so because they do not want to jump the gun.

So while it is great to have MAPS building a non-commercial dashboard, the speed of progress is creating precisely the problem that we have seen in DB consolidation. It is important that Government looks to DC consolidation services and gives them safe harbour status, as it is doing in the DB consolidation space.

Immortal, Invisible, and Wise

By **Andy Snook** from Performance Evaluations

Some of you will recognise these words form the hymn by Walter Chalmers Smith, who entitled his work "Immortal, invisible, God Only Wise". Personally, I am not a particularly religious person, but I have heard this hymn sung a couple of times in the last year, so it has kind of stuck in my mind. You may ask "what has this got to do with financial services?" The answer is nothing directly, but indirectly the hymn title links into where we are today in the world of pandemic, and the part we can play in this industry.

> "A monthly review for each adviser of one of the most recent Fact Find and Meeting Notes to specifically identify what we, as a firm, didn't know about that client

The pandemic has, no doubt, caused some of us to consider our own mortality, and probably some of our firms' clients. Every day there is some article on some news feed, some webinar, some latest report, all focused on the markets, the economy, or something else linked to investments. Not unexpected, however I do not see a lot about how people should consider what happens to their families should they leave this planet.

Now is perhaps the most relevant time for many years for advisers to be talking to their clients about mortality, and although I am writing this article a few weeks before publication, I do not expect the world situation to have altered that much. And whether it alters much, one way or the other in the next few months, mortality will still most likely be a topical discussion.

Nobody is **immortal**, and nobody knows when it will be their time. So there are two key areas of financial planning that should be considered: Will they be leaving their spouse, partner, or family in debt or unable to afford the cost of living, and will they be leaving the same people in debt, or in a mess?

If advisers do not talk to their clients about gaps in their financial planning, and the potential consequences of not making provision, then the skilled knowledge and solutions that adviser can employ becomes **invisible**. Perhaps the advisers' focus is too much on getting funds under management, or perhaps there is some reticence in discussing such matters.

Either way, those advisers that hold such discussions with their clients are the **wise** ones. Not only will they provide a holistic service to their clients, they will also most likely increase their revenue and add to their client bank.

So where can we in Training and Competence add value? A lot depends on the Scheme and what benchmarks are applied through monitoring. In this current environment, like the advisers who are finding new ways to stay in touch with their clients, we need to find new ways to assist the advisers.

A new measure that I introduced just before lockdown was a monthly review for each adviser of one of the most recent Fact Find and Meeting Notes to specifically identify what we, as a firm, didn't know about that client. Not necessarily to undermine the advisers' skills, but sometimes a second pair of eyes picks up something not previously noticed and can be used as a development piece. When we progressed further into lockdown this evolved into identifying opportunities for advisers to have more discussions with clients. After all, it goes without saying that the more people that we talk to, the greater the chances of something happening.

So, the sorts of topics identified for discussion included the more obvious things such as a reminder to make a will, and to set up power of attorneys. The changes in the intestacy law earlier this year. Not a direct income generator, but could lead to discussions with executors, beneficiaries, and other professional advisers. Keeping with protection, how would personal loans, credit cards and mortgages be repaid? Have they planned for their family in the worst-case scenario, or just the best case? Exactly how long do they want to wait before we discuss their views and plans for inheritance tax, or is this the advisers' perception that you have to be a certain age before this is put on the table? Have we just discussed the personal side for clients who run their own businesses? All these are opportunities for an adviser to pick up the phone and start a discussion.

This measure does work. Last week I identified some missing information in the protection section of a Fact Find, and the client had liabilities that needed covering. I discussed this with the adviser, who agreed to have a conversation with the client. This in turn led to a meeting being booked since the protection plan in question was insufficient to cover the liabilities both in cover and duration. So hopefully that will be a win for both adviser and client. There is also an additional win for me as well since this highlighted that the Fact Find had been completed a few months ago around the original area for discussion, and other areas were just "filled in" but not in any great depth, so there's some development work to do as well.

There are advisers who only "pick the lowest fruit from the tree", and there are some that are focused almost entirely on investment and retirement planning. Some may not have been involved in protection planning for some years. However, with income streams being reduced by the markets, and getting in front of clients who aren't tech-savvy harder, together with having to learn new skills in client engagement, anything we can do from a Training and Competence perspective will likely help to fill the income gap, as well as doing the right things for the clients.

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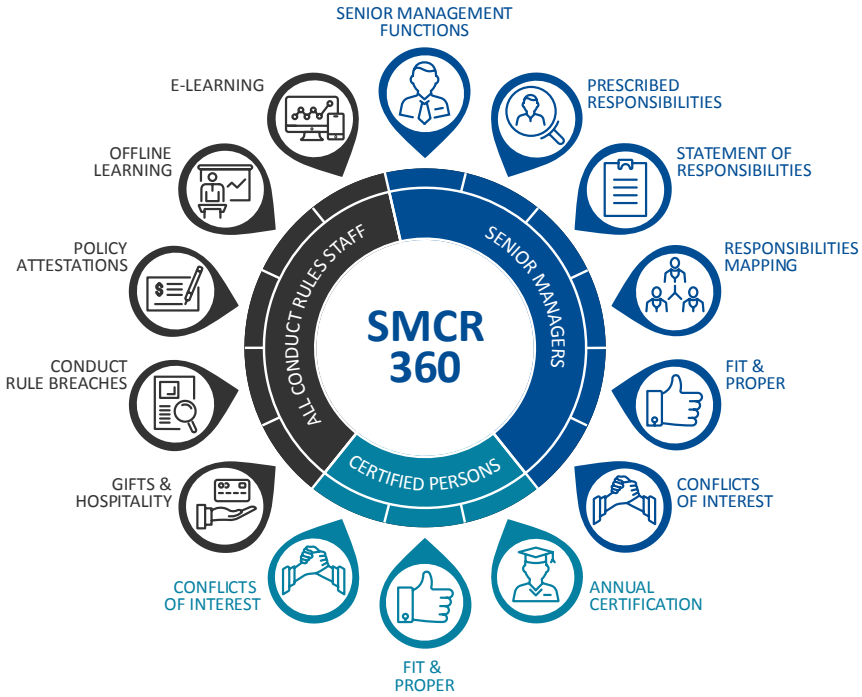

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