



**COMPLIANCE**  
CONSULTANT



**Compliance**  
**Doctor**

# **Briefing - Dear CEO: Portfolio Letter Advisers & Intermediaries**



## Detailed Briefing Document

### FCA outlines key priorities for Financial Advisers and Investment Intermediaries in 2024/2025

This briefing document reviews the key themes and priorities for financial advisers and investment intermediaries as outlined in the Financial Conduct Authority's (FCA) letter dated 7 October 2024.

#### Overall Context

The FCA acknowledges the vital role of financial advisers and investment intermediaries in supporting consumers with complex financial decisions, particularly given the evolving landscape:

*"As we look to the future, we expect the sector will continue to evolve. This is likely to be driven by, among other things, ageing consumer and adviser populations, the transfer of wealth, a shift from defined benefit to defined contribution pensions, geopolitical and climate uncertainty, interest rates, industry consolidation, technology advancements, and regulatory requirements."*

While acknowledging opportunities for growth, the FCA emphasizes the potential for consumer harm and market risks. The letter outlines the regulator's priorities for the next two years, aiming to ensure consistently good consumer outcomes within a sustainable sector.

#### Key Priorities

The FCA has three main priorities:

1. **Reducing and Preventing Serious Harm:** This encompasses a focus on:
  - **Retirement income advice:** Following a thematic review revealing both good and poor practices, the FCA expects all firms providing retirement income advice to review and update

their processes. Further scrutiny and potential interventions are anticipated in this area.

- **Ongoing advice services:** Concerns around value for money, transparency of charges, and delivery of services necessitate firms to ensure ongoing advice is appropriate, provides fair value, and is clearly communicated to clients.
  - **"Polluter pays":** The FCA seeks to ensure firms bear greater responsibility for financial liabilities, aiming to minimize reliance on the Financial Services Compensation Scheme (FSCS). Firms are expected to hold adequate financial resources to address potential redress liabilities.
  - **Consolidation:** While acknowledging potential benefits, the FCA emphasizes the importance of prudent consolidation practices to prevent consumer harm. Firms are urged to prioritize good outcomes, conduct thorough due diligence, maintain adequate financial resources, and proactively engage with the FCA during acquisition processes.
1. **Monitoring and Testing Higher Industry Standards under the Consumer Duty:** Firms are expected to provide demonstrable evidence of implementing and complying with the Consumer Duty on an ongoing basis.
  2. **Enabling More Consumers to Pursue Financial Objectives through the Advice Guidance Boundary Review:** The FCA encourages firms to actively engage with the review and consider opportunities to better support clients.
  - 3.

### **Underpinning Principles**

The FCA's priorities are underpinned by two key principles:

- **Increased industry engagement and collaboration:** The FCA aims for greater interaction with firms to gain insights, shape regulatory proposals, and share expectations. This will involve increased nationwide engagement through events and communication channels.

- **Forward-looking and data-led approach:** The FCA emphasizes leveraging data to provide insights to firms, focusing on accessible data to minimize the burden on firms. This will involve seeking feedback on valuable data insights and potentially retiring less valuable data collection.

### **Other Areas of Focus**

The letter also highlights other areas of work, including:

- Ensuring effective appointed representative oversight
- The future disclosure regime for Consumer Composite Investments
- Environmental, social and governance (ESG) priorities, including sustainability disclosure requirements and the advisers' sustainability group

### **Call to Action**

The FCA's letter serves as a call to action for all CEOs and Directors of financial advice and investment intermediary firms. It underscores the importance of reviewing the letter's contents, understanding its implications for their specific firms, and taking necessary steps to meet FCA requirements and ensure good consumer outcomes.

# Why Compliance Consultant?

## Our Services

1. **FCA Authorisation Application Support:** Streamline VOPs and related processes.
2. **Tailored Compliance Advisory Services:**
  - Risk Evaluation
  - Strategic Business Expansion
  - Rigorous Governance Analysis
  - Detailed File Audits
  - Wind Down Planning
  - Bespoke Technical Support
  - Focused Training Programs
  - Annual Reporting (RegData)
  - Oversight of Financial Promotions
  - Strategies for Vulnerable Persons & Consumer Duty
3. **Continuous Compliance Monitoring:** Align with FCA's vigilant oversight.
4. **Dynamic Regulatory Change Management:** Stay at the forefront of compliance.
5. **In-Depth Compliance Training and Education:** Build a culture of compliance.
6. **Proactive Risk Assessment & Management:** Identify and curb regulatory risks, particularly in consumer credit activities.

## Why Choose Us?

Our tailored solutions have helped numerous firms achieve regulatory excellence, ensuring they remain compliant while focusing on business growth. Clients have praised our fast response times, in-depth knowledge, and proactive support.

Ask about our £9,999+ bonuses for new clients - Our Latest Offer

Email: [info@complianceconsultant.org](mailto:info@complianceconsultant.org)

Tel: **0800 689 0190**