A Regulatory View

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Introduction

• Help consumers make informed decisions
• Consumer confidence
• Actuarial involvement
• Welcome new initiatives

“This paper by its very length defends itself against the risk of being read.”
Winston Churchill
Background

- Less prescriptive over time
- Some signs of improvements
- Rules should not be used as an excuse
- Poor investment in disclosure systems

“I am sorry for the length of my letter, but I had not the time to write a short one.”
Blaise Pascal, 1657 (original in French)

Principles

- More focus on customer: products and messaging
- What do customers need to know?
- Using flexibility wisely

“What if I had said, instead of ‘We shall fight them on the beaches’, ‘Hostilities will be engaged with our adversaries on the coastal perimeter’?”
Winston Churchill
We take a performance fee if:  

a) we beat the level of the London Inter-Bank Offered Rate (LIBOR) measured from the start of each quarter;  

and  

b) the fund’s selling price has risen since the end of our previous financial year.

The fee is 20% of the amount by which we beat the LIBOR target and is taken from the fund at the end of each financial year. Any under-performance of the fund compared to LIBOR is made good before we take another performance fee.

85 words

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Can I change my mind?

You have a legal right to cancel your contract if you change your mind.

When we accept your application we’ll send you a Cancellation Notice that confirms the actual steps that must be taken in order to cancel the contract. The Cancellation Notice that confirms that you have a 30 day period to consider if you want to change your mind. This 30 day period starts from the date you receive the Policy Schedule and Policy Provisions (Terms and conditions of the bond). During this period, if you decide to cancel, you should send your cancellation instruction to the address provided in the Cancellation Notice. We’ll then return any payments you have made. If you cancel during the 30 day period, you may get back less than you paid in. This is because we may deduct from the amount you get back any fall in the investment value during this period.

Please make sure that you include your bond number in any correspondence with us. At the end of the 30 day period you will be bound by the terms and conditions of the bond and any money received by Company Name Limited will not be refundable. Where believe we may be unable to encash assets readily, note that we may defer the purchase of certain investments until after the 30 day cancellation notice period.

69 words
## EU developments

- UK and EU regulation inextricably intertwined
- Influencing EU regulation
- Initiatives:
  - UCITS (KIID);
  - PRIIPS;
  - MiFID review;
  - IMD2;
  - Solvency 2.

## UK developments

- Retail Distribution Review
- Personal Pension Scheme Disclosures:
  - SIPPs
  - Inflation-proofed pensions
- Platforms
Looking ahead – regulatory reform

- Financial Conduct Authority

Pre-Legislative Scrutiny Committee, December 2011:
"We recommend that the consumer responsibility principle be complemented by an amendment to the draft Bill to place a clear responsibility on firms to act honestly, fairly and professionally in the best interests of their customers. The **FCA should be empowered to hold firms to account for this and ensure companies address conflicts of interest and the needs that consumers may have for advice and information that is timely, accurate, intelligible to them and appropriately presented.**"

- What can the Profession do?