2017 / 2018

FINANCE

The Parliamentary Review

A YEAR IN PERSPECTIVE

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WEALTH MANAGEMENT, PLANNING & CONSULTANCY REPRESENTATIVES

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Foreword

The Rt Hon Theresa May MP

Prime Minister

British politics provides ample material for analysis in the pages of The Parliamentary Review. For Her Majesty's Government, our task in the year ahead is clear: to achieve the best Brexit deal for Britain and to carry on our work to build a more prosperous and united country – one that truly works for everyone.

We have already made good progress towards our goal of leaving the EU, so that we take back control of our laws, money and borders, while negotiating a deep and special partnership with it after we have left that is good for jobs and security. The EU Withdrawal Act is now on the statute books to provide legal certainty at the point of exit. We have reached agreement on protecting the rights of EU citizens living here in the UK and British citizens living in the EU, on an implementation period to give businesses time to prepare, and on a fair financial settlement. We are now pressing ahead to reach an agreement with the EU on our future relationship that honours the result of the EU referendum and sets the UK on course for a prosperous future.

Getting the right Brexit deal is essential; but it will not be sufficient on its own to secure a more prosperous future for Britain. We also need to ensure that our economy is ready for what tomorrow will bring. Our Modern Industrial Strategy is our plan to do that. It means Government stepping up to secure the foundations of our productivity. It is all about taking action for the long-term that will pay dividends in the future.

That is why we have set an ambitious goal of lifting UK public and private research and development investment to 2.4 per cent of GDP by 2027. It is why we are developing four Grand Challenges, the big drivers of social and economic change in the world today: harnessing artificial intelligence and the data revolution; leading in changes to the future of mobility; meeting the challenges of our ageing society; and driving ahead the revolution in clean growth. By focusing our efforts on making the most of these areas of enormous potential, we can develop new exports, grow new industries, and create more good jobs in every part of our country.

Years of hard work and sacrifice from the British people have got our deficit down by over three quarters. We are building on this success by taking a balanced approach to public spending. We are continuing to deal with our debts, so that our economy can remain strong and we can protect people's jobs, and at the same time we are investing in vital public services.

I believe that Britain can look to the future with confidence. We are leaving the EU and setting a new course for prosperity as a global trading nation. We have a Modern Industrial Strategy that is strengthening the foundations of our economy and helping us to seize the opportunities of the future. We are building on our country's great strengths – our world-class universities and researchers, our excellent services sector, our cutting-edge manufacturers, our vibrant creative industries, our dedicated public servants – we can look towards a new decade that is ripe with possibility. The government I lead is doing all it can to make that brighter future a reality for everyone in our country.

> "British politics provides ample material for analysis in the pages of *The Parliamentary Review*"

Foreword

Liz Field

Chief Executive, PIMFA

It's now just over a year since PIMFA came into being as a result of the merger between the Wealth Management Association (WMA) & the Association of Professional Financial Advisers (APFA) in June 2017, uniting the two memberships into one strong voice representing our profession.

Our resulting combined vision for our industry, described in our Member's Manifesto, was launched at the House of Commons on June 19, setting out our five-year approach to creating an optimal future environment within which our member firms can more fully meet their client's needs and to promoting our industry as a force for good. It also lays out our calls and commitments for industry and its stakeholders to develop robust and thriving retail investment markets, encompassing appropriate and proportional regulation that individuals, families, charities and others can access easily to benefit from the services they offer.

The current environment has in the last year been characterised by two things above all – Brexit, with all that it entails, and the largest regulatory load to land in this sector for 20-odd years, during both of which we have continued to represent the sector in lobbying, recommending and leading policy and regulatory thinking.

Our research initiatives, such as the Millennial Forum and the Financial Adviser Market in Numbers (FAMIN) Report, continue to inform the debate as to current and future trends, enabling our members to fully understand the issues of both client retention and the development of strategies designed to engage with the generations to come.

One of the major challenges of our time is cyber and financial crime. In the UK, this is now estimated to cost every man, woman and child in the country in excess of £100 per year, and the Global Cyber Alliance predicted at our Financial Crime Conference in January that the global cost of this type of crime will hit $2 trillion by 2019 – a threefold increase from 2015. Tackling this prospect is addressed by one of the six pillars in our manifesto – enabling business protection through data protection and cyber resilience – as well as the publication of 14 useful guides on our newly-upgraded website. We are working closely with our members to raise awareness of what solutions currently exist and how a culture of prevention can be incorporated into an overall sector digital strategy fit for the future.

Our on-going public policy and pensions work is continuing apace. Our primary focus for the coming months will be to work alongside other stakeholders to ensure that the right balance is found between the underlying principles of freedom and choice, and the obvious protection that certain consumers will require at the point of retirement through the Financial Conduct Authority's Retirement Outcomes Review work.

While Brexit still dominates the political landscape, and will continue to do so for some time to come, the precise nature of our sector's future remains unclear but, in a wider sense, we are committed to addressing issues as they appear and to helping our members to understand and deal with any consequences which may arise. In our Member's Manifesto, we have set out our vision for the future of our industry and our methodology for making that vision a reality through consistent advocacy, close liaison with industry stakeholders and a vibrant and contributory membership, helping our sector to grow and prosper.

> "One of the major challenges of our time is cyber and financial crime"

The Parliamentary Review

A message from Lord Pickles and Lord Blunkett

The ability to listen to and learn from one another has always been vital in parliament, in business and in most aspects of daily life. But at this particular moment in time, as national and global events continue to reiterate, it is uncommonly crucial that we forge new channels of communication and reinforce existing ones.

With ongoing fractures in Westminster, the reverberations of which are being felt across the country, it is essential that politicians have a firm understanding of the challenges with which British organisations must contend; and that leaders in both the public and private sectors are aware of the difficulties faced by those working in all levels of politics, from local government to the national arena.

This is why *The Parliamentary Review* combines political content with stories from a wide range of organisations – small and large; new and old; those at the peak of their powers and those who have peaks to surmount. It is why these stories seek to inspire and challenge all who read them.

And it is why we, as former Labour and Conservative cabinet ministers and current members of the House of Lords, feel it is important to put aside our political differences and work together to ensure these stories are given the platform they deserve.

In this publication, you will find an insightful take on the past year in politics from the BBC's Andrew Neil and a concise rundown of key events in industry and parliament. Most importantly, you will be able to read in-depth accounts from the individuals and organisations who make *The Parliamentary Review* what it is.

In this edition there are various insights into – for instance – technological change and its potential to transform the sector; challenges in matters of compliance; and the relationship between politics and the financial industry. It is our great honour and pleasure to have helped provide the platform for these commentaries to be aired. We hope that you find these articles – which begin on page 12 with a piece from Nestor – as thought-provoking and informative as we do.

Rt Hon The Lord Blunkett
Co-chairman, The Parliamentary Review

Rt Hon The Lord Pickles
Co-chairman, The Parliamentary Review

Andrew Neil

Economy thrives while politics divides

It's been over two years since the country voted to leave the European Union, but Brexit continues to hang over British politics like an all-encompassing dark, brooding cloud, discombobulating established relationships and upturning traditional verities wherever we look.

Social class no longer largely determines how you vote in the UK. The latest polls suggest the Tories now enjoy a lead among working-class voters. They've always won a chunk of working class votes – Disraeli called them his "Angels in Marble" – but never a majority.

As for Labour, even under its most left-wing leader ever, it now garners considerable support among the professional middle classes, especially in the major metropolitan conurbations.

The reason for this psephological seachange is Brexit. If you voted Leave, you are now more likely to vote Tory; if Remain, Labour.

Brexit is now *the* dividing line within Labour and the Conservatives. It splits the cabinet and shadow cabinet, backbenchers of both parties and their voters in the country. The Tory divisions are more obvious to see because they are the governing party and make big news. But Jeremy Corbyn has managed to lose 103 frontbenchers, often through Brexit-related resignations, which doesn't quite have the impact of Boris Johnson or David Davis walkouts, but must be something of a record nevertheless.

Brexit has also induced something of *rigor mortis* on both frontbenches. For nearly all of the past parliamentary year, cabinet ministers and leading Labour spokespeople have been unable to answer the simplest questions on our post-Brexit state when it comes to the customs union, the Irish border, immigration policy and the single market. Only recently, with the Article 50 deadline looming, has some clarity emerged – and not always. I believe this widespread prevarication has added to voter disillusion.

Just as important, nearly all non-Brexit matters have been swept into a Brexit-induced Bermuda Triangle. This is understandable. But it has added to the gulf between parliament and the people.

The impact of Brexit on the parliamentary process has been generally unpredictable and often amusing. Left-wing Remainers now speak of the House of Lords as a bastion of democracy. Right-wing Leavers sound increasingly like peasants with pitchforks, determined to bring the whole edifice of the upper house tumbling down.

Jeremy Corbyn, who's spent his political career railing against the iniquities of the market economy, now poses as the champion of business (up to a point). Brexiteer Tories regularly mutter anti-business sentiments in unprintable language.

Overarching all this turmoil and uncertainty, as I explained in *The Parliamentary Review* last year, is the resurgence of the two-party system in England, another consequence of Brexit. At the 2017 general election, the Leaver Right collapsed into the Tories and the Remainer Left flocked to Mr Corbyn's Labour party. It is beyond strange that the two main parties should be doing so well when many regard them as weaker, less talented and more divided than they've been in living memory. But they got easily over 80 per cent of the English vote between them in 2017 and all polls since suggest that is the new *status quo*.

The fundamental parliamentary fact in this post-referendum era is that there is no majority for what hardliners on either side of the Brexit divide would like. So, when it comes to determining the eventual shape of Brexit, parliament is very much in the driving seat, as the government has found out the hard way. The problem is it's not sure what parliament wants that shape to be.

Business might despair at what it sees as an increasingly dysfunctional political system. But it should take comfort from the fact that economics and politics are, for the moment, going their separate ways. No matter how much you might think politicians are mucking it up, the economy in general and business in particular continue to defy them.

I have thought for sometime that business and the economy are in much better shape than established opinion would have it. There were signs in the early summer of 2018 that this was indeed the case. But, by the time you read this, you'll have a much better idea if I'm right. Keep your fingers crossed – not for my sake, but for the country's!

Neil believes the two-party system is the new *status quo*

FCA's report for 2017 and its plans for 2018

The legislation associated with Britain leaving the EU is by far the largest piece of work that the FCA is involved with at present

On April 9, 2018, the FCA published its business plan for 2018/19. FCA CEO Andrew Bailey made it absolutely clear that while the FCA is facing a tremendous workload in the year ahead, across a number of fronts, it has had to set aside a very large chunk of its time and resources to deal with Brexit-related issues.

Brexit aside, summing up the FCA's work-plan, accountants KPMG see the FCA being involved across the following areas:

- Firms' culture and governance
- Tackling financial crime (fraud and scams) and anti-money-laundering (AML)
- Data security, resilience and outsourcing
- Innovation, big data, technology and competition
- Treatment of existing customers
- Long-term savings, pensions and intergenerational differences
- High-cost credit

Given that the FCA has limited resources, the main problem it faces, as Bailey pointed out in the press conference that accompanied the launch of the business plan, will be working out how best to accommodate all the work that is going to be needed on Brexit. The fact that there is still a high level of uncertainty about the various outcomes with Brexit, the FCA is facing an uphill task.

"The assumption we are making is that we are still working towards exit in just under a year," Bailey said. The withdrawal legislation is the largest single piece of work that the FCA is involved in at present. The FCA intend to create an international division through the course of the year to ensure that the regulator remains "outward-looking" and sends a strong signal about the importance it places on sustained international engagement.

Barclays Group CEO declares 2017 "a terrific year" as court dismisses fraud charges

In May 2018, in a huge setback for the Serious Fraud Office (SFO), the UK court hearing the case against former Barclays CEO John Varley and three other executives, over the bank's fundraising from Qatar during the 2008 financial crisis, dismissed the fraud charges.

The case had been closely followed around the world, with the public and the media keen to see if a really senior banking figure would actually be held accountable for wrongdoing over the global financial crisis. The SFO had been investigating the case for five years and brought charges in June 2017.

At issue was the way the bank raised £11.8 billion in emergency funding from Qatar at the height of the global financial crisis. It was the first attempt anywhere in the world to bring criminal charges against senior bankers over any aspect of the 2008 global financial crisis. Reporting on the charges in June 2017, *The Guardian* said that the charges related to the two fundraisings the bank embarked on in June and October 2008 with two investment vehicles related to Qatar, including one used by the prime minister at the time, Sheikh Hamad bin Jassim bin Jaber al-Thani, and a $3 billion (£2.3 billion) loan advanced to Qatar in November 2008.

In an interview in February 2018, immediately following Barclays' announcement of its 2017 full year financial results, Barclays Group CEO Jes Staley said that 2017 had been a "terrific year" for the bank and had paved the way for a fresh start.

"2018 is the first year of the last five years that we start with a clean operating bank," he said. Investors will be delighted, and Barclays' share price rose on the news. However, the media was less enthusiastic, calling the bank's 2017 results "disappointing".

The *Financial Times* focused on the fact that Barclays reported a full year loss of almost £2 billion (£1.92 billion), thanks to one-off tax and disposal charges. Revenues fell 2 per cent and pre-tax profits rose 10 per cent, with the loss resulting from the bank having to take a large hit on the sale of its African operation and to cover the one-off cost of US corporate tax reform.

On the positive side, Staley pointed out that towards the second half of the year the bank increased its mortgage portfolio by some £4 billion. The UK bank also grew its deposit base by £4 billion during the 2017 financial year. With the restructuring complete, Barclays International is now very much focused on being a transatlantic consumer and wholesale bank, he said. Plus he said he was very happy with the progress being made on the technology front and mobile banking, and with the way the bank was growing its private banking business both in the UK and Europe.

Lower revenues in the UK for Barclays in 2017 was offset by a stronger performance overseas

On March 31, Barclays announced its Q1 2018 results. An improved Q1 year-over-year result, which resulted in an attributable profit of £1.2 billion, was turned into a quarterly loss of £764 million after litigation and misconduct charges. Barclays reached a £1.4 billion settlement with the United States Department of Justice (DOJ) relating to residential mortgage-backed securities deals, and a further hit to settle payment protection insurance (PPI) charges.

Excluding litigation and misconduct costs, the bank's group return on tangible equity was 11 per cent, up from just 2 per cent for the same quarter in 2017. Staley and the board were able to drive group operating expenses down by 6 per cent to £3.4 billion, realising a cost-to-income ratio of 63 per cent.

Commenting on the Q1 results, Staley said: "This has been a significant quarter for Barclays, one in which we have shown that our new operating

model and our portfolio of diversified, profitable businesses are capable of producing improved returns for shareholders."

The benefits of diversification were clearly shown, he said, by the fact that lower revenues in the UK business, driven by one-offs, were offset by a stronger performance in Barclays International, particularly in the Corporate and Investment Bank, which reported profit before tax up 49 per cent, and a return on tangible assets of 13 per cent. The performance was enough, he said, to increase confidence that the bank would meet its return on tangible assets target of 9 per cent in 2019 and 10 per cent in 2020. And the dividend of 6.5 per cent for 2018, as promised in the 2017 full year results, was still on, he said.

First year of profit in a decade for RBS

Chancellor Philip Hammond welcomed RBS' settlement with the US Department of Justice, saying it would allow for the government to sell off the remaining 71 per cent of the bank owned by the British taxpayer

The last year has really been a much better one for the Royal Bank of Scotland (RBS). After a decade of reported annual losses, the bank finally made a profit in 2017. RBS CEO Ross McEwan called the bank's £752 million profit "a symbolic moment". By way of contrast, in 2016 the bank reported a loss of £7 billion.

RBS made a 2017 operating profit of £2.239 billion, up some £6.321 billion by comparison with 2016. Adjusted operating profit increased by 31.1 per cent to £4.818 billion, after deductions for matters such as litigation and conduct costs (£1.285 billion) and restructuring costs (£2.106 billion), plus sundry other deductions.

During a Radio 4 interview, McEwan pointed out that ten years ago RBS was, briefly, the largest bank in the world, with a balance sheet of £2.2 trillion, before its spectacular fall from grace. "We've been restructuring the bank, but it's taken time and a lot of cost to come out of countries and businesses we didn't want to be in," he said.

At the time McEwan and the bank were still awaiting the outcome of negotiations with the US DOJ to settle events associated with the sale of financial products linked to risky mortgages in the run-up to the financial crisis. In July, talks between the two were finally resolved with RBS agreeing to pay a £3.6 billion penalty. The resolution of this long-running litigation marked a milestone moment for RBS, McEwan said.

Commenting on the settlement with the DOJ, he added: "Today's settlement with the DOJ is a stark reminder of what happened to RBS in the past when it focused too heavily on its global ambitions. This bank and the British taxpayer have paid a very heavy price for those poor decisions. This is a symbolic moment for this bank and will allow us to put one of our largest legacy issues behind us. We know we still have more to do but drawing a line after this issue is a milestone

moment for us. It also means that the investment case for the bank is much clearer and the prospect of returning excess capital to our shareholders is getting closer."

In welcoming the judgment, the chancellor, Philip Hammond, said that the agreement between RBS and the DOJ would help to pave the way for the government to finally sell off the 71 per cent the taxpayer still owns of RBS. The Treasury has said that it plans to sell £15 billion of RBS shares, or two thirds of its stake, in £3 billion tranches, some time between now and 2023. The taxpayer is expected to see a loss of some £26 billion and will have recovered just under £20 billion of the £45.8 billion bailout given to RBS at the height of the global financial crash.

HSBC results draw praise and criticism

In February 2018 HSBC reported its full year 2017 results. Commenting on the results, group chief executive Stuart Gulliver said that retail banking and wealth management had had an excellent 2017. "We continued to grow lending in our target markets, especially Hong Kong, the UK and Mexico," he said.

The media was less impressed. Profit before tax was $17.2 billion. While this was hugely up on the $7.1 billion profit for 2016, it was below the consensus expectations of analysts, which was $19.7 billion. The bank's shares fell around 4.4 per cent when the figures were released.

These results were the last with Gulliver at the helm. After seven years in the role he handed over to a new management team headed by the new Group CEO, John Flint, himself a lifelong career banker.

In May HSBC announced its first quarter results for 2018. The figures show that HSBC improved revenues but saw profits fall as expenses rose. Revenue was up 6 per cent to $13.7 billion, driven by higher deposit margins and growth in its retail banking and wealth management services. At $9.4 billion, operating expenses were up a whopping 13 per cent on the first quarter for the prior year. However, HSBC put a positive spin on this, saying that the increased expenses related to investments made to grow the business and to enhance the bank's digital capabilities. As a result of the higher expenses, profits dropped 4 per cent to $4.8 billion.

Q1 results in 2018 for HSBC saw expenses up 13 per cent, lending to an overall profit drop of four per cent

Commenting for the first time on his bank's quarterly results, the new CEO, John Flint, said that HSBC's global businesses performed well in the first quarter, maintaining the momentum carried forward from 2017.

Huge profits for Lloyds, amid questions from unions and Corbyn

Lloyds closed 49 branches in November 2017 alone and no official figure has been given for the number of planned branch closures in 2018

Announcing its annual results on February 21, 2018, Lloyds Banking Group showed a 24 per cent year-over-year increase in profits to £5.3 billion and said it would be handing more than £3 billion back to shareholders in the form of dividends and surplus capital. The results were sufficient to earn Lloyds CEO António Horta-Osório a massive £6.4 million payout, giving him an effective pay rise of 11 per cent through 2017.

Unions unfavorably contrasted this with the average pay increase for staff of just under 2 per cent that year. This was enough to prompt an attack from the Labour leader, Jeremy Corbyn, who promised "a fundamental rethink of whom finance should serve and how it should be regulated" were Labour to return to office.

Interestingly, Horta-Osório continues to see pensions and insurance as a major growth area for the Group and points out that Lloyds is now the only major bank to offer both banking and insurance. This is despite the fact that Lloyds is still bleeding cash from its mis-selling of PPI. It took a £1.65 billion charge against PPI payouts for 2017, up from £1 billion in 2016. In the fourth quarter of 2017, PPI claims rose from 9,000 in the third quarter to 11,000. So far, the PPI mis-selling scandal has cost the bank a staggering £18.7 billion. Undeterred Horta-Osório has set his team the ambitious target of achieving 1 million new pension customers by 2020.

The Group is still in the process of slimming down its branch closures to accommodate the huge shift in public banking habits from branch-based banking to online and mobile banking. It closed 49 branches in November 2017 alone, but Horta-Osório would not give a figure for the total number of branches Lloyds expects to close through 2018.

Banking groups generally are set to see profits increase if the Bank of England maintains its policy of slowly raising interest rates through 2018 and 2019.

Financial services and Brexit – all still to play for?

On June 28, 2018, the House of Commons Library published a well-thought-through briefing paper entitled Brexit and Financial Services. Unfortunately, as the report itself notes, "Along with many other industrial and commercial sectors, the more considered reaction of the [financial services] industry to any question is: 'it all depends'."

In the report's own words: "There is little certainty over what will happen next and [the] gulf between what the

industry wanted at the start of the process and what it looks as though it will achieve now is quite wide."

"In the absence of any clear guidance on what the EU negotiations will lead to in terms of the treatment of services, commentators have largely been reduced to guessing what large institutions intend to do from their pre-vote statements and matching these to the permutations of different possible negotiation outcomes."

It is difficult to argue with this summary of the situation the industry currently finds itself in. Of any particular institution currently trading in the City of London, or in the UK generally, the crunch point, it appears, is "will they stay or will they go?"

As the report notes, while banks generally are supposed to have their hands quivering over the relocate button, in actual fact so far only a single bank and the European Banking Authority have said that they are leaving. What we have seen is a number of institutions hurriedly setting up European arms, and transferring staff and functions to those new offices, so that they are in a good position, whatever the outcome of the Brexit negotiations, to continue to provide services to European clients. That said, those banks will still doubtless be impacted, one way or another, by whatever agreements are finally reached, or not reached, between the UK and the EU.

Banks, regardless of the deal (or lack thereof) between the UK and EU, will be impacted one way or another

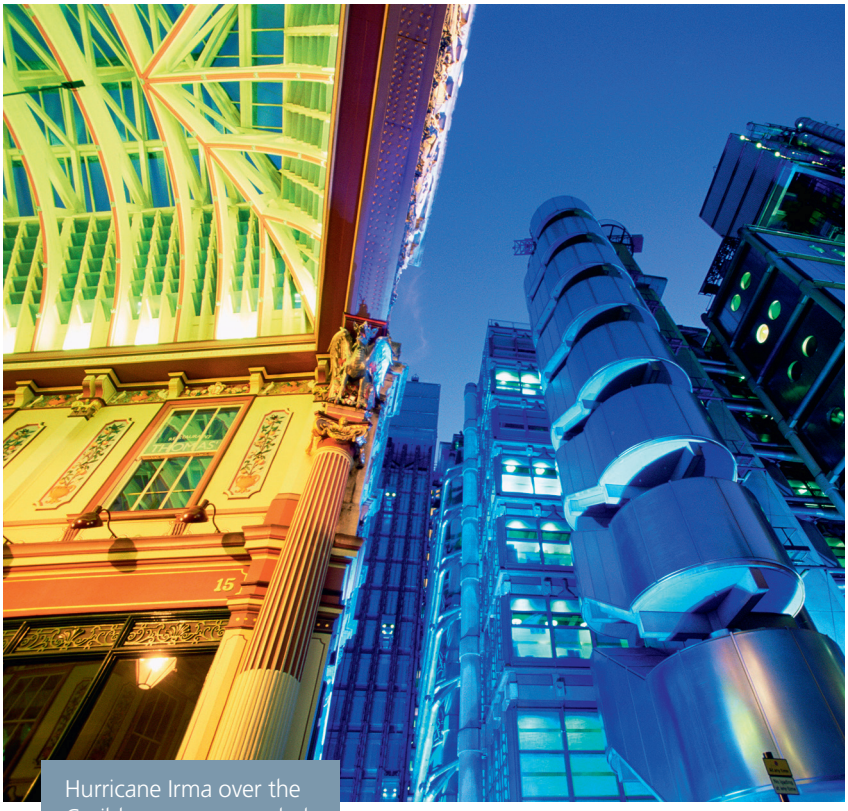
The British Bankers' Association on Brexit

As the leading trade association for the UK banking sector, with 200 member banks the BBA has a huge interest in the outcome of the UK's discussions with the EU, particularly with regard to bank passporting. The EU passporting system for banks and financial services companies enables firms that are authorised in any EU or EEA state to trade freely in any other EU or EEA state, with minimal additional authorisation. Losing their "passport" would be a very big deal for UK banks and other financial services companies.

The BBA points out that in many EU member states, non-EU firms face significant regulatory barriers to providing cross-border banking and investment services to customers and counterparties.

The BBA also notes that there is some EU legislation that provides for "third country" regimes. These rules allow non-EU based firms to offer a limited number of services into the EU provided their home country regulatory regime is accepted by the EU as being "equivalent" to EU standards. However, the BBA points out, these regimes only apply to a handful of banking services and are much more limited in scope and much less secure than the passporting regime.

Lloyd's of London and the need for change



Hurricane Irma over the Caribbean compounded already challenging market conditions

In announcing its results for 2017 Lloyd's of London made no bones about the fact that 2017 had been "an exceptionally difficult and challenging year". Lloyd's turned in its first loss for six years, reporting an overall pre-tax loss of £2 billion, down from a profit of £2.1 billion in 2016.

The loss was despite the fact that gross written premiums rose to £33.6 billion, up from £29.9 billion in 2016. The reason for the loss was that 2017 turned out to be one of the costliest years for natural disasters in the last decade. This resulted in claims of more than £4.5 billion, more than double the claims for 2016. This led to an underwriting loss of £3.4 billion as against a profit of £500 million in 2016.

Lloyd's of London syndicates were exposed on multiple fronts. A series of huge storms in the US included the major hurricanes, Harvey and Irma, which hit the south coast of the US as well as the Caribbean.

Commenting on the results, Lloyd's chief executive, Inga Beale, called market conditions "challenging" and said that these were compounded by a significant impact from natural catastrophes.

Lloyd's of London chairman, Bruce Carnegie-Brown, speaking in November 2017 at the London Market Conference warned participants that the slow pace of technological adoption in the mainstream insurance and reinsurance sectors was "creating opportunities for tech-savvy start-ups who see the insurance sector as ripe for disruption". He warned "If we don't react to this competitive challenge by disrupting ourselves, the London market will surely be disrupted by others."

He added that relentless downward pressure on pricing was making it harder and harder for the industry to deliver sustainable growth. "Technical pricing is out of kilter with risks covered and for many of us, profitability is declining. At the same time costs remain stubbornly high. No one I speak to thinks the London market's expenses are sustainable. They are not just reducing our returns on capital; they are making us vulnerable to more efficient competitors … We would be very foolish to allow the prospect of firming insurance prices post the recent hurricanes to persuade us that change is not required," he cautioned.

Similar issues – and potential solutions to them – are discussed in depth in the articles from this year's *Parliamentary Review* representatives.

Nestor


Nick Leech, managing director

Nestor was formed in February 2005, in northwest England, by a group of highly experienced independent financial advisers as Nestor Limited Liability Partnership. In May 2013, Nestor was incorporated as a limited company, and is authorised and regulated by the FCA, operating within its regulatory framework. The company is owned and managed by seven FCA-regulated individuals and employs around 25 people. It specialises in pre- and post-settlement financial advice to personal injury claimants and their representatives, while also offering accountancy and broader wealth management services to a diverse group of individuals with significant investable assets. Nestor is based in the northwest of England and has clients across the whole of the UK. Nick Leech, managing director, expands.

We provide advice to over 1,500 active clients, and our total funds under influence are over £550 million. Since the introduction of the periodical payment regime under the Courts Act 2005, we receive instructions concerning the viability of periodical payments and many other instructions involving forensic accountancy and state benefit advice. We implement over 400 personal injury trusts per year, thus helping personal injury claimants to maintain their entitlement to means-tested state support.

We have a good understanding of the intricacies of local authority provision, state benefits and the Court of Protection, and act for over 120 deputies under the Mental Capacity Act 2007. Our deposit cash management service looks after around £100 million in a range of deposit instruments, and the average size of an investment portfolio we look after is £700,000, the bulk of which is made up of personal injury damages awards but also clients with significant investable assets.

Our DNA

At Nestor, our focus is simple – our clients are our business. Clients bring us many questions, and we take pride in the quality of our answers and the success of our solutions. At our heart is an unwavering commitment to quality and integrity; this ensures we can maintain our fundamental responsibilities of building and maintaining complete trust with our clients, professional connections and employees.

Nestor's values are far more than a list of points. They are how we behave and how we challenge ourselves to help our clients achieve their objectives. By exercising skill and objectivity, we aim to deliver the highest levels of service and advice to all our clients at all times. Each of our clients deals with a director, and we are open about the way we carry out our business, encouraging feedback and supporting staff development.

Independence and regulation

We are proud of our independence. This means that we aren't contracted to suggest any one product or solution. We have the freedom to recommend the best course of action for our clients with complete impartiality, unfettered by conflicting business or shareholder interests.

AT A GLANCE NESTOR

- Managing director: Nick Leech
- Founded in 2005
- Incorporated in 2013
- Based across northwest England
- Services: Director-led independent financial planning
- No. of employees: around 25
- Assisted 7IM to create the UK's first specialised fund for personal injury claimants
- Funds under influence: Over £550 million
- www.nestor.co.uk

We are strictly regulated by the FCA. In addition, we are proud of our strong internal governance and management processes which, in turn, are scrutinised by specialist consultants, continuous best practice reviews and rigorous due diligence processes. Nothing is left to chance.

On top of the professional processes we put in place, we continuously strive to put the needs of our clients at the centre of all advice. This means understanding the realities of their lives and being aware that while we deal with complex finance every day, for them this may be unfamiliar territory.

Product innovation

Our ability has led us towards innovation and specialist product development within our personal injury market and wider financial services.

Our core investment strategy proposition is built around a cautious investment approach, and we undertake a significant amount of work for our clients based on the reduction of volatility within investment portfolios. We develop low risk financial strategies with several investment managers but two of our most notable achievements to date are:

» Assisting Seven Investment Management (7IM) to create the UK's first specialised investment fund for personal injury claimants, the 7IM Personal Injury Fund. This offers a unique investment approach for this special class of investors. Launched in October 2009, the fund has grown to over £280 million and still is unique as the only designated investment fund for recipients of personal injury damages.

» Designing and launching the Nestor Wealth Solutions Portfolios with Liontrust in 2013. These are a suite of actively managed risk rated multi-asset portfolios and now account for invested client assets of over £150 million.

Thought leaders

We regularly contribute to a variety of journals, and look to actively take part in legislative consultations to influence positive outcomes for our core market. Among others, we have published articles in: *Clinical Risk*, *The Barrister*, *Personal Injury Law Journal* (PILJ) and *The Law Society Gazette* on a range of topics. Our half-yearly *Personal Injury* and *Grapevine* financial newsletters have a circulation of over 8,000 professionals and are well received.

Several of our directors have been at the forefront of emerging case law and regulatory changes. The list illustrates the breadth and depth of knowledge and experience that we enjoy:

» Expert evidence to Court of Protection following the Cant quinquennial review of the Public Trust Office.

» 2001: Private trust applications for patients, put to court via the official solicitor for approval of trust arrangements.

» Involved in evidence to the working party on structured settlements, which then altered the result of personal injury damages awards where future losses exceeded £500,000.

» Correspondence with the DWP in relation to SI 2442, which created the 52-week capital disregard for personal injury damages.

» 2007: First time as contributing author for fourth edition of *Clinical Negligence*.

» 2007: Involved in the then-highest cerebral palsy lump sum settlement in England, which was £6.7 million.

» 2008: Retained as expert adviser in Thompstone's first landmark periodical payment case.

» 2009: Involved in largest periodical payment order in 2009 involving an annual payment to a claimant of £485,000 per annum.

» 2010: Became annual "baton holders" for Headway, the brain injury charity.

» 2011: Co-founders of Brain Injury Group, UK's first national network of dedicated brain injury lawyers and expert services to support clients with brain injuries and their families.

» 2014: Sponsored Association of Personal Injury Lawyers Military Claims Conference.

» 2014: Nestor Foundation charitable trust is launched.

» 2015: Contributing authors for fifth edition of *Clinical Negligence*.

» 2017: Civil Liability Bill consultation - Lord Chancellor discount rate review.

> "Each of our clients deals with a director, and we are open about the way we carry out our business, encouraging feedback and supporting staff development"

» THE FUTURE

We continue to embrace continual change and most recently, like many, have implemented more GDPR and MiFID processes. We recognise the simplicity of what we do, but completely embrace the importance and impact that advice can have on people's lives, and are committed to strive continuously for self-improvement, while also looking outward to policymakers and key influencers across the UK.

Manning & Company

Mike LeGassick, director

Manning & Company is a long established financial advice practice based in Ivybridge, Devon. Director Mike LeGassick has been part of its growth for six years, but, long before that, in their early days, they simply comprised two advisers. It began with just Steve Manning, who helped to grow the company, organically, to where it is today. They rely on the services of 15 self-employed advisers alongside 12 dedicated members of administrative staff. They offer independent financial advice and planning, specialising in pensions, investments and estate planning, looking at lifestyle planning rather than being product driven. The journey they provide is individualised, personalised and specialised for each client, and looks at reaching the best possible outcome.

With financial advice, there are two outcomes that people are seeking to avoid. They don't want to run out of money, and they don't want to die too soon and leave relatives financially burdened. The journey we offer seeks to avoid both – and within that, if we offer or recommend products, they're simply tools to achieve security in one or both eventualities. It's about discovering what a client wants and using the appropriate tools to secure that.

We don't see the need for an excessive use of financial jargon, and try to strip everything back to basics. We look at families, commitments and lifestyles, and make sure that all can be maintained appropriately through what we offer. Keeping things simple and allowing clients to arrive at their own, informed decision is so important – in an environment where people often don't save enough, the market is far too saturated with confusing and often arbitrary terminology. It's about respect, comprehension and trust. A lot of financial advisers hear what a client's saying, but we try to listen.

The importance of financial education

Especially when it comes to investment, this is something that we ensure is central to all advice we give. There are a few anchoring questions we use – we ask clients if they recall Black Monday, and talk about its ramifications, we talk about the FTSE 100 and check their understanding of both. When people have incorrect understanding of how markets work, they can often be overly cautious. It's about educating people to ensure they're well versed and able to make a decision. I have no right to tell people what to do with their money if I know nothing about them or their financial experience; we try to know the person, rather than just the figures.

We like to discover a client's earliest memories concerning money. Views on money are often instilled at a young age, and research has shown this to have a lasting effect on financial decisions made in later life. We want people to tell us stories – about their parents' relationships with money, for example – so we can become appropriately informed. People are often irrational when it comes to finance, and the psychology of these decisions has to be understood.

AT A GLANCE MANNING & COMPANY

- Director: Mike LeGassick
- Established in 1988
- Based in Ivybridge, Devon
- Services: Independent financial advice
- No. of employees: 27
- Favourable feedback on VouchedFor.com, "the TripAdvisor for financial advisers"
- manningandco.co.uk

This sentiment of financial education stretches to a different capacity, too. We need to look at getting younger people into our profession – driving education about the subject of money is so important in formative years, and even if it doesn't lead to creating the financial advisers of the future, it helps people to avoid making fundamental mistakes in early life.

Staying ahead of the curve

This financial year, we anticipate turnover to be around £3 million. We have been growing steadily over the past few years, and have been fortunate enough to take on new advisers at Manning & Company; the firm is a service provider for not just clients, but for advisers as well, and we have excelled in that regard. As a result, we have naturally attracted good people. We are renowned as being credible and trustworthy, and we want to maintain that standing.

This reputation is displayed best in the method by which we have historically grown: referral. People talk to each other, and when a lot of our business is local, a positive experience can go a long way. Satisfied existing customers either provide growth through word of mouth, or repeat business. On a larger scale, Manning & Company has generally favourable feedback on VouchedFor.com, a company which functions similarly to TripAdvisor, allowing users to rate and review professionals in the sector.

Saturated with legislative change

Companies speak to one another – there is a general feeling across the profession that there has been too much regulatory change in too short a period. As soon as you get your head around one fresh piece of legislation, there is another change to deal with, and a decision that was historically compliant can quickly become not so.

We have, as a nation, a huge savings gap. As financial advisers, we need to look at making that simpler, but the government does have a part to play; increasing the amount of paperwork and the number of checklists required for someone to simply invest in basic savings accounts does not help. Saving just £200 a month into a stock-based ISA can require around 80 pages of documentation for the client. Of course, we recognise the importance of compliance, but it can quickly become an overload of information. As a result, advisers have to focus first on ticking all the regulatory boxes ahead of just offering sound financial advice.

Finally, we have recently seen the emergence of point-of-sale suitability reports for investment and pension business. These reports ensure we have recorded what we have done, why we have done it, which product provider we have recommended and why we have recommended them. It's another important part of compliance, but scrutinising your own internal systems consumes time that could perhaps be better spent servicing and educating clients. Finding the correct balance should be a priority.

A good time for the profession

In spite of these issues, our future looks very positive. We want to start taking on younger people and bringing them through in the right way – our profession is woefully lacking in young blood. Independent financial advice is a difficult business to get into when you're younger due to how necessary experience is. As a historically male-dominated profession, we do also want to see more female advisers coming through.

Going forward, technology will have an increasing impact on how we deliver our advice; we do believe that automated advice will have its place, but it will also have its shortcomings. We are excited for what the future has to hold, but want to continue to provide the level and quality of service we are renowned for.

Manning & Company, independent financial advisers

> "We are excited for what the future has to hold, but we want to continue to provide the level and quality of service we are renowned for"

Robertson Baxter

Stephen Baxter, joint managing director

Greg Robertson and Stephen Baxter first worked together at HSBC in financial services 15 years ago. After gaining experience elsewhere, they subsequently launched Robertson Baxter Limited in 2007 as joint managing directors. Based in Huddersfield and employing 15 staff, they serve individuals, families, trustees and charities of high or ultra-high net worth in Yorkshire. The client is at the very heart of their business, and within the current legislative and regulatory environment they provide clients with their best efforts at all times. Rather than trying to change matters that cannot be changed, they instead focus their energy and resources into growing the business and advising clients; Stephen explains how they like to conduct business.

We are a financial planning firm; instead of offering limited advice to clients, we provide a holistic service. This covers pensions, investments, protection and, where appropriate, tax planning. We act as a family office service, looking at all of the pieces of the jigsaw before putting them together in the right order.

We endeavour to find the best solution for any given situation, which includes introducing professionals in disciplines such as the legal, accountancy, insurance and investment management sectors. We call this our "full circle approach", where our client relationships are built on integrity, trust and professionalism.

AT A GLANCE
ROBERTSON BAXTER

- Joint managing directors: Stephen Baxter and Greg Robertson
- Established in 2007
- Based in Yorkshire
- Services: Independent financial advice
- No. of employees: 15
- Average client funds under management £1.8 million
- www.robertsonbaxter.com

An unrelenting focus on client outcomes

For the last year, we've been working hard to enhance our team culture and values. We have undertaken this through a series of events on-site, off-site and socially to better understand our team. We now have a defined system of values that not only concentrate heavily on client outcomes, but also how we work together. This is monitored monthly, and the results of our "culture index" are valuable for management to assess how we're doing as a business.

In everything that we do, the client is always at the centre. We define that as often undertaking tasks that aren't as profitable because it's the right outcome for the client; this philosophy helps to maintain long-term trust with our clients.

Our business has grown significantly ahead of the expectations that Greg and I had back in 2007. We had a plan; for the first two years it was just to survive, then, grow sustainably and organically. We had bags of entrepreneurial naiveté, and that served us well, exploring every opportunity that the economic climate provided us during 2007 and 2008 as a new, dynamic firm. We were keen to disrupt the regional financial advisory market.

We now advise on a substantial amount of assets on behalf of high and ultra-high net worth families, institutions and charities, actively helping on their financial

planning journey. Word of mouth from satisfied influential individuals is our best source of clients, and we view channels such as social media as an extension of this, allowing us to reach a larger audience.

The message we communicate is that we are a family office with Yorkshire roots, traditions and values, which include honesty, integrity, transparency and value for money. It is this message that our influential clients take to their peers, who may not be served as well by the institutions or individuals that currently look after their affairs.

New endeavours

We have evolved significantly in the last 12 months, the rate of change over that period being faster than at any other point. The reputation we have earned means that we're able to negotiate harder, resulting in better solutions for our clients at even more competitive rates. We focus on value rather than price. Our responsibility to clients is to be at the forefront of new solutions, technology and investment management and to bring these to them during our regular reviews.

We are delighted to have purchased our own offices this year, more than doubling the amount of space that we had previously. This, after a two-month refurbishment, has provided a modern, professional environment for clients and colleagues alike. The investment put back into the firm, and the consultation with the team on how this should look emphasises the role they have to play in our future.

Recruitment and regulation

Some firms identify areas of legislation as challenges; we recognise them as opportunities. If all financial legislation stayed the same forever, our sector would look very different. Pension and tax legislation, along with the ever-changing political and economic climate, provide us with the opportunity to open further dialogue with our clients.

One particular challenge that we have faced in our 11 years would be the attraction and retention of top talent within the industry. Finding individuals who fit and are able to maintain the Robertson Baxter culture is not easy. We are demanding of our team; just good enough is not good enough, and we seek excellence in everything that we do because that is what our clients deserve. No one is perfect, and we accept that, but our team must be willing to learn, implement and evolve.

The average age of an independent financial adviser is 58 – within Robertson Baxter it is 43. We would like to see this reduced further with progression from our existing young team. We run two internal programmes: our IFA Academy and IFA Excellence Programme, both of which are designed to equip our future and existing advisers with the range of skills that they will require to effectively look after the needs of our diverse range of clients.

A professional, controlled future

While we consistently operate at the level of our clients' other professional advisers, our industry is still not viewed with the same respect as the legal or accountancy sectors. As a firm, we've worked hard to change the perception of financial advice, creating a really positive reputation along the way. Once the profession more generally begins to receive the same acclaim, it will start to appeal more to a younger generation.

For us, the future is controlled organic growth. The more clients we provide with a high level of service, the more benefit we will receive from word of mouth. A number of our clients are very influential in their fields and their recommendations carry weight. Social media allows us to extend the reach of our word of mouth, but what we want is to stop being one of Yorkshire's best-kept secrets, and raise our profile on both the regional and national stage.

> "We are a family office with Yorkshire roots, traditions and values, which include honesty, integrity, transparency and value for money"

DP's Financial Advice & Services


David Parkinson and David, senior partners

DP's Financial Advice & Services are a small professional independent advice company based in the Midlands with offices in Nuneaton and Solihull. First established in 1999, the senior partners are David Parkinson and David Parnell, who between them have over 58 years' expertise in financial advice. The company specialises in wealth management, which covers pensions, retirement planning, options, investments, equity release, long-term care, trusts and legacy planning. In what follows, Parkinson and Parnell describe their company and its practices.

Who we are and what we do

Before getting into the ins and outs of the company, it's worth giving some context to us – the people behind the company. David Parkinson is the defined benefits pensions specialist and advises on potential final salary pensions and is highly qualified in this area. David Parnell is the taxation and trusts specialist and advises on trusts and legacy planning. We're both partners and are fully qualified in investments, retirement planning and the wealth preservation area.

"Add value, save time and money" – this is our mantra at DP's Financial Advice & Services. If we cannot achieve at least one of these, there is no point using our services. This is not a gratuitous company slogan; it really does come down to these three points.

The success of DP's has been achieved by hard work and integrity shown from the outset. We have had numerous challenges since our inception and have adapted and evolved to meet numerous regulatory, legislation and provider product changes over the years – all against the background of fluctuations in financial markets.

Looking forward, the continuing challenge will be how to continue to provide a quality review to new and existing clients against a background of retrospective changes in compliance requirements, new tax policies and other legislation. Add the growing culture of assuming that services are free and one can see that life for independent and impartial professional financial advisers is interesting.

Since the Pension Schemes Act 2015, we have seen demand for our services increase by 50 per cent over the last two years. The challenge of meeting this huge increase in demand was to ensure that we maintain the highest levels of professionalism and customer service.

Overall, we see the Pension Schemes Act as a positive development, enabling consumers to take control of their own financial destiny into retirement. There is now no reason for consumers not to save for their own retirement with the additional incentive of, potentially, passing on the wealth they built up to their children and beyond.

We strongly welcome the implementation of auto-enrolment, which compels employers to offer the vast majority of employees access to a pension scheme along with contributions from both parties. To date, this would seem to have been

AT A GLANCE DP'S FINANCIAL ADVICE & SERVICES

- Senior partners: David Parkinson and David Parnell
- Established in 1999
- Based in Nuneaton, Warwickshire and Solihull, West Midlands
- Services: Independent financial advice
- No. of employees: 6
- Our aim: Add value, save time and money
- www.dps-ifa.co.uk

a successful roll-out with "opt out" rates far smaller than feared. It has created a culture of saving towards retirement, with a large number of employees choosing to contribute over and above the minimum compulsory contribution levels. The launch of "NEST" (the workplace pension set up by government) helped many small employers as, for many life offices, the contributions would have been below their minimum levels. However, we feel that the role of NEST needs to be clarified to ensure that it does not seek to become a financial adviser.

The legislative requirement for consumers to have to seek advice in connection with "small pots" of £30,000 or above is a sensible safeguard. Similarly, those within defined benefit schemes (which often contain valuable guarantees) need to proceed carefully to avoid costly errors.

This ensures that individuals receive advice on the best way for them to access their pensions in an efficient manner. This does mean that there is a cost to the consumer, but one that we believe is worthwhile – as the outcomes often lead to them being financially far better off. For those with smaller amounts, this requirement is often perceived as a cost to them that they should not have to pay. However, on the whole, by the end of the process they do see value in seeking independent and impartial advice and regard it as an investment in their future. The government did set up a system to allow consumers to use an amount of their pension fund to pay for/towards obtaining advice. This is not widely publicised, so not many are aware. With that said, a lot of providers' contracts will not facilitate this fee option. This perhaps needs to be revisited with something like a voucher system that's centrally funded.

The potential implications for those seeking to access pensions while remaining in work can be volatile, and are a real reason to seek financial advice. This is best displayed in the circumstance of tax-free cash via flexible access drawdown: it brings with it the unintended consequence of the "special allowance" investable into a pension becoming restricted to only £4,000 per annum.

For those looking to withdraw a large amount, there is also the "month one" taxation of benefit, which could lead to a large amount of what they thought they would get going to HMRC instead – although it is possible to claw this back in the future.

European legislation, MiFID II, has as its ideal transparency, and it's good in principle but becoming a challenge to administer. The intention of this legislation is sound; however, providers lack information or systems in place to help us comply, causing strains on time and resources. We believe this is causing information overload for clients and no actual benefit for consumers at present. Investment offices are now more transparent, and it will lead to a review of charges on funds, which could be a good thing for clients in the future.

GDPR is a much-needed revamp of protection of data, and recent high-level public cases in regards to cybersecurity have put in the spotlight the need for this. However, this again means we need new software or hardware to fulfil these obligations, which is another tension on time and resources.

Either MiFID II or GDPR would be enough at one time – they stand alone; but two projects for a small company to comply with in a relatively short period is very challenging, certainly time consuming and costly.

One thing that is certain: the public need face-to-face, personal service and advice more than ever. There is plenty of information (and misinformation) online, but nothing is better than dealing face to face with an adviser who takes the time to understand the client's needs and aspirations and offers impartial, unbiased and professional advice with integrity.

"One thing that is certain: the public need face-to-face, personal service and advice more than ever"

Perrett & Co.

Roger Perrett, managing director

Perrett & Co. is one of the leading firms of independent financial advisers in the East Midlands, offering a high-quality and competitive service proposition to private individuals and businesses. Roger Perrett, their managing director, elaborates.

It has been quite a journey

So many financial products reviewed, so many plans implemented, so many market ups and downs to navigate through. Seven different chancellors of the exchequer. So what have we learnt?

» Time has the greatest value. It is important to put in place effective planning to enjoy the journey, as well as planning for the future. Financial models do not guarantee longevity or the health to enjoy accumulated wealth.

» Always have a plan B. Various crises will come and go, funds will go down as well as up. "Plan B" is contingency planning that should enable you to remain invested for the longer term, if appropriate. The best returns are often experienced in the wake of a crisis.

» It is never too late to change direction. People often feel locked into the career path that they chose in their teenage years. Some of our most successful clients have completely changed track along the way. Don't be afraid to challenge the status quo. A good financial adviser should be able to help you with "blue sky thinking" and not simply be looking to sell you a product.

» It is essential to be on your guard. A healthy degree of scepticism is necessary. We have seen time and time again products coming on to the market that seem to offer it all: high returns for low, or no investment risk – often falling short of their claims. It is essential to read the small print and wise to seek a second opinion if things seem too good to be true.

What we do

» Holistic planning service – we help our clients to identify and achieve their financial objectives. We encourage them to take "time out" from an often-busy schedule to reflect on their needs and priorities for the longer term. Strategies are then proposed to help meet the objectives set.

» Portfolio review service – we offer a proactive investment review service that is transparent and accountable, with monthly reporting and recommendations for fund switching when deemed appropriate.

» Monitoring – most clients attend regular review meetings where fund performance is analysed and financial models are updated, to ensure that planning remains on track.

Industry challenges

We are keen to keep the level of charges down for customers, hopefully encouraging more people to seek the benefits of financial advice. Cost containment is therefore an ongoing challenge for us, with fixed costs continuing to rise well above the rate of inflation. We are concerned that these costs create a significant barrier of entry to the profession, stopping people from setting up practices, taking on premises and staff. The level of costs is also driving consolidation within the industry, and we see signs that this is not necessarily resulting in an improved offer to the end consumer.

AT A GLANCE PERRETT & CO.

» Founder and managing director: Roger Perrett
» Established in 1990
» Based in Loughborough, Leicestershire
» Services: Financial planning, pensions and retirement planning, full range of investments and savings, employee benefits, tax planning, estate planning, personal and corporate protection
» No. of employees: 12
» www.perrettandco.com

A request to policymakers

The recent pension reforms are encouraging people to save more for their retirement. The changes are very popular and we hope that there will be no reversal of the flexibility afforded.

From our viewpoint, a polarisation does seem to have taken place over the last decade, resulting in a concentration of wealth. We would welcome policies that seek to address this disparity and, in particular, policies that help to empower smaller businesses – the consequences of failure are often too great on the individuals concerned, and entrepreneurial vigour is too often stifled through a lack of access to capital.

The scale of the PPI misselling scandal was truly staggering, alongside many other examples where corporate greed has eroded public confidence in financial services. To help to restore confidence, we would welcome much stiffer penalties for those who are found to have abused positions of responsibility and trust.

A message to consumers

It is vital to read the documentation that is presented when recommendations are made. A lot of regulatory changes have been made in order to empower consumers and this documentation contains important information that you should be aware of. It is essential that your adviser answers any queries raised to your satisfaction, before you proceed. You must never feel too embarrassed to ask again if an explanation is unclear.

The loss of defined benefit pension schemes in the UK is a travesty. Most defined contribution schemes are a poor substitute, with responsibility passed on to the shoulders of people who have little understanding of the implications. It is essential to get on with retirement planning now – you simply cannot afford to leave it to another day.

We believe that total ongoing charges for a typical investor with over £100,000 to invest should be no more than 1.5 per cent per annum – this includes adviser fees, fund charges and any product fees. If you are paying more than this, it may be worth assessing the value that you are receiving and time to seek a second opinion.

Loughborough team

A rewarding career path

There seems to be a rising demand for good-quality independent financial advice from people who need help in dealing with increasingly complex financial markets and products. There are therefore excellent career opportunities. In the course of our work, we are fortunate to meet people from all walks of life, covering the wealth and the age spectrum. You get to know people very well over time and it can give huge job satisfaction to see the plans that you have put in place successfully come to fruition. It is a very rewarding career path, and one that bears a great deal of responsibility. We are constantly learning through the experiences of others.

> "Time has the greatest value. It is important to put in place effective planning to enjoy the journey, as well as planning for the future"

Our future

We believe that the future is bright. We have a terrific team in place at Perrett & Co., working together, sharing ideas and taking pride in our work. We will shortly be passing on the benefit of our knowledge and experience through the establishment of an Adviser Training School. The training will be available to people who wish to change career, as well as graduates. We are looking forward to getting this new initiative underway.

Perrett & Co. Financial Services Ltd is authorised and regulated by the Financial Conduct Authority. The Financial Conduct Authority does not regulate taxation and trust advice and some aspects of employee benefits.

» ARE WE DIFFERENT?

There are many excellent advisers in the marketplace. The level of professionalism in the industry has significantly improved over recent years. We strive to offer the best possible financial planning experience we can, always seeking to go "the extra mile". We have full-time investment professionals working in-house to constantly assess new products, fund performance and portfolio positioning. We aim to "earn our keep" in everything we do.

Franklin Underwood


Collin Franklin, owner and managing director

Collin Franklin founded his accountancy firm alone in 1992 when he was 26. It wasn't until around ten years later that Gary Underwood joined, and from then on, they became known as Franklin Underwood. Since then, they have grown from strength to strength every year, without exception. Twenty-six years on from those humble beginnings, they now employ 30 people at their purpose-built office in Derby. Their five partners lead a long-standing, tight-knit team of expert staff, many of whom have been with the company for two decades, as have many of their clients.

We are a general practice accountancy firm that covers a broad range of disciplines. While offering traditional accounts work with the highest calibre of service, we are also registered auditors and deal heavily with taxation compliance and advice. We believe that our being a small firm by no means inhibits or limits our ability to engage with large multinational corporations, and we have audited companies partially owned by massive players such as Procter & Gamble. We are additionally involved in a great deal of HMRC enquiry and investigative work; no matter which services you require from Franklin Underwood, our experience across several key business areas contributes to a real cross-discipline understanding that clients appreciate.

AT A GLANCE
FRANKLIN UNDERWOOD

- Owner, founder and managing director: Collin Franklin
- Established in 1992
- Based in Derby
- Services: General practice accountancy firm with cross-discipline expertise
- No. of employees: 30
- No. of partners: 5
- Turnover: £2 million – £2.5 million
- www.franklinunderwood.co.uk

Fostering quality across the board

This understanding really allows us to see the bigger picture with regards to companies. With larger firms who deal with a multitude of services, as we do, clients may find themselves speaking to an audit manager with a lessened understanding about tax issues, and vice versa. While it is by no means easy work, it is certainly rewarding – we sit somewhere between small and large firms, and deal with some clients turning over more than £80 million.

It helps that everyone at Franklin Underwood, not just the partners, all possess a great entrepreneurial spirit. They are creative, driven and passionate; mentoring and developing these values fosters an ideal culture for our company to continue growing. This does not mean that we require a monumental and exhaustive commitment from our staff, however; we believe firmly that you can work hard and be successful while still leaving the office at five o'clock every day. It's about working well with others, being smart and surrounding yourself with quality people.

Constant and steady growth

Our turnover this year will be between £2 million and £2.5 million. In stark contrast, in 1992, it was £60,000. This figure has increased consistently by around ten per cent year on year for the past 26 years; and now our clientele includes a large group from the professional sector, such as lawyers, architects, surveyors, veterinarians and dentists.

For over 20 years now, we have seen this list increase through one principal method: referrals. Our unique cross-discipline understanding makes people want to continue dealing with us; due to this technical depth of knowledge throughout the team, we are always able to provide a meaningful answer for any enquiries clients may have.

Work with HMRC and Making Tax Digital

We are always involved with varied tax cases with HMRC, which has obviously led to an integral and rewarding relationship with them. We deal primarily with compliance, HMRC business and tax return enquiries and dispute resolution. They are a powerful body and, as government legislation is tightening regarding avoidance and evasion, we have seen a monumental change in attitude and business culture regarding the importance of paying the right amount of tax.

While we wholeheartedly agree with this philosophy, much of the new legislation designed to deliver this government policy in this regard has given HMRC a significant amount of newfound power and, in an attempt to be effective, has been often drafted across a broad area. As a consequence, we are beginning to experience an increasing number of examples where taxpayers are being challenged by HMRC, armed with new legislation, in circumstances which were clearly not intended by parliament. These new tax policies have been applied, in considerable number, where there is definitively no taxpayer "mischief". Business owners can consequently and understandably become disillusioned when receiving huge tax demands as a result of legislation that is not actually designed to target them.

The concern is that, in the long run, such practices may well be counterproductive given that we are all striving in the same economy. The government's Making Tax Digital initiative will inevitably be the next landmark in UK taxation. We agree with it, in principle.

Surround yourself with quality people

We have always had challenges through whatever success we have seen with regards to capacity and delivery. The most important things to take away from these, the real lessons learned, are the simple ones; usually, the core of the issue or challenge is not something inherently technical. At the heart of these issues is always something we feel very passionate about at Franklin Underwood: surrounding yourself with quality people.

There have been years where we have grown massively and found that recruiting these quality people is difficult. There is a real shortage of these individuals who are also suited to what we do, but the process always starts with recruitment, induction and mentoring. With the right team, everyone can find that the working environment does not necessarily have to be stressful. With the right resources, a team like this, a team like ours, can thrive – and as such, we have seen phenomenal staff retention over the past 25 years.

Looking forward, we want to carry on developing and growing. We are currently led by five partners, all of whom are sure this number will increase at some point in the future. A massive personal objective of mine is mentoring the right people to take the business forward, and enabling them to utilise the appropriate higher-level technical skills. We are starting to think seriously about the next generation of staff at Franklin Underwood. It's about the aggregate ability of the company, rather than the group of individuals – you have to look beyond just being one person, and beyond your own individual limitations, with a view to becoming an even more developed and high-quality team.

"A massive personal objective of mine is mentoring the right people to take the business forward, and enabling them to utilise the appropriate higher-level technical skills"

RJB Financial Services


Mark Nind, managing director

Mark Nind bought out the firm that became RJB Financial Services in 2006 when its original owner moved towards retirement. They are now a team of four: Mark himself, as the adviser, along with director and part owner Sally, an administrator, and a secretary. Based in Boston, they provide around two hundred clients across the Lincolnshire area with advice, mainly concerning retirement planning. The majority of their clients are individuals, with a handful of small business owners. They aim to remain honest, loyal and specialised across all they do. Through yearly meetings they maintain a baseline of contact, but ensure that, when required, they are there for their clients.

We offer independent financial advice to individuals and small businesses in our local area. While we will provide advice across numerous different areas, the majority of our work does come under the umbrella of retirement planning. We focus on pensions alongside investments and inheritance tax planning – often, all three fields overlap.

Our priorities

We're honest, first and foremost, and ensure that we collaborate and partner with each of our clients to ensure they get the best advice. The supervision from the Financial Conduct Authority (FCA) does mean there is a lot of legislation concerning the fair treatment of customers. We often find that a lot of what we do and the values we adhere to dovetail quite nicely with FCA legislation.

As a lot of our clients have been with us since the beginning, we like to be loyal to them, and we appreciate and value their patronage in return. Finally, we have historically supported local charities and want to consistently remain environmentally sustainable. We want to be active in our community.

Growing naturally

Our turnover has gone up year on year, as has our profitability, but we have focused on making all growth organic. As the industry has evolved, we have too. The profession has changed considerably with new legislation and we have had to adapt. While many advisers and firms seem to have struggled to cope with some of it, because of our size, we have historically remained agile and coped.

A change in emphasis from initial to ongoing fees has come about as the business has evolved, and trends have changed. We look after clients for the entirety of their journey with us, but we feel that while this may limit scope for new clients, it rewards both our loyalty and our customers. Further growth and expansion might be feasible, but that means taking on more staff, which can pose its own problems.

AT A GLANCE
RJB FINANCIAL SERVICES

- Managing director: Mark Nind
- Incorporated in 2001
- Based in Swineshead, Boston, Lincolnshire
- Services: Retirement planning, investments, tax planning and protection against the financial impact of death or ill health
- No. of employees: 4
- www.rjbfinance.co.uk

Managing with what we've already got and maintaining our current standing is a realistic, rewarding place to be.

Regulatory ups and downs

We have recently become directly authorised by the FCA, rather than being an appointed representative. This has generated an extra workload in getting used to the new requirements. Instead of relying on due diligence from others, we have to do a lot more ourselves. On the upside, however, we now have a direct relationship with the FCA, which has its own benefits and drawbacks. A clearer, more open dialogue is useful, but it comes at the cost of more work. It's a far less prescriptive way of doing things with the emphasis being on principle-based regulation.

GDPR, however, is, by definition, an extra workload. Clients don't pay extra for it, and it takes up more time that we could otherwise spend with clients. It may be well-intentioned. There isn't any perceived benefit for most clients, or, at least, a very minimal benefit. It just provides us with further administrative duties in the short term.

Difficult terrain

New FCA directives and discussion documents are always an issue. I can't imagine a time when they turn around and say that they've got too many staff and regulation, and start cutting back – we're always more likely to get more than less. It keeps you on your toes. Government policy is the same; for instance, if inheritance tax suddenly vanishes – an extreme example – there would be no inheritance tax planning, and we would lose a massive chunk of our business. Changes in legislation are always a challenge.

Another real issue is education. A lack of it can mean people take the burden on themselves and refuse to go to advisers or accountants. Quite often, they make mistakes that could be fixed easily just by speaking to somebody. For example, with freedom of pensions, this can be a real danger. People occasionally need protection from themselves – in the case of gamblers or addicts, short-term decisions can detrimentally affect long-term logic. We will advise and advise and advise, but sometimes, people will just make those decisions anyway when they're desperate.

The Boston Stump

Finally, we are starting to see the effect of extended retirement age. People are living longer, but not getting any healthier – when they retire at 65, without access to a state pension or the ability to work, they can't bridge the gap. Without plans or savings it's difficult. Of course, there's a reason behind it, and we recognise that the state pension is an expensive facility to maintain, but more and more people are working beyond age 65 than ever before.

The future of the business is unknown at this stage. It's difficult with a lifestyle business to sell it or pass it on. Naturally, we have become incredibly protective of our clients, as we believe we know how to deal with them. It's not whether or not they need you as much as it is whether or not you need the clients; but at the moment, the future is uncertain. We want to wait and see, and keep doing what we're doing – it's profitable and it's rewarding.

"Managing with what we've already got and maintaining our current standing is a realistic, rewarding place to be"

County Financial Ltd

Andrew Hounsell, managing director

From the moment County Financial Ltd was established over 30 years ago in Beaconsfield, Buckinghamshire, their fundamental aim was to make clear the purpose of money. They recognised that money without a purpose has no value. This idea of "making sense of money" started with Peter Green, the founder of County Financial. Peter, a committed Christian, sought to establish a business that put people in control of their money, rather than the other way around. This ethos developed further as the business grew, with County Financial wanting to make a real difference not only to their clients' lives, but also for the most underprivileged and marginalised people in the world. His business partner and County Financial's managing director, Andrew Hounsell, expands here.

As a result of this philosophy, we now have a financial planning firm which we believe stands in stark contrast to businesses which do little more than advising clients on what products to buy. We aspire to make a profound difference to our clients' lives; this means investing a disproportionate amount of time discussing the specific and heartfelt aspirations and goals of clients. We make it clear that we are not in the business of making as much money as we can for our clients, but rather helping them to understand and recognise that it isn't how much money they have, but what they can do with it that matters.

History and context

When I joined County Financial in 2013, I was immediately struck by the incredible ethos of the business and its potential to impact many lives. Our work, after all, either contributes to, or detracts from, making the world a better place. I worked alongside Peter for a couple of years preparing to become the company's managing director in July 2015.

Once the baton was passed to me, I embraced an opportunity to expand and develop the culture of the business further. I started with some internal changes, moving towards a slightly different culture in the business; I insisted that everyone at County was referred to as a team, rather than simply as staff. I feel that it is my responsibility to release the full potential within each team member to develop and grow; Peter and I share the same faith and both believe that God is as interested in the financial markets as He is creation.

Ethical specialism

As financial planners, it is our belief that specialist services should be outsourced as far as possible to qualified professionals. For investment purposes, we favour the expertise of discretionary investment managers. Their activities include selecting stocks and shares and funds from across the market, which includes ethical funds if they fall in line with clients' preferences. We, however, believe that it is the purpose of the investment that can really make a difference to people's lives.

AT A GLANCE COUNTY FINANCIAL LTD

- Managing director: Andrew Hounsell
- Established in 1985
- Based in Beaconsfield, Buckinghamshire
- Services: Financial planning
- No. of employees: 10
- 250 planning clients
- Guided by Christian and biblical principles
- county.org.uk

With this in mind, we established County Trust, aiming to commit a significant proportion of our profits every year to the charitable arm of the business. In turn, the funds within the Trust would provide financial support for projects that were specifically aimed at providing relief, value and dignity to those who were economically, socially and institutionally poor and oppressed.

Last year, we gave away over 55 per cent of County Financial's net profits to the County Trust. These funds were used to support a variety of projects, including a UK education charity which has an intervention programme to prevent teenagers being excluded from school, the funding of a development project in a remote village in Burundi and corrective orthopaedic surgery for 96 children in Kenya.

Driving excellence

An example of a subtle but powerful initiative that has cultivated our team culture has been the introduction of monthly lunches, where I invite the whole team to my home and we informally discuss any changes they think may benefit the business. Honest feedback from everyone is highly valued, even if this proves to be challenging at times. As part of our team meetings, we regularly review and discuss our statement of purpose and values, as I want everyone to recognise they are central to our DNA.

I often remind the team that we are to strive for excellence in all that we do. I believe that the difference between good and excellent needs to be worked at constantly across every level of the business.

This has included a commitment to administrative excellence. I have reviewed and updated processes and overseen an overhaul of our client management software. The considerable time and resources we invest in cloud-based technology have been essential to improving efficiencies, and an optional system of home-based working provides a more productive and sustainable working week for whoever requires it.

County Trust-funds development project in Burundi

Continual aspiration

We also run a monthly blog entitled Health plus Wealth for our clients. This provides a new dimension as we focus on lifestyle and wellbeing rather than just financial updates. We see clients as people with needs and fears, hopes and aspirations. I want to demonstrate that we are interested in their whole lives, not just the money they have to invest.

I want County Financial to become a beacon of light in our industry. I believe that we can do this by continuing our activities as a God-honouring financial planning business. We have seen our funds under management increase to £200 million by focusing on what we can give, rather than what we can earn. This applies to each member of our team, every client that comes through our doors and even the local area in which we work. Once a year, I encourage the team to get involved in a community project; last year, we had great fun helping One Can Trust with a food drive for Wycombe Food Bank, to boost diminishing supplies of specific items so these could be distributed to those who are in crisis.

Considering the evolution of the business over time, I'm proud to be part of a team that wants to be an exemplar of best practice, modelling the highest standards of ethics and excellence. It has been equally rewarding to see an increase in profitability over the past five years and the annual contribution made to the charitable trust grow by 50 per cent. I will continue to challenge myself, my team and my clients to believe that money without a purpose has no value.

> "We have seen our funds under management increase to £200 million by focusing on what we can give, rather than what we can earn"

Fundworks

Directors David Hall, Paul Bailey and Gordon McNeil

Fundworks were founded in Sheffield in 1992, and provide a full range of financial planning services. The business prides itself on building long-term relationships based on trust, expertise and tried-and-tested service standards. It has, over the past 26 years, grown from strength to strength, with a substantial and loyal client base. They manage with excellence and great care assets which are altogether worth around £80 million, and their directors, Paul Bailey, David Hall and Gordon McNeil, explain here precisely how Fundworks achieves this.

Our clients

Our clients are typically between their early 40s and their late 80s. This is a broad range of people, all of whom have different priorities, and a variety of financial goals. These span from managing investments to creating portfolios from newly inherited wealth, or looking ahead to a time when they can make decisions regarding retirement. There are, naturally, also those clients who are planning the protection of their assets for their family from, for instance, inheritance taxes, as they move into later life.

Every client is different, and that really is vital to the way we operate. Planning and arranging personalised investment and pension portfolios to meet individual needs is an integral part of forging successful relationships.

A hands-on approach

Personal contact with our clients, between our four advisers and our highly skilled back office team, remains the core value on which we have built the business. We pride ourselves on offering clients a variety of ways to interact with the business: face-to-face meetings with nationwide coverage, or through quality online access and mobile technology.

Building wealth

The assets clients entrust us with are central to their financial security and quality of life. We have thus established a risk-based approach to investing; diversification is at the heart of all our planning, as we believe this is essential when constructing an investment portfolio. All clients engage with the processes we have in place, and accept that complete honesty will allow us to gather the most important information about their future plans; this helps us to develop a portfolio that best suits them.

We also have an array of tax-efficient investment wrappers to place their money. With the annual ISA allowance now at £20,000 and the availability of investment bonds, both on and offshore, clients can feel comfortable that their investments are in the right place with their personal tax situation catered for. If they want to diversify further, we also have a longstanding relationship with one of the UK's largest individual portfolio managers who can build something appropriate to clients' needs.

AT A GLANCE FUNDWORKS

- Directors: David Hall, Paul Bailey and Gordon McNeil
- Established in 1992
- Based in Sheffield
- Services: Independent financial advice, specialising in all aspects of pension planning, estate and inheritance planning, investing for growth or income, and life protection contracts
- No. of employees: 6
- Authorised and regulated by the Financial Conduct Authority
- www.fundworks.net

Ageing population

The UK population is ageing, with projections that up to 15 per cent of the population will be over 75 by 2040. These are the people in their 50s now; as a result, we have seen retirement planning become a major focus within our sector.

The government have already taken action by increasing the state pension age to 68, and we have no doubt that a state pension age of 70 will soon be the norm for many younger people. Pension freedom arrived under government legislation in 2015, and has opened up a world of high-quality pension planning and advice to many thousands of people. Most people in their 50s are now more focused on the bigger picture, looking to ensure adequate income for retirement. No longer is the pension you have tied up with an insurance company, with the only access to a lump sum being the initial tax-free cash; one can now start planning to use the fund to suit one's own circumstances.

The questions

- How and when can I access my pension plans, and in what format can I take the money?
- How much have I saved, and is it enough to meet my needs?
- Is the pension plan I have the right one for me?
- Can I have lump sums and higher income while I'm young enough to enjoy it?

These are complex financial questions that require quality advice. Without it, people may find themselves in the wrong type of scheme for their particular circumstances. The biggest area of growth we have identified has been the deferred membership of defined benefit schemes, often known as final salary schemes, where clients seek advice on how they can benefit from the pension freedoms.

Although they do not have the benefit of the new freedoms, there are underlying guarantees which can be invaluable when security and risk-free planning is needed. Transfers out of these schemes are still available for those clients wishing to take advantage of pension freedoms.

Many employers who still operate final salary schemes find them to be an enormous burden, and have offered increased transfer values to tempt and persuade members to transfer out. As a business, we provide detailed analysis of all the options available and provide recommendations based on each individual case.

Brexit and the USA

After many years of steady market growth since the 2008 financial crisis, we have recently seen some market volatility, mainly down to uncertainty. The USA have entered into a period of challenge in world trade markets, and discussion of trade tariffs have upset these markets. The other unknown for us here in the UK is Brexit, and a lack of knowledge with regards to how any trade deal will affect British business.

All clients understand from our first meeting that we are not investing short term. In recent years, the best time to invest was 2009, just after the financial crisis, as this provided an average 110 per cent return by 2017. If you had invested in 2006, however, the road may have been rougher, but you would have still doubled your money. As the adage goes, it's time in the market, rather than timing the market, which creates wealth.

> "Every client is different, and that really is vital to the way we operate. Planning and arranging personalised investment and pension portfolios to meet individual needs is an integral part of forging successful relationships"

» RETIREMENT PLANNING IS ABOUT TIME AND MONEY

None of us know how long we will live; managing your wealth through retirement is thus a challenge. Many of those newly retired tend to cut back on lifestyle expenditure and keep their capital for a rainy day. This is, however, the time when you can still enjoy good health, and should ergo want to spend more of your income and capital.

Managing that process requires good planning, and we use expertise and knowledge built up over many years to assist our clients in reaching the right balance. Clients' risk approach will naturally change as they no longer earn money to replace the expenditure and we will adapt portfolios accordingly. Good planning helps to maintain the lifestyle a client wants to live.

Garside & Co LLP

Stephen Garside,
FCA BSc FRSA

The advent of Brexit, though seen by some as a challenge, is considered by others as an opportunity. Stephen Garside, founder of Garside & Co LLP, a boutique West End accountancy firm, aims to facilitate discourse between UK professional services and international groups. Here he discusses the positive impact of Brexit for UK business interests, the future of UK trade in general and the place Garside & Co will hold in this new chapter of the world economy. The motto is to not let big issues pass without taking advantage of generating all the changes possible.

I established Garside & Co LLP over 30 years ago and have provided personalised professional accountancy services for our clientele ever since. Our long-serving staff of eight tend to the needs of high net worth individuals and international groups with UK holdings, facilitating discourse between foreign interests and the expert provisions of UK-based banks and legal structures.

Ours is a boutique independent practice whose mainstream work involves accounts, audits and taxation. Garside & Co works primarily for those who wish to invest in the UK; these are non-domiciled individuals or businesses who wish to benefit from the excellent standards of service provided by UK professionals. People gravitate towards London not only because it is a good place to settle and live, but because it is an international hub for business. In the realms of communications, law, banking and the professional help on offer, London is unrivalled. For this reason, many groups across the world desire a UK holding company for their international assets. This allows access to the double tax treaties to optimise their business.

Garside & Co operate on behalf of these international groups and assist in the establishment of such companies. All big global contracts, even those prepared in rival business hubs such as Dubai, are drawn up under UK law using UK lawyers and the provision of UK courts. The UK judicial and banking systems are invariably selected for international businesses because they are widely respected and proven to work well. We establish a structure in the UK for international groups and facilitate strategic introductions to other professional firms, providing UK-quality expertise for international organisations, providing subsidiaries with UK-based business holdings and access to trustworthy facilities such as bank lending, lines of credit and all additional "trading documents".

The structures we establish consider political protection for our clients. If a foreign government were to interfere with or expropriate one of our client businesses, they would be interfering with a UK company. If such an incident were to occur Garside & Co can contact the Foreign Office and receive embassy support – thus the security of the UK legal system is provided for foreign business owners.

AT A GLANCE
GARSIDE & CO LLP

- Founder: Stephen Garside FCA BSc FRSA
- Established in 1987
- Based in the West End, Central London
- Services: Independent accountancy firm, providing personalised and professional services for an international clientele
- No. of staff; 8 long-serving individuals
- Clients include interests in Russia, Ukraine, Italy, France and Cameroon
- Registered to carry out audit work by the Institute of Chartered Accountants in England and Wales
- www.garsideaccountants.co.uk

Our clientele

Garside & Co is well situated to tend to the needs of international clients, not only due to its connections throughout the legal, financial and political sectors of London, but its geographical location in the West End, just off Regent Street, physically places it in a good location for international clients who can fly in from abroad, meet with our staff for consultation and depart the country within the same day.

Our clients are seeking an approachable service that will treat their needs with competency and confidentiality. Garside & Co have a moral ethos based in Christian ethics, and as such we treat our clients' needs and wishes with the utmost security and respect. We further ensure our service is personally tailored to the requirements of the individual client. Much like a Savile Row suit we do not use a "one size fits all" template taken "off the rack", but instead tend to each client independently, catering to the service-sensitive clientele, and believe that the quality of our service transcends the importance of price – and our clients, many of whom have been working with us on a long-term basis, agree.

Brexit and beyond

Garside & Co understand the singularity of Brexit to be a positive opportunity for both the UK and trade on an international scale. Brexit is a sign that the UK can become increasingly open for global business. Though it will be difficult transitioning from the comfortable complacency of the European Union, the move will ultimately be in our best economic interests. On a global perspective, Europe is declining as a hub of economic growth, becoming increasingly tangled in internal politicking and stifled by rules and regulations. It is in the best interests of the UK to move away from this region and towards regions where the growth of future world markets will occur. For the next few decades, maybe even the next century, these areas will be in China, Middle East, India, Africa and Latin America. These are the areas that will be embodying a dynamic, business-focused approach towards international relations.

The UK is a hub of scientific development, higher education, dynamic start-ups, businesses and individuals, all of whom will benefit from the freedom to access world markets. Though there has been product standardisation in Europe ensuring the quality of goods and services, the long-term decline of the European Union through inward-looking political debates about integration at the expense of trade will ultimately prove disastrous for them. The UK has been wise to get out while it still could, with its integrity and professionalism intact.

The advent of Brexit means the UK is now freed to focus on the entire world. We currently encounter issues in our day-to-day operation and management of clients stemming from an overly complex tax system and an overly regulated business environment. In the fullness of time, being out of the European Union will give us the freedom to review and replace these outstanding issues. At Garside & Co we aspire to grow our business, take on more staff and partners and secure more long-term future contracts. In the aftermath of Brexit, we will remain functioning and focused, expand our already global emphasis and deepen our engagement with international individuals and companies. The message from the UK and Garside & Co to the world, in these new and exciting times, is this: we are open for business.

Centrally located for international businesses

> "Brexit is a sign that the UK can become increasingly open for global business"

Keyte Chartered Financial Planners

Dr Robin Keyte

Keyte Chartered Financial Planners aim to demonstrate through their practice that financial advisers operating at Chartered level can make a valuable contribution to the Financial Advice Market Review (FAMR) by helping to bridge the advice gap. Their family-owned business delivers a modern, client-focused financial planning service at a highly competitive cost to a growing, nationwide customer base that are approaching retirement or already retired.

Culture

We are a longstanding, fee-based firm, which is something unusual for financial services. Our team is a mixture of experienced practitioners and graduates that we have trained in-house. We pride ourselves on deliberately avoiding a sales-based culture, and on placing clients at the heart of our business, while ensuring we are paid fairly for our work in a timely and profitable manner. Our biggest challenge is finding the right staff with values which suit this philosophy.

Client focus

Evidence of our client focus includes our taking personal values into consideration, and looking at a wider range of solutions, rather than just retail financial products. These important additions are incorporated into our standard service.

On the matter of personal values, all clients are invited to complete a one-page form. This notes their view on the exclusion of industries such as tobacco and armaments, the inclusion of companies who exercise, for example, positive environmental and social policy and responsible share ownership, whereby the fund manager exercises shareholder voting rights on environmental, social and governance issues.

Examples of our non-product solutions that are often considered include voluntary national insurance contributions, which maximise state pension entitlement, buying Additional Pension where it is available through government-funded pension schemes and considering the reduction of debt before recommending investment. Another example of our client focus is not using contingent charging for pension transfer cases.

Financial planning

Our financial planning service meets the standards set by the Chartered Financial Planner and Certified Financial Planner qualifications and ISO 22222 (requirements for personal financial planners). We use a goals-based approach, helping clients work out what they want to do with their money and how best to achieve it. Our ongoing service then monitors progress towards the goals and helps to identify new goals that arise.

We have won multiple awards for the high quality of our service, including FT Money Management Financial Planner of the Year in 2014. One individual client has remarked: "your initial work and advice thereafter has made a real difference to our lives and our future security".

AT A GLANCE KEYTE CHARTERED FINANCIAL PLANNERS

- Director: Dr Robin Keyte
- Established in 1988
- Based in Taunton, Somerset
- Services: Independent financial advice
- No. of employees: Ten staff including five advisers
- Assets under advice: £200 million
- Developed a remote-access fee-based service – the Well Money Clinic
- www.keyte.co
  www.wellmoneyclinic.com

Competitive cost

We record time as part of our persistent cost focus. The resulting management information has helped our service to evolve. In contrast to the traditional industry approach we give clients initial fee quotes, invite clients to complete their own client questionnaire and hold meetings either at our office or remotely by video conference or telephone. Above all else, we focus on delivering excellent service rather than product sales.

The cost savings we achieve allow us to make the service more affordable and also help us to attract and retain wealthier clients as we demonstrably offer greater value.

Future cost savings

We are aiming for further cost savings this year through the reduction in postal costs, in favour of secure messaging and online transfer of files, automated client valuations and the use of a secure, online client questionnaire which satisfies the new General Data Protection Regulation (GDPR) requirements.

We continue to look for opportunities to reduce costs now that the Markets in Financial Instruments Directive II (MiFID II) regulations are helping consumers to better understand all of the investment, product and advice costs associated with their arrangements.

Impact on the industry

Our impact on the industry over a number of years has been in two key areas: the personal values of clients and delivering a high-quality affordable fee-based service.

With regard to the first, we encourage the industry to consider the personal values of a client during the advice process and have assisted with drafting ISO 22222 and the syllabus for financial adviser exams. We ensured that, in both cases, "ethical investment" was included. Beyond that, we have represented the social investment sector on the Financial Conduct Authority (FCA) and Smaller Business Practitioner Panel (SBPP) since January 2013. Finally, I have served for three years as a board member for the UK Sustainable Investment and Finance Association (UKSIF) and as chair of the Ethical Investment Association.

On the matter of the second, the regulator's Retail Distribution Review (RDR) came into effect on December 31, 2012. It abolished commission-based investment advice, which led to an improvement in the standards of financial advice, but with the consequence of increasing the average cost of advice, thus disenfranchising a large proportion of the UK population and creating the advice gap. This is why we have committed to changing the industry and ensuring high-quality affordable fee-based service.

The Financial Services Authority (FSA) announced the RDR in a consultation paper in June 2009. As we could see that it might lead to an advice gap, we designed an affordable fee-based service to be delivered remotely, called Well Money Clinic, launched in 2009.

Our experience with Well Money Clinic has led to:

- The development of our initial fee quoting process that has allowed potential new clients to compare our fee charges with other firms, generating price competition on financial advice fees
- Substantial increase in our client numbers and average growth in turnover since 2012 of around 14 per cent per annum
- Invitation to serve on the joint HM Treasury/FCA FAMR Expert Panel and its successor, the Financial Advice Working Group.

Looking ahead, we will continue to strive to develop our service through account aggregation via open banking, the pensions dashboard, related investment dashboards and increased digitalisation of our service.

Keyte Chartered Financial Planners' office in Taunton

> "We have committed to changing the industry and ensuring high-quality fee-based service"

Leavitt Walmsley Associates Ltd

Steve Collings,
audit and technical director

LWA is an award-winning firm of accountants and has been providing a value-added accountancy and business advisory service for over 20 years. Headed by directors Les Leavitt and Steve Collings, the firm has a team of hard-working and friendly accountants in its Manchester and Warrington offices serving clients all over the UK. Steve discusses the changing landscape of accountancy, the changes to tax in the UK and the future of the firm.

We work with a diverse range of businesses of all sizes across the country including manufacturing companies, solicitors and academy schools. As well as the author of over 20 books and a nationwide lecturer, I, the firm's technical director, am a member of the UK Generally Accepted Accounting Practice Technical Advisory Group at the Financial Reporting Council, who are the UK's accountancy and auditing regulator. We thus understand the importance of reliable and correct financial information; these are traits which have won us awards for achieving high standards across the accountancy profession and high levels of praise from external quality assurance reviewers. This reaffirms our belief that you do not have to be a national firm to carry out certain types of work for clients, particularly when it comes to specialist assignments such as academy schools.

Changing landscape of accountancy

The world of accountancy is going through a period of change at present with the introduction of FRS 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The new accounting framework came into effect for accounting periods starting on or after 1 January 2015 for companies and groups classed as medium-sized and large in the eyes of the Companies Act 2006. The transition has proved to be a challenge for many companies; not only in effecting the transition, but also for finance staff and their advisers in understanding the detailed requirements of the framework which, in turn, meant additional costs were incurred.

Businesses classed as small under the Companies Act 2006 were required to move to FRS 102 for accounting periods commencing on or after 1 January 2016. The transition for smaller companies has, again, proved to be a challenge in many respects, although from 2017 it is expected that this period of turbulence will begin to settle.

LWA works with training providers and presents accounting and audit update courses for accountants to keep them up to date with developments in the profession; this is where valuable feedback is received. An overwhelming number of accountants expressed concern about the impact the new rules would have on their firms and on their staff, questioning the cost of implementation over the benefits they, and their clients, would receive. Since the transitions to the new framework started in 2016 and 2017, most of these concerns have been alleviated as accountants have developed a better understanding of the framework.

AT A GLANCE
LEAVITT WALMSLEY ASSOCIATES

- Directors: Steve Collings and Les Leavitt
- Established in 1985
- Based in Sale, Greater Manchester, and Warrington, Cheshire
- Services: A full spectrum of accountancy and tax services
- No. of employees: 15
- Winners of British Accountancy Awards and Outstanding Contribution to Accountancy
- www.lwaltd.com

LWA started to plan for these changes in 2014 in recognition of the fact that they were cited as being "… the most significant change in accountancy for a generation". We also worked with our software provider, IRIS, one of the country's leading provider of accounts production software, throughout 2016 to ensure their software reflected the new rules correctly. We also produced various online products with IRIS to help practitioners using the software to better understand how the software handles the move across to the new rules.

Of course, times change, business evolves and it follows, therefore, that the accountancy profession has to adapt accordingly. In 2017, the Financial Reporting Council (FRC) announced changes to the framework, the majority of which will come into effect for accounting periods commencing on or after 1 January 2019. While these revisions are largely editorial and clarification issues, it is crucial that accountants keep abreast of such changes to ensure that the standard of financial reporting in the UK and Republic of Ireland remains high.

It is now important that the accountancy profession has a period of stability as frequent changes to the rules are both unhelpful and costly to practitioners and businesses. The FRC have confirmed that significant changes to accounting standards issued by the International Accounting Standards Board will not yet be reflected in FRS 102. However, listed companies (e.g. FTSE 100 companies) must adopt IFRS 15, *Revenue from Contracts with Customers* for periods starting 1 January 2018 and IFRS 16, *Leases* for periods starting 1 January 2019. The 2014 version of IFRS 9 *Financial Instruments* must be adopted for periods starting 1 January 2018. LWA welcomes the fact that these significant new standards will not be reflected in FRS 102 for the foreseeable future.

Tax

Tax continues to be one of the most complex areas of business. LWA has a dedicated tax department which deals with all forms of tax for its client base. Where complex tax issues arise, such as in a complicated capital gains tax transaction or a specific tax issues in a business sale, LWA utilises the services of a number of highly regarded tax professionals to help ensure the client pays the correct amount of tax and takes advantage of all relevant tax reliefs available in the transaction.

The subject of Making Tax Digital (MTD) is one of the most topical issues in the accountancy and tax professions at present. In the March 2015 budget, plans were announced to abolish the annual self-assessment tax return and introduce MTD, which will involve a new quarterly filing regime for businesses and landlords. MTD has received widespread criticism from the accountancy and tax professions due largely to the costs businesses at the smaller end of the scale will incur and the original and ambitious timescale for implementation (which has now been delayed).

LWA continues to keep abreast of developments in this important area as MTD will eventually affect the vast majority of businesses of all sizes in the UK.

Going ahead

Staying ahead of the competition and developments in tax and accountancy is a daily challenge. Embracing that challenge and becoming more innovative in the way that both LWA and our clients work is a key driver to both our and our clients' success. In the accountancy and tax professions, 2018 will be challenging, but LWA is equipped with the skill and technical expertise to overcome those challenges.

LWA has a team of hard-working and friendly accountants serving clients all over the UK

> "Of course, times change, business evolves and it follows, therefore, that the accountancy profession has to adapt accordingly"

Midland Independent Financial Services


John Webb, founder and managing director

Midland Independent Financial Services Limited, who now predominantly cover pensions and investments, operated originally alongside Midland IFA, who specialised in mortgage advice. In 2008, the two companies were amalgamated and they are now based in Cannock, Staffordshire, where they employ 11 staff. The company has organically grown since the fusion of the two, and founder and managing director, John Webb, discusses the processes and practices which have been integral to their success.

We now focus on pensions, investments, mortgages and protection. Our business, formed originally in 1994, was built on mortgages. Over time, I gained chartered status and became a fellow of the PFS. Our business however is now generated predominantly from advice and services rendered concerning pensions. We have over the last few years advised on a considerable number of occupational pension transfers; we are actively involved in final salary transfers – also known as defined benefit pensions – and our philosophy has always been to put ourselves with our knowledge in our clients' shoes and think about what we would do.

The best advice and the best deal

We remain honest with all clients throughout any dealings with them. For a lot of them, I personally see myself as something of a life coach – a lot of clients come to me asking about, for instance, a new job they've been offered. It's not all about the money – it's about providing a client with the means to enjoy life and we strive to help them do so. Many clients who have spent their lives accumulating wealth find it difficult to spend; when they retire, we can help them to "break the mould" and enjoy life.

We endeavour to educate people and enhance their lifestyles by helping them to look after tomorrow while enabling them to live for today. A client I was recently introduced to came to me asking about rearranging her finances as, following a divorce, she suffered serious financial difficulties. I spent some time advising her on how to plan for the future. We did not charge her for this advice; I know that, in the future, when she is in a position to pay for our services, she will. Without our clients, we have no business, so it makes sense that everything we do is for their betterment and their benefit.

We often say that you should always treat others as you wish to be treated yourself, but do it first. Everything focuses on our clients at Midland Independent – with no exception.

Growing to accommodate

During the 2017/18 financial year, our turnover was £1.24 million. Around five years ago that figure was comparatively £405,000. When we became chartered in 2014, our client base began to grow and thus did the networks they could then offer. Most

AT A GLANCE MIDLAND INDEPENDENT FINANCIAL SERVICES

- Founder and managing director: John Webb
- Established in 1994
- Based in Cannock, Staffordshire
- Services: Financial advice, mainly regarding pensions and protection
- No. of employees: 11
- Turnover in 2017: £1.24 million
- Midland IFA incorporated into Midland IFS in 2008
- www.midlandifa.co.uk

of our accounts are private, rather than businesses, and it was a mixture of circumstance and coincidence that drove this expansion.

Where some other advisers may transact business that is not necessarily in clients' best interests, we want to try and change things. There is no need for our sector to thrive on clients' fear – for instance, where Jaguar Land Rover have changed their pension scheme, thousands of employees are looking at transferring their final salary pension. There are some independent firms telling people that transfer values could fall – but the chances of that happening in the short term are remote.

Fearmongering from immoral firms is something that we stand vehemently against, as we have built our business on educating clients so that they can make informed decisions for the right reasons.

Educate your customers

Up until last year all business growth was as a result of word-of-mouth recommendation, thanks to the networks we had luckily acquired during the course of our trading. We are, however, looking to change things, not just with regards to our growth, but with regards to how people interact with the industry. As a result of the immoral business practices we have seen in our sector, we have been carrying out seminars aimed at educating the public and raising awareness.

Sadly, these have been put on hold as a result of the adverse publicity surrounding final salary pension transfers, primarily in the case of British Steel. We are hoping at some stage to reintroduce these seminars as every attendee's feedback was positive.

We, as a company, feel that being successful and in a position to offer free seminars is our way of giving something back to the community; if we educate people, then, when they need a financial adviser, we will undoubtedly be their first port of call.

A future without contingency charging

We are and have always been a great believer in contingency charging, which basically means that if no business is transacted upon meeting, then we do not charge for our services. Sadly, we anticipate moves to ban this, which will force us to charge all clients for any and all work undertaken.

Should contingency charging be banned, we as a company would earn considerably more; we do believe, however, that it would be to our clients' detriment. Without contingency charging, and taking into account the UK savings gap, the cost for our services could be more damaging than beneficial. If we, for instance, advised a client not to do anything, we are not providing any value at that immediate time. With this ban, we could see clients be charged nonetheless for that service.

Contingency charging only becomes an issue when a handful of firms force clients to transact business; if you are a reputable organisation, you do what's right for the client. In late 2017, I had an NHS consultant come to me in the wake of a messy divorce and some serious financial difficulties. After helping her to get everything in order, we did not charge her until she was back on her feet. That is why contingency charging should remain in place – our business is built on it, and it remains, in most cases, a mutually beneficial and ethical practice.

While the legislative future of the industry might be uncertain, I do know what I want for the company; I'm 57 now, and with my daughter in the company, I want to see her become both chartered and a fellow within five or six years so that I can start only advising a few select clients, all the while watching the business hopefully grow from afar. Being able to take a back seat and watch growth, all the while knowing I have truly helped the community, is something I really do look forward to.

Our offices in Cannock

> "We endeavour to educate people and enhance their lifestyles by helping them look after tomorrow while enabling them to live for today"

Warren & Co

Julie Kennedy, managing director

Based in Gloucester, Warren & Co is a firm providing free mortgage advice and complete financial solutions with guidance in the domains of investment, protection, pensions and – most commonly – the mortgage market. At the core of their business is the view that the client comes first, which in practice means offering advice that they themselves would act upon in their own personal lives. Regardless of the size of the mortgage, their clients are treated with the same level of seriousness and are given equal levels of service. So successful is this model that most of their business is repeat or referral, covering primarily the South West, but also surrounding areas. As they are directly authorised by the FCA, they can operate independently and provide the best possible advice. Julie Kennedy, their director, describes in fuller detail the business and its workings.

How we operate

We are a family business offering expert advice, mostly on mortgages, but also in other areas, such as where to invest, tax planning, family protection and providing for retirement, as well as offering help with affordable housing and help-to-buy schemes. We began by offering mortgage advice to various police forces in the South West via their federations. We were able to accommodate their shift patterns, understand their pay, provide confidentiality of their employment and help them through the mortgage process alleviating the potential stress. One of the more enticing features of our mortgage service is that our advice is entirely free, with our revenue coming in the form of a "procuration fee" from the lenders. This is an almost perfect example of a positive-sum interaction, whereby all interested parties benefit. We also ensure to the best of our ability that our advice is catered as closely as possible to the specific needs of our clients, which requires from us an exhaustive and constantly updated database.

What helps with our business is the fact that I've been in this industry for over 35 years, during which I have established a reputation that opens up referral opportunities from other police forces, local estate agents, housing associations and recommendations from our growing databases.

Our growth in the last two financial years has been substantial. In 2017 we grew by over 30 per cent, and this year's first quarter has seen us increase by 45 per cent compared to last year's first quarter. One of the reasons we've managed to achieve this is because of our ability to adapt. For instance, shifts in the technological landscape have caused considerable disruption in our industry, and we've done our utmost to ensure we move in tandem. This has not, however, come at the expense of the more traditional way of providing financial advice which is still highly valued by many segments of the population – some considerable per cent of people will always prefer the warmer, more human environment of in-person interaction.

AT A GLANCE WARREN & CO

- Managing director: Julie Kennedy
- Established in 2000
- Based in Gloucester
- Services: Financial advice
- No. of employees: 23
- We don't charge for our advice
- www.warrenifa.co.uk

Whereas some companies in our sector have abandoned face-to-face altogether for reasons of cost, we've decided to remain face-to-face while also allowing for telecommunicative methods. Some have decided to not keep up, preferring paper to digital methods. We've opted to offer our clients the best of both worlds.

Challenges in our sector

A major challenge for us is regulations – in particular, when retrospective regulations are used to judge historic cases. The "claim culture" fuelled by the "no win no fees" and the "fishing" techniques practised by some companies are especially problematic for smaller businesses, for whom compliance with large numbers of regulations takes up a greater proportion of time and resources than it would for a larger company. It's important to keep on top of it, keep up to date and ensure that the correct procedures are in place should anything arise. This can be expensive due to hiring expert advice to help ameliorate these problems. As soon as one issue has been resolved, yet another hits the industry. When compliance fails in our industry extra charges are spread among us all; fees are enormously burdensome and lead to an increase in our PI insurance. These charges as a proportion are weighed against the smaller companies – to this can be attributed the demise of our industry over the last 15 years.

Perhaps the biggest current challenge is changes in taxation and the treatment of buy-to-let clients. There is a blanket assumption by those in the capital that what happens in London generally applies to the rest of the country. This couldn't be further from the truth, as there is enormous variation within the country with respect to market dynamics. While buy-to-let can be unsavoury for the London market, it has many benign uses in the country as a whole. One of the common uses of this scheme is when parents buy a property for their children when they're studying at university, with a view to having the property bought by the children at a later date. As a result of changes in the law, though, this is now much more difficult.

Another unforeseen consequence of this change in the law is, for example, in the case of a divorced couple, where the leaving partner was not able to be removed from the mortgage or deeds due to circumstances often beyond their control. This partner now faces extra tax when trying to buy their own residential property, as it is now treated as a second home.

Going forward

We nevertheless survive these because of our adaptability and stability. The longer-term focus as of now is ensuring we remain relevant for the younger generations who are much more technologically savvy. We've kept up so far, but we're always looking toward making the next steps in this direction. This has been helped by employing the next generation.

Ultimately, we're a family business with quality clients and a business model that produces new opportunities, which means we don't have a high turnover of advisers. We have a stable business and have been working with the same model for over 18 years; that is to say, we have a general continuity of culture that keeps us going whatever comes our way. Part of this entails providing a wonderful atmosphere, for both our clients and our staff.

One of the upsides of recent legislation, however, is that mortgage deals can be renewed more easily, which was something annoyingly difficult to achieve before. This has obvious benefits for us; we can now offer them a change of terms with their existing lenders as well as the opportunity to remortgage to a new lender. The FCA announced that lenders must give advice, and we can do this more professionally. In light of this, we believe that business for us will continue to grow for the foreseeable future.

Guaranteeing advice through to the next generation

> "Our growth in the last two financial years has been substantial. In 2017 we grew by over 30 per cent, and this year's first quarter has seen us increase by 45 per cent"

moneyinfo

Tessa Lee, managing director

See the bigger picture

Moneyinfo, the company behind the smart financial app, was established in 1998 and is based in Henley-in-Arden, Warwickshire. Their app allows the user to organise all their finances and access them at any time. The focus and ethos behind the app is to make the end-user's life easier. Savings, pensions, insurances, bank accounts, credit cards, store cards, mortgages, loans and property alongside all the associated paperwork are all brought together, organised and updated, providing peace of mind, no matter where one might be. Tessa Lee, managing director of moneyinfo limited, elaborates on their award-winning fintech app, and how they aim to deliver simplicity and connectivity in everything they do.

AT A GLANCE
moneyinfo

- Managing director: Tessa Lee
- Established in 1998
- Based in Henley-in-Arden, Warwickshire
- Services: Award-winning UK fintech
- No. of employees: 18
- 60,000+ end-users across wealth management and workplace
- Tracking £15 billion in assets
- www.moneyinfo.com

We were founded in 1998 to develop websites for financial advisers. In 2010, the company acquired FinQS, a small fintech start-up, to bring their technical team on board. We have since crafted our app from the ground up, and it is today the most comprehensive aggregation service offered in the UK.

We now have 18 staff, and a growing client base of 58 adviser firms alongside three workplace benefit consultancies. User numbers are up from 2,000 in April 2014 to 60,500 in May 2018. We're growing, and fast.

How it works

The FCA recommends the development of a dashboard to enable consumers to view their lifetime pension savings in one place, allowing them to take greater control of planning for their retirement.

Our app achieves this level of connectivity through its unique aggregation service which, for example, can track your pension with Standard Life, your property with the Land Registry, your bank account with NatWest and your spending on your John Lewis store card.

By aggregating your finances together, banks, investment and insurance providers can use the data with artificial intelligence (AI) and robo-advice tools to help account and policy holders achieve better financial outcomes.

For the end-user, keeping all their sensitive financial information on one platform may seem a little scary, especially given recent headlines, but the bank-level encryption our software uses keeps your information safe. What's more, our app is "view-only" – which means that neither you, nor anyone else, can move or transfer money through the app.

Instant access to important documents removes the need for paper

Our app allows you to store all your financial paperwork including your home insurance, car insurance, life insurance, loan agreements, mortgage statements and even your wills, alongside the asset they relate to, for example, your home insurance with your property. moneyinfo keeps your documents safe, secure and accessible, reassuring you that, in the event of an emergency, you can access the information you need quickly and easily.

We create a full summary of your finances. It's a true picture of your net worth, displaying assets against liabilities, and affordability, your income against expenditure. This is important, should you want to borrow money, buy a house or work out when you can afford to retire. The moneyinfo platform provides a clear and concise picture to address each of these requests.

Andrew Rafferty, managing director of Origo, comments: "It's only when consumers see an aggregated view of their financial world that they wonder how they managed before."

> "It's only when consumers see an aggregated view of their financial world that they wonder how they managed before"

Accessible via your smartphone

"Rapping" about FinTech – Best in Show at the Personal Finance Society Festival 2017

With moneyinfo you can…

View your investment portfolio

Quickly access your insurance details

Track your property values

Manage your income and spending

Safely store all of your important documents

Be reminded about your renewals, income and payments

> "The FCA recommends the development of a dashboard to enable consumers to view their lifetime pension savings in one place, which thus allows them to take greater control of planning for their retirement"

Extending access to advice

Research by Aegon said that only 14 per cent of people would be confident planning retirement goals or knowing where to meet these goals without financial advice.

For many of us, advice is too expensive. This is in large part caused by the time spent gathering together all the information required to fully understand your current situation.

Our platform captures factfind data automatically, reducing the cost and increasing data accuracy. This information can be used to deliver automated advice, identifying needs and demonstrating potential solutions based on specific circumstances, providing access to advice at a greatly reduced cost.

Route to market and the challenges therein

Getting a consumer app to market is not easy. There are concerns and issues with security and trust, and getting people to use it when there's no data to start with is difficult. We've solved these problems by distributing the app across two vertical markets that can deliver the app with appropriate data already pre-filled. We currently offer this service via both financial advisers and the workplace.

For adviser firms, clients can view their adviser-managed assets – investments, pensions and savings – and associated paperwork, including portfolio reports, contract notes and policy documents, all of which are automatically filed for ease of access. Secure messaging, enhanced privacy controls and document sharing keep the client's financial information safe, and ensure all processes remain in line with GDPR.

In the workplace, our app allows employees to see their employer-sponsored benefits – for example, their pension scheme, life assurance, healthcare and voucher schemes in context with their own personal finances. Nudges (gentle reminders) can be enabled to encourage debt reduction and long-term saving, helping the company to improve its employees' financial wellbeing while remaining fiscally responsible themselves.

Ultimately, we can all benefit by having our finances organised, to both see where we are and better plan for the future.

A game of Chequers

The cabinet gathered at the prime minister's country residence of Chequers in Buckinghamshire for a crunch meeting

On Sunday, July 8, Britain was awash with sunshine and optimism. England football fans were preparing for their first world cup semi-final in nearly thirty years, while some Scots were hurriedly buying the chequered shirts and flags of England's opponents, Croatia. And the weather, the hottest summer since the seventies, was keeping everyone in good spirits. In other words, it was the perfect time for a political crisis.

While Gareth Southgate's team spent their Saturday doing battle with Sweden, Theresa May's spent theirs battling each other. Late on Sunday evening, after another day of disagreements, the results of the crucial cabinet meeting at Chequers (the prime minister's grace and favour country residence) began to materialise. The most significant of these was the resignation of David Davis as secretary of state for exiting the European Union.

Mr Davis found himself unable to support a proposal that would see the UK maintain a common rulebook with the EU for all goods. This would mean a co-operative arrangement with EU regulators and very little room for divergence.

The white paper that emerged after the Chequers summit focused on four key areas: economic partnership, security partnership, future areas of cooperation and the frameworks needed to enforce any eventual agreement. It contained details on the "facilitated customs arrangement", whereby the UK would collect tariffs on behalf of the EU.

It called for the end of the free movement of people but laid out plans for EU citizens to come here without visas for "paid work in limited and clearly defined circumstances". As regards benefits and social security, it advocated "reciprocal" arrangements with the EU.

A "joint institutional framework" would be established to interpret UK-EU agreements. In the UK, this would be overseen by our courts and in the EU it would be overseen by theirs. Some cases would be referred to the European Court of Justice, though it would be unable to resolve disputes between a UK and an EU court.

The white paper also confirmed that we will exit the European Union at 11 o'clock in the evening on March 29, 2019, which will be midnight central European time.

In her foreword for *The Parliamentary Review*, the prime minister suggests that a Brexit on these terms would mean we "take back control of our laws, money and borders."

In his resignation letter, Mr Davis took a different stance: "In my view the inevitable consequence of the proposed policies will be to make the supposed control by Parliament illusory rather than real."

If the Brexit secretary's departure threw the government into a spin, it was nothing compared to what came next.

On Monday afternoon, with the ink on Davis' letter not yet dry, Boris Johnson announced that he was following suit. For two years, pundits had speculated about the imminent departures of the Brexit and foreign secretaries. Now they were both gone within 24 hours. In his letter, Mr Johnson said the prime minister was leading the UK into a "semi-Brexit" with the "status of a colony".

Jeremy Hunt, who had just become the longest serving health secretary in history, was chosen to replace him, with culture secretary Matt Hancock moving to the Health Department. Mr Davis was replaced by Dominic Raab. Further resignations included Steve Baker, Maria Caulfield and Ben Bradley.

It was under this cloud that Gareth Southgate's Three Lions took on, and were defeated by, Croatia. After which, from both a sporting and a political point of view, it was fair to say that England had been chastened by chequers.

If Mrs May was in need of a brief reprieve, she was unlikely to get one with Donald Trump arriving for his long-awaited UK visit. Amid huge protests, Mr Trump decided to give an interview with *The Sun*, in which he lambasted Mrs May's Brexit negotiations and suggested that Boris Johnson would make "a great prime minister". This was followed by a characteristic backtrack, where he said he would support whatever stance the "incredible" Mrs May took on Brexit.

No sooner had the president left than Mrs May was back in the bear pit of parliament. On the Monday, her customs bill faced a series of amendments from the pro-Brexit European Research Group, two of which were accepted by the government and each passed with a majority of just three votes.

The first of these called for the UK to refuse to collect duties for the EU unless member states did likewise. The second compelled us to have an independent regime for VAT. Labour MP Stephen Kinnock responded: "By capitulating to their proposals on the Customs and [the] Trade Bill she is accepting that the Chequers deal is now dead in the water."

President Trump's trip to the UK added to the political drama of an already hectic month before the summer recess

Two days later, Mr Johnson decided to deliver a resignation speech in the House of Commons, in which, while praising the prime minister for a number of things, he contrasted her Lancaster House speech of January 2017 with what was agreed at Chequers, speaking favourably of the former and less so of the latter.

Shortly before *The Parliamentary Review* went to print, Johnson's former cabinet colleague, the trade secretary Liam Fox said he believed a "no-deal" Brexit was now odds-on. As the following articles demonstrate, parliamentary intransigence makes it incredibly difficult for agreements to be reached. With no clear majority for any one Brexit plan, a "no deal" scenario may well become a reality.

Whatever happens, it's likely that 2019 will see an MP address parliament and compare what was agreed at Chequers with whatever is agreed, or not agreed, with Brussels on March 29 as the central European clock strikes twelve.

The meaning of the meaningful vote

David Davis, the then-Brexit Secretary, warned that the Lords amendment could be used by some to frustrate the process of leaving the EU

In June, seven months on from his success in attaching a "meaningful vote amendment" to the EU (Withdrawal) Bill in the Commons, the former attorney-general Dominic Grieve was still fighting the same cause on the same bill.

In what proved to be the final round of the long parliamentary battle over the bill, MPs were considering changes made in the Lords, which included a tougher version of the meaningful vote than Mr Grieve's original. In earlier rounds of consideration he had accepted a compromise proposal from the government, only for the consensus around it to break down when Downing Street presented an analysis of what it would mean that seemed far weaker than Mr Grieve had thought.

That in turn prompted the Lords to replace the compromise with a beefed-up version – and this was what MPs, for the second time in a week, were now considering.

The issue remained the narrow but potentially crucial question of what leverage MPs would have in the event that either parliament rejected the Brexit deal between the UK and the European Union or no deal was reached at all. Should there be a vote in the Commons to instruct ministers on what to do next?

The day before, peers had voted in favour of plans to give MPs a greater say – a move that David Davis, the then-Brexit secretary, warned could undermine the prime minister's negotiating position because it seemed to foreclose the possibility of Britain walking away with no deal. Mr Davis now offered another compromise that would, he said, ensure that there would be a ministerial statement and a motion to the House of Commons in the event of no deal, but the key point was that his plan would not offer MPs a chance to instruct ministers – because the motion that would be put down would not be amendable.

But Mr Davis added that the procedural details were far less important than the expressed mood of the House of Commons in a moment of crisis, and he warned that the Lords amendment could become a mechanism for frustrating Brexit.

As part of the elaborate legislative dance, Mr Grieve had put down a new amendment. But now a compromise had been offered, he dropped it: "Having finally obtained, with a little more difficulty than I would have wished, the obvious acknowledgement of the sovereignty of this place over the executive, I am prepared to accept the government's difficulty, support them and accept the form of amendment they want."

Labour's shadow Brexit secretary, Sir Keir Starmer, hoped that MPs would still vote for the Grieve amendment: "Standing back, that looks like common sense. It is unthinkable that any prime minister would seek to force through a course of action that would have significant consequences for many years which the majority in [the House of Commons] did not approve of… the idea that that is how we would achieve an orderly Brexit is for the birds."

In the end, six Conservatives voted for the Grieve amendment, while four Labour MPs defied their party whip and voted with the government. And later that evening, peers accepted the bill – which allowed it to become law.

Parliament approves a third runway at Heathrow airport

Fifty years after the Wilson government set up the Roskill Commission to examine options for London airport expansion, MPs backed a planning document that endorsed a third runway for Heathrow with a resounding majority: 415 votes to 119.

Transport secretary Chris Grayling laid out his case: "All five of London's main airports will be full by the mid-2030s, and Heathrow is full today. We are seeing business leave the UK and go to airports like Frankfurt, Amsterdam and Paris, which have made additional capacity provision... We are losing those connections to other countries, and we are losing the investment that goes around those connections."

But there was considerable resistance. Labour's shadow transport secretary, Andy McDonald, warned that the Heathrow expansion would "generate many winners, not least the shareholders of Heathrow Airport Ltd, but it risks making losers of many, including the communities in which thousands of people will lose hundreds of homes."

Some of the most wounding criticism came from Conservatives, notably the former transport secretary, Justine Greening, whose Putney constituency is directly under the Heathrow flight path.

Another Conservative, Greg Hands, resigned as trade minister in order to keep his election promise to vote against the Heathrow expansion.

The short debate ended up with a majority of 296 voting in favour. In the end, eight Conservative MPs voted against the government and Labour was split almost in half, with slightly more Labour MPs supporting the expansion than opposing it.

Tributes to Tessa Jowell in a debate on cancer treatment

When former Labour culture secretary Tessa Jowell was diagnosed with a brain tumour, she launched a personal campaign to highlight the need for better cancer treatment. The result was two emotional debates in the Lords and the Commons, with speeches from her many friends in both houses.

The Commons debate was opened by Labour MP Sarah Jones, who was part of the team working for Lady Jowell on the bid to hold the 2012 Olympics in London. Lady Jowell watched with her family in the under-gallery of the Commons.

There was praise for Lady Jowell from the then health secretary, Jeremy Hunt, who said that she left two great legacies and – unusually – the Speaker, John Bercow, intervened from the chair: "As somebody who is living with cancer you have shone a light on a cruel curse and the need for collaborative, resourced and unflagging devotion to the effort to tackle that curse. [Sarah Jones] said that you loved this place. I hope that it is blindingly obvious to you, Tessa, that we love you." In her seat in the gallery, Lady Jowell was visibly moved. She died a few weeks later, on May 18, 2018.

Tessa Jowell was hailed as an inspiration during her battle with cancer

Lessons from the collapse of Carillion

The Carillion collapse exposed government outsourcing flaws

The government was accused of failing to tackle the problems at the public sector mega-contractor Carillion as the company headed for collapse. The chair of the Commons' powerful financial watchdog, the public accounts committee, Labour's Meg Hillier, told MPs that a confidential risk assessment of the company had shown rising concern about the finances of the company, which provided key public services, including school maintenance and prison management.

The collapse cost thousands of jobs and left the government to pick up those functions. The government's risk assessments were released to the public accounts committee and, after holding hearings on them, Meg Hillier delivered a statement giving her committee's verdict.

"The Carillion papers identify clear and compelling problems with the business in the months leading to its collapse," she told the House. "… although Carillion had been rated as 'amber', owing to its performance against contracts with the Ministry of Defence and the Ministry of Justice, it was not until after Carillion issued a profit warning in July last year that the government downgraded it to 'red'. It therefore appears that the government was not aware of Carillion's financial distress until that point. In November last year, officials recommended a provisional 'black' rating for Carillion – that information has come directly from the papers that we have published – but following representations from the company, the Cabinet Office did not confirm that designation. Carillion collapsed less than two months later."

The committee now planned to hold more hearings on the relationship between the government and strategic suppliers because, she said, some big contractors were now "too big to fail". Carillion itself had continued to believe that it would receive a government bailout right up to the moment of collapse in January.

Airstrikes on Syria

When the prime minister ordered British forces to take part in airstrikes against chemical weapons held by the Assad regime in Syria, she came to the Commons after the Easter recess to defend her decision – and ran into criticism for not seeking parliamentary approval in advance.

She said that the attack was a response to the use of chemical weapons by pro-Assad forces, which had left up to 75 people dead. She said that the images of the suffering were "utterly haunting: innocent families seeking shelter in underground bunkers found dead with foam in their mouths, burns to their eyes and their bodies surrounded by a chlorine-like odour, and children gasping for their lives as chemicals choked their lungs." Such an atrocity was "a stain on our humanity," she added.

She did not believe that evidence on the scale available could be falsified, and she said that the Syrian regime was seeking to cover up the atrocity by searching refugees, in case they tried to smuggle out samples of the chemicals that had been used – it was clear that only President Assad's regime had the capability to carry out such an attack.

The prime minister also defended the legality of the UK action: Russia had

blocked a UN resolution to establish an independent investigation into the latest attack. She said that to argue that the UK could only act with a UN resolution was to accept a Russian veto on British foreign policy. She said that military action was justified to prevent further gas attacks – there was no alternative course of action and the attacks were necessary and proportionate.

Labour leader Jeremy Corbyn responded that the prime minister was accountable to parliament, not to the US president, and added that Britain needed a War Powers Act to transform what he called a "now broken convention" into a legal obligation.

There were angry shouts when he said that the UK action was legally questionable, and he questioned whether the government could be sure that the chemical attack was the work of the Assad regime. He called for a diplomatic solution to end the war and the refugee crisis it had caused.

Senior Conservative Kenneth Clark backed the government's action, but he queried the lack of parliamentary debate before the event, given that President Trump had announced his intention to strike against the Assad regime well in advance.

People marching against the Assad regime in London

The Scottish National Party's Westminster leader, Ian Blackford, reminded Mrs May that she led a minority government, adding: "It was perfectly possible for House to have been recalled in advance of the Saturday morning airstrikes."

Lib Dem leader Sir Vince Cable agreed with this and asked if there might be more airstrikes, in light of President Trump's comment that it was "mission accomplished".

But the prime minister would not be drawn on that.

The last word

This edition of *The Parliamentary Review* has overseen yet another extraordinary year in British politics. Cabinet ministers have departed, Commons debates have raged long into the night and, at times, it has felt like little has been achieved. From our standpoint, it is clear that this has not been caused by a lack of trying. The members of parliament with whom we have crossed paths, from all parties and none, have each been working incredibly hard to further what they feel is in the best interests of the constituency, and the country, they serve.

And, though the political realm has been a source of frustration for many, it is clear, as Andrew Neil observes in the opening pages of this publication, that those operating at the micro level of the British economy are not only working tirelessly, they are also achieving great things. The articles from this year's *Review* representatives exemplify this.

A country is not a perfect blueprint put into action: it is the sum of millions of autonomous parts. Individuals who motivate their staff, inspire their students or simply do their job to the best standard they can muster. And, though there are always adjustments and improvements to be made, it is our conviction that British parts are in fine working order.

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