

# ATEB consulting Newsletter 40 - October 2006

## Ladies & Gentlemen

Please find enclosed the latest compliance and industry news.

As usual, site back and enjoy!

Kind Regards

## ATEB Consultants

### Which article applies to me?

Please use the following table to decide which article applies to you, if any:

<b>Investment (IFA)</b>	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Directors/Partners	✓	✓		✓	✓		✓	✓	✓	✓	✓		✓	✓					✓	
Compliance / A&O Function	✓	✓		✓	✓		✓	✓	✓	✓	✓		✓	✓					✓	
Money Laundering Officer									✓											
Advisers & Trainees							✓												✓	
T&C Supervisor		✓					✓	✓											✓	
Pensions Transfer Specialist	✓																			
Back Office		✓		✓				✓	✓											
<b>*Mortgage (inc. IFAs)</b>	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Director/Partner		✓	✓	✓			✓	✓		✓	✓	✓			✓					
Compliance / A&O Function		✓	✓	✓			✓	✓		✓	✓	✓			✓					
Sales Advisor							✓													
T&C Supervisor		✓					✓													
Back Office		✓		✓				✓												
<b>General Insurance</b>	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Director/Partner		✓	✓	✓		✓		✓		✓		✓				✓	✓	✓		
Compliance / A&O Function		✓	✓	✓		✓		✓		✓		✓				✓	✓	✓		
Sales Advisor																				
T&C Supervisor		✓				✓														
Back Office		✓		✓		✓		✓												

## 1. Contracting In / Contracting Out

In March 2003, we issued an information bulletin about this topic. We recommended that firms consider writing to all relevant clients, to highlight the issues. Although many firms have done so, many have not. In the meantime, there has been various other communications about this matter, from among others, the FSA and the ABI.

Very recently, we have seen the first formal complaint, from an ambulance chaser, for a client who contracted out in 1991 and is now in his late forties. As it happens, the documentation in this case was quite good, but this won't be the situation in the majority of cases, as C/O policies were often 'added on' when arranging personal pensions.

We are also aware of an ambulance chaser calling a client of an IFA recently. They explained

that they could help the client put a complaint in 'IF' he was misadvised about contracting out. They would take £500 up front and charge 12% of the compensation payment, if they felt the client had decent grounds for complaint. When he said he couldn't remember anything about the sale they said it did not matter and he could get anything between £800 - £1000 compensation for each year that he has been contracted out.

**ATEB view:**

Obviously this is very concerning. Anything you can do to protect yourselves against what will inevitably be increased complaint volumes in the future can only be good risk management.

**Action required by you:**

It is our recommendation that you write to the affected clients, with a short, sharp letter and enclosing the ABI fact sheet on Contracting Out.

<http://www.abi.org.uk/Bookshop/default.asp#Pensions>

Don't give any advice; simply tell the client that this is an area of retirement planning that needs attention. The letter will need to come straight to the point, so that it is clear that this matter requires attention. We further recommend that a follow up letter be sent 3 months later where you have received no response. You could consider including a deadline for response in the follow up letter. This approach mirrors the process used in the pensions/FSAVC reviews.

Please email [info@ATEBconsulting.co.uk](mailto:info@ATEBconsulting.co.uk) if you would like to see an example letter.

By writing, you have a defence in later years that you told the client to do something, but they ignored that advice. It is by no means a cast iron defence, but it is being used for endowment complaints at the moment with time-barring beginning to take effect.

There are a few caveats:

- As mentioned above, this not a cast iron way of defending future complaints
- By writing, you are highly likely to receive requests for advice/information
- By writing, you could possibly, instigate a complaint.

Due to the final bullet point, it is recommended that you seek approval from your PI Insurers before issuing such a letter. While it is our strong opinion that the potential advantages far outweigh the possible disadvantages, although you or your PI insurers may disagree!

Finally, we cannot take any responsibility for any issues that you may encounter should you decide to write to clients.

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## 2. Results of FSA complaints review

The FSA recently reviewed the understanding amongst small insurance firms of the complaints handling rules. The results were generally favourable, with the failures being concentrated on the very smallest of firms. Issues mainly related to meeting timescales for replying to customers and correctly notifying them of their rights to go to FOS.

**ATEB view:**

It is not just about having a smart looking written procedure in place, but about how you treat customers when they complain and how seriously you investigate the issue.

It is not a surprise that it is the smallest of firms which struggle to get on top of the procedural requirements for complaints. However, ATEB believe that it is possible to adopt a simple process which complies with the requirements and treats customers fairly. ATEB can advise on the right approach.

**Action required by you:**

Ensure that all staff are aware of what constitutes a complaint and that they are aware of the location and content of the firms written procedures.

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## 3. Disciplinary action against Director of Mortgage and Insurance Firm

This is the first disciplinary case against a Director of a Mortgage and General Insurance firm. It was found that the firm did not have adequate systems and controls in place for processing, monitoring and accounting for general insurance policies and for the receipt of payments. As a

result, policies were not being placed on risk. The FSA would normally issue a fine for these types of senior management failures, but issued a public statement instead due to the financial position of the individual.

**ATEB view:**

This case highlights the fact that the principals of regulated firms need to have appropriate key performance indicators and management information in place to keep aware of key business and compliance risks, and be able to evidence the controls they have put in place. These requirements hit at all levels of firm, large and small, and you need to be aware of what's happening within your business on a day to day basis.

**Action required by you:**

Include compliance as an agenda point at board / partner meetings and allocate appropriate tasks to individuals in line with their skills and capabilities.

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#### 4. Reminder on disclosure – Is your sales process compliant?

It's important to remind firms about the importance of its disclosure information and the risks posed to the firm should it not be up to scratch. By this we are referring to the Key Facts about our services (IDD / CIDD) and Key Facts about the costs of our services (menu) documents. They must be accurate and appropriate and be provided in a timely manner. You also need to retain evidence that you are providing these documents at the appropriate stage in the sales process. Also be aware that you are at higher risk of FSA scrutiny if your documents are on your website.

**ATEB view:**

The FSA is continuing its mystery shopping exercises and conducting visits looking at the sales process, it's a very easy area to get wrong; you'll only get one chance to impress.

**Action required by you:**

Get your disclosure material as accurate and compatible with the FSA templates as you can. Keep your charging structure under review and ensure that your documents are updated. Examine your record keeping and ask yourself if you can prove that you have provided the right information at the right time. Don't forget that you cannot avoid these rules in telephone sales. ATEB can assist in preparation of your customer communications and advise on the compliance of your sales process.

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#### 5. OFT finds against FSA on menu market averages

The result of the AIFA complaint to the FSA regarding the Menu figures was announced recently. AIFA claimed that the market average figures for collectives and investment bonds were distorted because they include both advised and non-advised business. The Office of Fair Trading (OFT) agreed that the market average for collectives was incorrect. It found evidence that providers are including non-advised sales and that the average figure was too low, although there is not enough evidence to show consumer detriment. The OFT concluded there is insufficient evidence of an affect on competition. However, the FSA will revise its questionnaire to minimise the likelihood of incorrect data and will introduce quality assurance check on the data.

**ATEB view:**

Interestingly Chris Cummings, director general of AIFA, was quoted as saying: ".....we believe that the FSA has over-engineered what was originally intended to be a straightforward guide for consumers."

I'm still not convinced that the general public read and understand this information. However, it's a good result, but it remains to be seen whether it has the effect of making the averages any more realistic than they are at present.

**Action required by you:**

None - for information only.

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#### 6. FSA Visits on Client Money - Feedback

Some ATEB firms have received visits as part of an FSA review on client money. The review,

which is ongoing, involves visits to more than 200 wholesale and retail firms.

#### Information requested pre visit

- Copy of bank letter regarding the trust establishment
- Copy of the firms TOB
- Copy of written procedures
- Type of trust used and whether 'co mingling' occurs
- Total list of insurers split between risk transfer / no risk transfer
- Last client money reconciliation and method used
- Name of person responsible for client money

#### During the visit

- The visit consisted of an initial questionnaire which asked very general and varied questions relating to client money daily activity (Lasted 1 to 2 hours)
- There was an element of fact-finding on their behalf i.e. "what do you think of us as a regulator?" (No swearing please!)
- Firms were asked to talk through their reconciliation process.
- The TOB (based on ATEB template) was scrutinised for key points such as customer disclosures and 'passed go' with flying colours.
- They warned about assuming risk transfer through another broker or a broker controlled scheme. If 'money at third parties' is to be kept outside of the reconciliation then the firm should have written evidence of risk transfer exists for all firms in the chain. They warned about tracking money at third parties where risk transfer did not exist.
- Firms were asked if they needed a client money audit, whether they had had one and whether they had actioned any remedial points.
- They warned that firm money such as commission that had become 'due and payable' to the firm should be removed so as to maintain the trust account status.

Whilst the main purpose was to discuss Client Money, in some firms they took the opportunity to cover additional (topical) issues - Contract Certainty, Corporate Governance, Strategy, Conflicts of Interest, Risk Assessment, Business Continuity, Commission Disclosure. The FSA felt that satisfactory answers in these areas produced a bi-product that was in fact a positive approach to TCF. One area of interest, they conceded was, that getting a client signature for consent was almost an impossible task and also impractical and therefore alternative wordings within the TOB appeared to be acceptable to them.

In general, the FSA feedback indicated no issues with the firms visited.

#### **ATEB view:**

In theory, a well prepared and organised firm should be able to comfortably survive this type of visit.

#### **Action required by you:**

The Guide to Client Money [http://www.fsa.gov.uk/pubs/other/Client\\_Money\\_Guide.pdf](http://www.fsa.gov.uk/pubs/other/Client_Money_Guide.pdf) is available on the FSA Website. Please read this or discuss with ATEB if you are unsure whether your current process is compliant.

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## **7. FSA Mortgage Visits – Feedback**

One area the FSA continue to focus on is the sub-prime market. We were asked to assist a small mortgage firm (non ATEB client) prepare for a two day FSA visit.

Here is a brief synopsis:

- The FSA spent a full 2 full days with the firm
- During the visit the FSA looked at over 20 files in detail
- The files went back over a period of years.
- Scrutinised the firms disclosure documents
- Looked at interest only and self certification cases
- In particular, at cases where clients had converted to interest only and where the mortgage end exceeded normal retirement date

Outcome: The FSA found a number of areas of concern and asked the firm to write to clients to correct and clarify issues. The FSA commented on there not being enough information in the firm's suitability letters.

We were also involved with "Mortgage Quality of Advice" visits in August and September. These visits were also over 2 days and consisted of:

- Interview with Senior Management – SYSC overview
- T&C and complaints file reviews
- Client file reviews (Over 20 files)
- Interviews with two advisers and the compliance manager

Although the firms involved with “Mortgage Quality of Advice” visits were not really involved in sub prime they were involved with interest only and self certification and these were focused on as part of the visit. The FSA feedback indicated no major issues with the firms visited.

**ATEB view:**

The FSA visits are now much more robust they are moving away from the short sharp cursory look, favouring a more in depth analysis.

**Action required by you:**

Firms should look at the FSA website information available, in particular the “Quality of Advice” feedback and identify any gaps in the fact find or suitability letter process or else where. These gaps should be plugged sooner rather than later.

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## 8. Key facts Logo has been registered as a trade mark

Now that the key facts logo has recently been registered as a trade mark of the FSA, you would be forgiven for thinking “So what!”

We'll like everything the FSA do, nothing is straight forward and yes this change impacts on you.

Those clever knowledgeable people at the FSA have registered the logo to prevent firms which they do not regulate from using it for commercial gain or in other ways which are not intended by the rules. This meant that in order to protect the trademark the FSA needed to introduce a revised logo including the ® symbol.

This will affect the IDD and Menu documents. FSA propose that firms should implement the changes from 6 November 2006 with a 12 month transitional period to allow old stock to be used.

The new logo is now available on their website at:

[http://www.fsa.gov.uk/Pages/Library/Other\\_publications/Logos\\_and\\_Photos/keyfacts\\_logo\\_2003.shtml](http://www.fsa.gov.uk/Pages/Library/Other_publications/Logos_and_Photos/keyfacts_logo_2003.shtml)

**ATEB view:**

Not sure why they didn't register it originally, I would have thought that would have been a primary consideration.

**Action required by you:**

You may wish to put large print orders on hold. In the meantime we will implement the changes as part of our regular visits. This coincides with the need to update the menus in November in line with the updated market average figures.

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## 9. Anti Money Laundering - risk based approach

As predicted, many of the providers have missed this one completely and are still requesting old forms to verify money laundering, which creates a dual system for the market.

Anyway for those firms who have adopted a risk based approach, it appears that not great deal has changed. We would guard firms against lowering standards though. Risk based could mean “do less” in some circles.

Always look to hold copy documentation, stamped, dated and signed to verify. We think the design of the new verification form could lure firms into omitting to record evidence to back up verification. This is because you simply tick to say that your check “meets the standard evidence”

As part of our new procedures ATEB has produced a pro-forma to help plug this gap.

**ATEB view:**

As mentioned in previous newsletters, we should wait for the dust to settle before we can say for certain the best approach to "risk based".

**Action required by you:**

Stay vigilant and continue to give this area a high priority.

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## 10. Adjudication by the Advertising Standards Authority (ASA) - August 2006

The FSA recently referred a complaint to the ASA about a promotion by a claims management company.

The promotion included comments that

*'.....if history is anything to go by, we expect to win the vast majority of cases. This contrasts with the experience of D.I.Y complainants, most of whom fail.'*

The FSA challenged the claim and the ASA upheld their complaint. The firm said it had removed the claim and the newspaper had printed an old version of the advertisement by mistake.

The FSA work closely with the ASA to ensure that 'financial' advertisements are clear, fair and not misleading and will continue to refer to the ASA advertisements that they consider do not meet the standard, but which fall outside of their regulatory scope.

**ATEB view:**

We hope this is the start of tougher action against these ambulance chasers.

**Action required by you:**

We urge firms to bring these type of promotions to the attention of the FSA and the ASA and make it as difficult as possible for the Ambulance Chasers.

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## 11. Regulation of home reversion and home purchase plan products

The FSA consulted on this in their consultation paper CP06/8. However, until Parliament has approved the necessary amendments to the secondary legislation, the FSA cannot publish the feedback (which will include the rules in their final form) to CP06/8. See the following link:

[http://www.fsa.gov.uk/pages/Library/Policy/CP/2006/06\\_08.shtml](http://www.fsa.gov.uk/pages/Library/Policy/CP/2006/06_08.shtml)

Firms will not be able to apply for authorisation for home reversion and home purchase plan products until the FSA have published the rules in their final form. In any event Treasury regulations do not permit the FSA to accept such applications **until 6 November 2006**. Consequently the FSA will not be accepting this type of authorisation application until that date.

**ATEB view:**

None - for information only.

**Action required by you:**

New application forms have been designed for firms wishing to vary their permissions to incorporate the above new regulated activities. These are at:

[www.fsa.gov.uk/Pages/doing/regulated/notify/permissions/index.shtml](http://www.fsa.gov.uk/Pages/doing/regulated/notify/permissions/index.shtml)

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## 12. Anti Money Laundering – Application to Mortgage and General Insurance

General insurance firms and mortgage intermediaries are regulated by the FSA, but are not covered by the ML Regulations, or the provisions of SYSC specifically relating to money laundering.

They are, therefore, under no obligation to appoint an MLRO. They are, however, subject to the general requirements of SYSC, and so have an obligation to have appropriate risk management systems and controls in place, **including controls to counter the risk that the firm may be used to further financial crime.**

General insurance firms and mortgage firms are also subject to the provisions of Proceeds of Crime Act (POCA) and the Terrorism Act which establish the primary offences. These offences are not committed if a person's knowledge or suspicion is reported to the serious organised crime agency (SOCA), previously known as NCIS, and appropriate consent for the transaction or activity obtained.

For administrative convenience, and to assist their staff fulfil their obligations under POCA or the Terrorism Act, general insurance firms and mortgage intermediaries may choose to appoint a nominated officer. Where they do so, he/she will be subject to the reporting obligations.

**ATEB view:**

None - for information only

**Action required by you:**

We will be discussion the issues and implications to firms on our visits.

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### 13. FSA fines IFA for breaches in systems and controls

The Financial Services Authority has recently fined Langtons (IFA) Limited £63,000 for failing to properly apportion roles and responsibilities to its senior management and for not having systems in place to ensure that its advisers were trained and competent.

Langtons failed to

- determine the training needs of its investment advisers
- properly evaluate or record training
- assess the continuing competence of its advisers
- ensure that those under supervision were being adequately monitored
- maintain complaints handling procedures that were adequate
- ensure complaints were dealt with independently
- ensure that approval of its financial promotions were carried out by a person with appropriate expertise to ensure that they were clear, fair and not misleading

**ATEB view:**

Based on our experience to date, this firm must have been very poor for it to be fined.

You would think that with all the shed loads of paperwork being sent to it by the regulator, discussions with other IFA firms and courting compliance consultancies that it might have twigged that they were fundamentally lacking in various departments.

Responsibility for proper systems and controls and for compliance with rules designed to protect consumers ultimately lies with a firm's senior management, and the FSA expect them to take these responsibilities seriously.

**Action required by you:**

Talk to ATEB if you feel you have gaps in your processes and procedures.

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### 14. Another firm fined for "Non Compliant" un-locking of pensions

The Financial Services Authority (FSA) has fined Braemar Financial Planning Limited £182,000 for systemic failings in its sales process for pensions unlocking.

The FSA continue to maintain that pensions un-locking is a high risk business which is only suitable for a limited number of people. The failings are deemed to be very serious because by unlocking or releasing their pensions early, consumers face the risk of having less than they expect to live on in retirement.

When advising on unlocking a pension, firms must ensure that advisers:

- compare all the options available to customers, for example, whether a loan or re-mortgaging a property would be more cost effective;

- consider fully any possible effect on any state benefits;
- consider the impact on the customer's overall pension position, not just the pension being unlocked; and
- be aware of the new A-Day implications, particularly whether an income is required and an annuity should be purchased once tax free cash is released, or whether the customer is better off taking no income.

#### **ATEB view:**

This is an incredibly common situation with IFAs, mainly because clients want access to tax free cash. All too often though the documentation does not paint the full picture and IFAs are leaving themselves open to attack in the future, once the pot runs dry!

#### **Action required by you:**

Use a detailed checklist to ensure all key areas are covered. ATEB can supply on request.

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## **15. The FSA fine mortgage broker £35,000**

In brief ....the Directors;

- were not approved to perform their regulated function
- had not adequately monitored and controlled the business
- relied to an inappropriate extent on an external consultant for overseeing compliance-related matters

The firm failed to;

- demonstrate product suitability
- provide customers with relevant Key Facts Illustrations **at the right time**
- handle complaints properly
- treat its fair customers fairly

#### **ATEB view:**

Compliance and knowledge of the FSA requirements needs to be embraced at Director / Partner level and should not be superficial in any way.

#### **Action required by you:**

We suggest that all firms involved with mortgages (particularly sub-prime) read the Final Notice that can be found at [http://www.fsa.gov.uk/pubs/final/rainbow\\_26jun06.pdf](http://www.fsa.gov.uk/pubs/final/rainbow_26jun06.pdf)

There are a few points to this Final Notice that we can all learn from, we recommend that the contents be discussed with ATEB as part of the regular visit and resultant action (if any) is recorded at a board meeting or similar.

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## **16. Contract Certainty – An update**

Please read in connection with ATEB newsletter April 2006 article 13

The FSA is setting the industry a challenge to secure a market-driven solution to the issue of contract certainty by December 2006. Since the start of the challenge in December 2004, the FSA has made it clear that its preference is for a market solution to resolve the issue of contract certainty; however, if the market solution does not deliver, the FSA will consider regulatory intervention although that is not the FSA's preferred outcome.

The FSA noted the signs of progress over the three months to June 2006: the headline data for March suggested that around 80% of wholesale and commercial contracts are now meeting the definition, compared to around 60% in December 2005.

The FSA concluded that progress in June was sufficient to keep the options for regulatory intervention on the 'backburner' for the next quarter. However it is concerned that more demonstrable progress is required on:

- quality of data;
- issues likely to deter behavioural and cultural change, such as exceptions and late orders; and
- reducing the legacy issue

**ATEB view:**

We would be surprised if the FSA didn't bring in compulsory regulation despite the valiant efforts made by a number of industry stakeholders.

**Action required by you:**

Be able to demonstrate that you are taking contract certainty seriously at senior management / Board level. Check that processes within your business have been instigated and are working to record contract certainty.

Supply accurate timely data as requested by your trade body.

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## 17. "Offshore" recommendation – "Does it do exactly what it says on the tin?"

Police are investigating the collapse of a Jersey-based insurer, Blue Swan, which underwrote travel insurance sold via UK brokers and over internet sweep sites. Police are also investigating a Guernsey-based company which issued policies under the name International Alliance Insurance Limited (IAIL) and is no longer trading.

Customers who lost money as a result of dealing with these firms cannot claim compensation from the Financial Services Compensation scheme because the firms were not regulated by the Financial Services Authority. Sadly, as clients caught within these (offshore / non-regulated) chains now realise, the opportunities for redress becomes considerably more complex if a UK firm passes business overseas. Outside the UK, investor protection tends to be much weaker, and in some places is virtually nonexistent.

### Your duty of care

Is it unreasonable, that less sophisticated customers may simply believe they are buying insurance from a secure name when in fact the product is supplied or underwritten by someone of a much lesser standing than a typical household name? This is the dilemma faced by many reputable insurance brokers.

The ICOB rules surrounding choice of insurer are non specific however the FSA principles including the need to treat customers fairly imply that as a minimum the broker must ensure that if a product in question is fundamentally risky then such risks are clearly understood by his client so that the client's decision to proceed is a fully informed one.

It should therefore be recognised that if a broker is considering placing cover with an (offshore / non-regulated) insurer then basic disclosure required by the FSA is unlikely to suffice. A greater level of disclosure / explanation to the customer is required where the product/policy is provided by an (offshore / non-regulated) insurer.

The broker should proceed only when he is satisfied that the client has a proper and full understanding of the risks involved and has willingly decided to bear them himself.

Brokers could issue a disclaimer for liability (within the meaning of the Unfair Contract Terms Act, and Unfair Terms on Consumer Contracts Regulation 1999). However, we don't think disclaimers are the answer, we feel that, notwithstanding the sophistication of the client, the broker opts to recommend an alternative which offers greater security. This links in with Principle 6 (Customers' interests) requiring a firm to pay due regard to the interests of its customers and treat them fairly.

**ATEB view:**

If you consider the FSA perspective, a key constituent of regulation is to reduce the risk of non payment of claims. Don't be surprised if this area becomes a "hot topic" shortly. In the meantime don't leave yourself open.

**Action required by you:**

- Explain clearly any future potential problems and implications.
- Always check cover complies with UK statutory requirements.
- Always check the insurer has a good credit rating.
- Be careful if using disclaimers.

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## 18. EEA Passported Insurers and the FSCS

We received a query recently regarding an insurer operating in the UK under a \*passport from elsewhere in the EEA and how this will impact on the clients rights to access the Financial Services Compensation Scheme (FSCS).

The FSA requires all inward passporting insurers (non UK insurers wanting to operate in the UK) to participate in the FSCS. This is because the majority of EEA States do not have schemes providing consumer protection in the event of the failure of an insurer that are equivalent to the UK.

Therefore as a result of this participation, where a passporting insurer underwrites general insurance and the risk is based in the UK, claims will be covered.

On the occasions where there is an overseas scheme available which is equivalent to the FSCS we would expect it to deal with claims arising from it. However, it's likely that the overseas scheme and the FSCS would liaise to ensure that, between them, UK policyholders are protected to the same level as if the insurer had been based in the UK.

\*Passporting is broadly an activity carried on by an EEA firm, or by a UK firm, under an EEA right.

**ATEB view:**

None - for information only

**Action required by you:**

Ensure that you understand the basis under which the insurer is operating

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## 19. Long Term Care - deadline approaching

Long-term care advisers assessed as competent at 31 October 2004 could be 'grandfathered' at that date. However, this arrangement was only designed to last for two years (i.e. until 31 October 2006) by which time an individual must have passed an 'appropriate examination' in long-term care, for example the CII CF8.

Some current advisers may have passed the Chartered Insurance Institute's G80 examination; however there are differences between the appropriate exam standard for long term care insurance advice and the scope of the G80 examination (this excludes the October 2004 sitting only which included the full scope)

**ATEB view:**

None - for information only.

**Action required by you:**

If you do not have an appropriate exam after 31 October 2006 **you will need to cease advising on long-term care from this date.** For ongoing business your only option will be to refer to another firm that specialises in this area or to a colleague who has the appropriate exam. If you feel that you want to advise in this area in the future then you should apply for an appropriate exam such as the CII CF8, the next sittings are likely to be available in early 2007.

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### Important Note:

*The ATEB Newsletter is intended to provide general guidance on areas of compliance and T&C; however it is not a replacement for the main Rules and Guidance contained within the FSA Handbook.*

*We welcome all feedback. If you have any feedback or questions relating to any articles then please direct them to your local ATEB consultant or the newsletter editor Steve Bailey email [steve@atebconsulting.co.uk](mailto:steve@atebconsulting.co.uk)*

*Unless you have consulted specifically (as part of a regular visit) with ATEB on a particular issue then ATEB Consulting accept no liability for any actions taken based on the information contained solely within the newsletter.*

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