

**RETAIL DISTRIBUTION REVIEW (RETAIL MEDIATION ACTIVITIES RETURN
AND COMPLAINTS DATA) INSTRUMENT 2011**

Powers exercised

- A. The Financial Services Authority makes this instrument in the exercise of:
- (1) the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 138 (General rule-making power);
 - (b) section 156 (General supplementary powers);
 - (c) section 157 (Guidance); and
 - (2) the rule-making powers and related provisions listed in Schedule 4 (Powers exercised) to the General Provisions of the Handbook.
- B. The rule-making powers referred to above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 31 December 2012.

Amendments to the Handbook

- D. The modules of the FSA’s Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2).

(1)	(2)
Glossary of definitions	Annex A
Supervision manual (SUP)	Annex B
Dispute Resolution: Complaints sourcebook (DISP)	Annex C

Notes

- E. In this instrument, the “notes” (indicated by “**Note:**”) are included for the convenience of readers but do not form part of the legislative text.

Citation

- F. This instrument may be cited as the Retail Distribution Review (Retail Mediation Activities Return and Complaints Data) Instrument 2011.

By order of the Board
22 September 2011

Annex A**Amendments to Glossary of definitions**

In this Annex, underlining indicates new text.

complaint

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- (2) (in SUP 10 and DISP, except *DISP* 1.1 and the *complaints handling rules* and the *complaints record rule* in relation to *MiFID business*) any oral or written expression of dissatisfaction, whether justified or not, from, or on behalf of, a *person* about the provision of, or failure to provide, a financial service, which:

...

...

Annex B

Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

Ongoing alerts for retail adviser complaints

10.13.20A R (1) A firm must notify the FSA, in the form set out in SUP 10 Annex 9R, where:

(a) in any twelve month period, it has upheld three complaints about matters relating to the retail investment activities carried out by any one retail investment adviser; or

(b) it has upheld a complaint about matters relating to the retail investment activities carried out by a retail investment adviser, where the redress paid exceeds £50,000.

(2) (a) Notifications made under (1)(a) must be made by the end of the period of 20 business days, beginning on the day in which the firm has upheld the third complaint.

(b) Notifications made under (1)(b) must be made by the end of the period of 20 business days, beginning on the day in which the firm has upheld the complaint.

10.13.20B G For the purpose of SUP 10.13.20AR:

(1) when calculating the number of complaints in SUP 10.13.20AR(1)(a) the firm should exclude complaints previously notified to the FSA under this rule;

(2) redress, under SUP 10.13.20AR(1)(b), should be interpreted to include an amount paid, or cost borne, by the firm, where a cash value can be readily identified, and should include:

(a) amounts paid for distress and inconvenience;

(b) a free transfer out to another provider which transfer would normally be paid for;

(c) goodwill payments and goodwill gestures;

(d) interest on delayed settlements;

(e) waiver of an excess on an insurance policy; and

(f) payments to put the consumer back into the position the

consumer should have been in had the act or omission not occurred; and

- (3) if a firm reports on the amount of redress paid under SUP 10.13.20AR(1)(b), the redress should not include repayments or refunds of premiums which had been taken in error (for example where a firm had been taking, by direct debit, twice the actual premium amount due under a policy); the refund of the overcharge would not count as redress.

[**Note:** See *DISP 1.10.2AR* for the duty to notify *complaints* under the *complaints reporting rules*]

10.13.20C R Notifications under SUP 10.13.20AR must be made electronically using a method of notification prescribed by the FSA.

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After SUP 10 Annex 8G insert the following new annex. The text is not underlined.

10 Annex 9R Form G: The Retail Investment Adviser Complaints Alerts Form

The Retail Investment Adviser Complaints Alerts Form G approved by the FSA for notifications under SUP10.13.20AR may be found at the FSA's website www.fsa.gov.uk/Pages/Doing/Regulated/Notify/index.shtml

Form G: Retail Investment Adviser Complaints Alerts Form
(all fields are mandatory except where indicated)

This form relates to *SUP* 10.13.20AR

Firm details			
Firm Name		Firm Reference Number (FRN)	
Person making notification			
Name		Individual Reference Number (IRN) (where applicable)	
Position in firm		Contact telephone number	
Contact email address		Date of submission	

Retail Investment Adviser	
Name	Individual Reference Number (IRN)*

*Individual details can be found on the FSA Register under the individual tab. If you are unable to identify the retail investment adviser's IRN please contact the FSA at RIAnotifications@fsa.gov.uk for assistance.

Trigger		Subject of complaint									
		Advising, selling and arranging		Terms and disputed sums / charges		General admin / customer service		Arrears related		Other	
		Date(s) upheld		Date(s) upheld		Date(s) upheld		Date(s) upheld		Date(s) upheld	
(1)	<i>complaint</i> upheld where the redress paid exceeds £50,000										
(2)	three <i>complaints</i> upheld in any	Number (1, 2 or 3)	Date(s) upheld	Number (1, 2 or 3)	Date(s) upheld	Number (1, 2 or 3)	Date(s) upheld	Number (1, 2 or 3)	Date(s) upheld	Number (1, 2 or 3)	Date(s) upheld

twelve <i>month</i> period (other than claims that have already been notified to the FSA using this form)										
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Amend the following as shown.

16.12.22A R The applicable *data items* referred to in SUP 16.12.4R are set out according to type of *firm* in the table below:

Description of data item	Firms' prudential category and applicable data item (note 1)					
	<i>BIPRU 730k firm</i>	<i>BIPRU 125k firm and UCITS investment firm</i>	<i>BIPRU 50k firm</i>	<i>Exempt CAD firms subject to IPRU(INV) Chapter 13</i>	<i>Firms (other than exempt CAD firms) subject to IPRU(INV) Chapter 13</i>	<i>Firms that are also in one or more of RAGs 1 to 6 and not subject to IPRU(INV) Chapter 13</i>
...						
Fees and levies	...	...	...	...	...
<u>Adviser charges</u>	<u>Section K RMAR</u> (Note 26)	<u>Section K RMAR</u> (Note 26)	<u>Section K RMAR</u> (Note 26)	<u>Section K RMAR</u> (Note 26)	<u>Section K RMAR</u> (Note 26)	<u>Section K RMAR</u> (Note 26)
<u>Consultancy charges</u>	<u>Section L RMAR</u> (Note 27)	<u>Section L RMAR</u> (Note 27)	<u>Section L RMAR</u> (Note 27)	<u>Section L RMAR</u> (Note 27)	<u>Section L RMAR</u> (Note 27)	<u>Section L RMAR</u> (Note 27)
IRB portfolio risk ...	...	...	...
...						
Note 26	<u>This item only applies to firms that provide advice on retail investment products.</u>					
Note 27	<u>This item applies only to firms that provide advice and related services to employers on group personal pension schemes and/or group stakeholder pension schemes.</u>					

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16.12.23 R The applicable reporting frequencies for *data items* referred to in SUP 16.12.22AR are set out in the table below. Reporting frequencies are calculated from a *firm's accounting reference date*, unless indicated otherwise.

Data item	Frequency				
	Unconsolidated <i>BIPRU investment firm</i>	Solo consolidated <i>BIPRU investment firm</i>	<i>UK Consolidation Group or defined liquidity</i>	Annual regulated business revenue up to	Annual regulated business revenue over £5

			<i>group</i>	and including £5 million	million
...					
Section J RMAR	...	...	...	...	...
<u>Section K RMAR</u>	<u>Half yearly</u>	<u>Half yearly</u>	<u>Half yearly</u>	<u>Half yearly</u>	<u>Half yearly</u>
<u>Section L RMAR</u>	<u>Half yearly</u>	<u>Half yearly</u>	<u>Half yearly</u>	<u>Half yearly</u>	<u>Half yearly</u>
Note 1	...				
...					

16.12.24 R The applicable due dates for submission referred to in *SUP* 16.12.4R are set out in the table below. The due dates are the last day of the periods given in the table below following the relevant reporting frequency period set out in *SUP* 16.12.23R, unless indicated otherwise.

<i>Data item</i>	Daily	Weekly	Monthly	Quarterly	Half yearly	Annual
...						
Section J RMAR						...
<u>Section K RMAR</u>					<u>30 business days</u>	
<u>Section L RMAR</u>					<u>30 business days</u>	
Note 1	...					
...						

...

16 Annex 18AR Retail Mediation Activities Return ('RMAR')

...

SECTION B: Profit and Loss account

B1: Regulated Business Revenue

A B C D E

		Commissions		Fees / Adviser charges / Consultancy charges	Other income (reg activities)	Regulated business revenue
		Gross	Net			
<u>1</u>	Regulated mortgage contracts					
<u>2</u>	Non-investment insurance					
<u>3</u>	Retail investment products					
<u>4</u>	TOTAL					

B2: Other P&L

<u>5</u>	Income from other FSA regulated activities	
<u>6</u>	Other Revenue (income from non-regulated activities)	
<u>7</u>	TOTAL REVENUE	
<u>8</u>	TOTAL EXPENDITURE	
<u>9</u>	Profit/Loss on ordinary activities before taxation	
<u>10</u>	Profit/Loss on extraordinary activities before taxation	
<u>11</u>	Taxation	
<u>12</u>	Profit/Loss for the period before dividends and appropriations	
<u>13</u>	Dividends and other appropriations	
<u>14</u>	Retained Profit	

...

SECTION G: Training and Competence

- 1** Total number of all staff
Of which:
- 2** Number of staff that give advice
- 3** Number of staff that give advice (Full time equivalent)
- 4** Number of staff that supervise others to give advice
- 5** Number of advisers that have been assessed as competent
- 6** Number of advisers that have passed appropriate examinations
- 7** Number of advisers that have left since the last reporting date

	A	B	C	D
	Advising on mortgages	Advising on non-investment insurance (retail customer)	Advising on retail investment products	Total

**What types of advice were provided?
(tick all that apply)**

- 15** Independent
- 8** Independent (whole of market plus option of fee-only)
- 9** Whole of market (without fee-only option)
- 10** On the basis of a fair analysis of the market
- 11** Restricted / Multi-tie - the products of a limited number of providers
- 12** Restricted / Single-tie - the products of one provider
- 16** Restricted - limited types of products

	Mortgage	Non-Inv Insurance	Retail Investment products

Clawed back commission (retail investment firms only)

- 13** Clawed back commission by:
- 14**

Number	
Value	

...

After "Section J" insert new Section K and L. The text is not underlined.

SECTION K: Adviser charges

A B C D E F G

Retail investment product revenue from adviser charges

	<i>Independent advice</i>			<i>Restricted advice</i>			Total
	<i>Adviser charges invoiced directly to retail clients</i>	<i>Adviser charges invoiced via product providers</i>	<i>Adviser charges invoiced via platform service providers</i>	<i>Adviser charges invoiced directly to retail clients</i>	<i>Adviser charges invoiced via product providers</i>	<i>Adviser charges invoiced via platform service providers</i>	
1 Revenue from initial <i>adviser charges</i>							
2 Revenue from ongoing <i>adviser charges</i>							
3 TOTAL							

Payments of initial adviser charges

	<i>Independent advice</i>			<i>Restricted advice</i>			Total
	<i>Adviser charges invoiced directly to retail clients</i>	<i>Adviser charges invoiced via product providers</i>	<i>Adviser charges invoiced via platform service providers</i>	<i>Adviser charges invoiced directly to retail clients</i>	<i>Adviser charges invoiced via product providers</i>	<i>Adviser charges invoiced via platform service providers</i>	
4 Number of lump-sum payments							
5 Regular instalments as proportion of the total due							
6 TOTAL							

Number of one-off advice services

	<i>Independent advice</i>	<i>Restricted advice</i>	Total
7 Number of one-off advice services			

Retail clients paying for ongoing advice services

Number

- 8 *Retail clients* paying for ongoing advice services at the end of the reporting period
- 9 *Retail clients* who started paying for ongoing advice services during the reporting period
- 10 *Retail clients* who stopped paying for ongoing advice services during the reporting period

What types of adviser charging structures are offered?

	<i>Independent Advice</i>		<i>Restricted Advice</i>		Typical charging structure (tick all that apply)
	Minimum	Maximum	Minimum	Maximum	
11 Initial <i>adviser charge</i> per hour (£)					
12 Initial <i>adviser charge</i> as percentage of investment (%)					
13 Initial adviser charge as a fixed fee (£)					
14 Initial adviser charge as a combined charging structure (£)					
15 Ongoing <i>adviser charges</i> per hour (£)					
16 Ongoing <i>adviser charge</i> as percentage of investment (%)					
17 Ongoing adviser charge as a fixed fee (£)					
18 Ongoing adviser charge as a combined charging structure (£)					

SECTION L: Consultancy charges

Retail investment revenue from *group personal pension schemes* or *group stakeholder pension schemes* fees and consultancy charges

A B C D E

	<i>Fees invoiced directly to employer clients</i>	<i>Consultancy charges invoiced via product providers</i>	<i>Consultancy charges invoiced via platform service providers</i>	Total
1 Revenue from initial services				
2 Revenue from ongoing services				
3 Revenue from one-off services				
4 TOTAL				

Number of employers that received one-off services

5 Number of employers that received one-off service in reporting period

Employer clients receiving ongoing *group personal pension schemes* or *group stakeholder pension schemes* services

6 Number of employer clients receiving ongoing <i>group personal pension scheme</i> services at the end of the reporting period	<input type="text"/>
7 Number of employer clients who started receiving ongoing <i>group personal pension scheme</i> services during the reporting period	<input type="text"/>
8 Number of employer clients who stopped receiving ongoing <i>group personal pension scheme</i> services during the reporting period	<input type="text"/>

Range of consultancy charges

	Highest	Lowest	Typical
9 First year's projected <i>consultancy charges</i> (as % of first year's total employer and employee contributions) applying to <i>group personal pension schemes</i> or <i>group stakeholder pension schemes</i> set up in reporting period	<input type="text"/>	<input type="text"/>	<input type="text"/>

Types of consultancy charges in typical scheme (tick all that apply)

	% of employer contributions	% of member contributions	% of fund (annual management charge)	Flat amount per member	Other
10 Active members	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 Deferred members	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Amend the following as shown.

**16 Annex 18BG Notes for Completion of the Retail Mediation Activities Return
(‘RMAR’)**

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Contents

...

Section K: Adviser charges

Section L: Consultancy charges

...

Scope

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6. The following *firms* are required to complete the *RMAR*:

...

(c) *firms* (defined as *retail investment firms*) that have *retail customers*, and have *permission* to carry on the following activities in relation to *retail ~~investments~~ investment products*:

- *Advising on investments*;
- *Arranging (bringing about) deals in investments*;
- *Making arrangements with a view to transactions in investments*; and

(d) *personal investment firms*.

Retail ~~investments~~ investment products are defined as:

- (a) a *life policy*; or
- (b) a *unit*; or
- (c) a *stakeholder pension scheme*; or
- (d) a *personal pension scheme*; or
- (e) an interest in an *investment trust savings scheme*; or
- (f) a *security in an investment trust*; or
- (g) any other *designated investment* which offers exposure to underlying financial assets, in a packaged form which modifies that exposure when compared with a direct holding in the financial asset; or
- (e)(h) a *structured capital-at-risk product*;

whether or not any of (a) to (h) are held within an *ISA* or a *CTF*.

...

Note also that all *long-term care insurance contracts* are defined as *life policies*, and as such

are included as *retail ~~investments~~ investment products*.

...

EEA Firms

...

10. In broad terms, *incoming EEA firms* carrying on *regulated activities* through a branch in the *United Kingdom* are not required to complete the sections of the RMAR in the following table.

Prudential reporting requirements	Section A (balance sheet)
	Section B (profit & loss)
	Section C (<i>client money</i>)
	Section D (capital requirements)
	Section E (professional indemnity insurance)
Threshold conditions	Section F (save in relation to questions about <i>approved persons</i>)
Training & competence	Section G
<u>Adviser charges</u>	<u>Section K</u>
<u>Consultancy charges</u>	<u>Section L</u>

11. *Firms* that only carry on *reinsurance mediation* are not required to complete ~~section~~ sections C, K or L.

...

Authorised professional firms

...

14. Where APFs are required to submit financial information (i.e. sections A to E), they should do so in relation to all of their *regulated activities*. ~~Section~~ Sections F, K and L should also be completed in relation to all *regulated activities*. Other sections (G to I) need not include information in relation to *non-mainstream regulated activities*. However, APFs may complete all sections on the basis of all of their *regulated activities* if this approach is more cost effective.

Accounting principles

15. The following principles should be adhered to by *firms* in the submission of financial information (sections A to E and sections K and L).

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Section B: guide for completion of individual fields

...	
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<u>Fees / Adviser charges / Consultancy charges</u>	You should record here <u>adviser charges</u> and <u>consultancy charges</u> , and net income received from <u>customers</u> or other sources on a fixed fee rather than commission basis, but only in respect of the relevant <u>regulated activities</u> .
Other income from regulated activities	You should record here any income that has derived from the relevant <u>regulated activities</u> during the reporting period, which has not been recorded under commissions or fees, <u>adviser charges</u> or <u>consultancy charges</u> . Such income may include interest on <u>client money</u> , where the <u>firm</u> is permitted to retain this, or payments made by <u>product providers</u> on a basis other than fees or commissions.
...	...

...

Section G: Training & Competence

...

Section G: guide for completion of individual fields

...	...
What types of advice were provided? (tick all that apply)	If staff provide more than one type of advice (<u>for example</u> , they restrict their product range by <u>product provider</u> and type of product), or in relation to more than one business type (i.e. home finance transaction <u>home finance transaction</u> advising, advising on <u>non-investment insurance contracts</u> , or <u>retail investment products</u>), tick all that apply.
<u>Independent</u>	<u>For a retail investment firm to provide independent advice its personal recommendations must be based on a comprehensive and fair analysis of the relevant market, and be unbiased and unrestricted (COBS 6.2A.3R).</u>
Independent (whole of market plus option of fee-only)	To provide independent advice <u>hold itself out as acting independently</u> , a <u>firm carrying on home finance mediation activity</u> must consider products from across the whole of the market, and offer its clients the opportunity to pay by fee (MCOB 4.3.7R, COBS 6.2.15R).
Whole of market (without fee-only option)	A <u>firm carrying on home finance mediation activity</u> provides whole of market recommendations when it has considered a large number of products that are generally available from the market as a whole.

On the basis of a fair analysis of the market	<p>A firm gives recommendations on a fair analysis of the market when it has considered a large number of providers in the relevant sector(s) of the market (ICOB 4.2.11R).</p> <p><u>If an insurance intermediary informs a customer that it gives advice on the basis of a fair analysis of the market, it must give that advice on the basis of an analysis of a sufficiently large number of contracts of insurance available on the market to enable it to make a recommendation, in accordance with professional criteria, regarding which contract of insurance would be adequate to meet the customer's needs. (See ICOBS 5.3.3R, see also ICOBS 4.1.6R and ICOBS 4.1.8G).</u></p>
<u>Restricted / Multi-tie / - the products of a limited number of providers</u>	<p>A firm provides advice on multi-tie advice when it recommends products selected from a limited number of provider firms only.</p> <p><u>Restricted advice applies to advice on retail investment products. Multi-tie applies to insurance mediation activity and home finance mediation activity.</u></p>
<u>Restricted / Single-tie / - the products of one provider</u>	<p>A firm provides single-tie advice on when it recommends products selected from one provider firm only.</p> <p><u>Restricted advice applies to advice on retail investment products. Single-tie applies to insurance mediation activity and home finance mediation activity.</u></p>
<u>Restricted – limited types of products</u>	<p><u>A firm provides advice on limited types of products.</u></p>

...

After “Section J: data required for calculation of fees” insert the following new annexes (Section K: Adviser Charges and Section L: Consultancy Charges). The text is not underlined.

Section K: Adviser charges

In this section we are seeking data from *firms* in relation to *adviser charges* (COBS 6.1A and COBS 6.1B). We will use the data we collect to monitor and analyse the way *retail investment firms* implement the rules on *adviser charges*.

Data in this section should be reported on a cumulative basis throughout the *firm's* financial year, with the exception of the minimum and maximum *adviser charges*, which are the costs of advice services that a *firm* discloses to a *retail client* in writing, in good time before making the *personal recommendation* (or providing any related service) (COBS 6.1A.17R).

The *firm's* charging structure can be based on published tariffs or price lists and only needs to be updated as and when the tariffs or prices lists are updated.

All the data in this section should only be in relation to the provision of a *personal recommendation* by the *firm* in respect of a *retail investment product* (or any related service provided by the *firm*).

If a *firm* makes a management charge which covers *adviser charges* and charges for services that do not relate to a *personal recommendation* on *retail investment products*, then *firms* should report the full amount of the management charge received. *Firms* should not differentiate between the amounts relevant to the different services. For example, if a *firm* makes a management charge for a non-discretionary management service that predominantly relates to *advice* on stocks and shares, but provides *personal recommendations* on *retail investment products* as part of this service, then it should report the whole of this charge in section K.

In most cases, *firms* are asked to split the data based on whether the advice was *independent* or *restricted*. *Independent advice* is a *personal recommendation* to a *retail client* in relation to a *retail investment product* which is based on a comprehensive and fair analysis of the relevant market, and is unbiased and unrestricted (COBS 6.2A.3R). *Restricted advice* is advice which is not *independent advice*. *Restricted advice* includes *basic advice*, but the rules on *adviser charges* do not apply to a *firm* when it gives *basic advice*, so revenue from *basic advice* should not be captured here.

For revenue from *adviser charges* and payments of initial *adviser charges*, *firms* are also asked to split the data based on the payment mechanism, i.e. whether the *adviser charges* have been received directly from *retail clients*, via *product providers*, or via *platform service providers*. COBS 6.1B.9R allows for *firms* to facilitate the payment of *adviser charges* from a *retail investment product* or otherwise by means of a *platform service*.

Firms that have *appointed representatives* should include their *appointed representatives* as well as the *firm* itself in the information submitted in this section.

Data elements are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B.

Section K: guide for completion of individual fields

Adviser charge revenue	
Initial <i>adviser charges</i> (row 1)	<p>These are all <i>adviser charges</i> invoiced to <i>retail clients</i> during the reporting period for services that are not ongoing.</p> <p>These charges may be paid as a one-off lump sum, or as regular contributions over a period of time if the <i>adviser charge</i> relates to a <i>retail investment product</i> for which an instruction from the <i>retail client</i> for regular payments is in place and the <i>firm</i> has disclosed that no ongoing <i>personal recommendations</i> or service will be provided (COBS</p>

	6.1A.22R (2)).
Ongoing <i>adviser charges</i> (row 2)	These are all <i>adviser charges</i> , which are not initial charges, invoiced to <i>retail clients</i> during the reporting period for an ongoing service (<i>COBS</i> 6.1A.22R (1)).
<i>Adviser charges</i> invoiced directly to <i>retail clients</i> (column A, data elements 1A to 6A)	These are all <i>adviser charges</i> invoiced directly to <i>retail clients</i> .
<i>Adviser charges</i> invoiced via <i>product providers</i> (column A, data elements 1B to 6B)	These are all <i>adviser charges</i> invoiced via <i>retail investment product providers</i> who facilitate, directly or through a third party, the payment of <i>adviser charges</i> from a <i>retail client's retail investment product</i> .
<i>Adviser charges</i> invoiced via <i>platform service providers</i> (column C, data elements 1C to 6C)	These are all <i>adviser charges</i> invoiced via <i>platform service providers</i> who facilitate, directly or through a third party, the payment of <i>adviser charges</i> by means of a <i>platform service</i> .
Payments of initial adviser charges	
(See above three rows for an explanation of the different payment mechanisms.)	
Number of lump-sum payments (row 4)	<p>This is the number of initial <i>adviser charge</i> payments invoiced as a lump sum during the reporting period, i.e. the <i>client</i> pays the entire initial <i>adviser charge</i> in one payment.</p> <p>If an initial charge is not paid in full, we expect it to be recorded under row 5 of Section K as 'Regular instalments as proportion of the total due.</p>
Regular instalments as the proportion of the total due (row 5)	<p>An initial <i>adviser charge</i> may be structured to be payable over a period of time when it relates to a <i>retail investment product</i> for which an instruction from the <i>retail client</i> for regular payments is in place and the <i>firm</i> has disclosed that no ongoing <i>personal recommendations</i> or service will be provided (<i>COBS</i> 6.1A.22R(2)). Each instalment should be captured by the <i>firm</i> as a fraction, to two decimal places, representing the amount paid off as a proportion of the amount owed. The sum of these fractions should be reported in the appropriate data field in row 5 to two decimal places.</p> <p>This could be calculated either using (1) the length of the repayment period, if these instalments are of equal value, or (2) the amount paid. These two methods are outlined below (both methods should arrive at the same answer).</p> <p>(1) For each <i>retail client</i> calculate the number of <i>months</i> in the reporting period in which equal instalments are made</p>

	<p>divided by the total number of <i>months</i> in which payments are due to be made. Sum up fractions based on payment mechanism and type of advice and report in the appropriate field.</p> <p>(2) For each instalment calculate the amount paid divided by the total amount due. Sum up fractions based on payment mechanism and type of advice and report in the appropriate field.</p>
Number of one-off advice services (row 7)	This should be the number of one-off advice services provided during the reporting period, to which there is a corresponding initial <i>adviser charge</i> .
Retail clients paying for ongoing advice services	
<i>Retail clients</i> paying for ongoing advice services (row 8)	This should be the number of <i>retail clients</i> paying for ongoing advice services (i.e. paying ongoing <i>adviser charges</i>) at the end of the reporting period.
<i>Retail clients</i> who start paying for ongoing advice services (row 9)	This should be the number of <i>retail clients</i> who began paying for an ongoing advice service (i.e. paying ongoing <i>adviser charges</i>) during the reporting period.
<i>Retail clients</i> who stop paying for ongoing advice services (row 10)	This should be the number of <i>retail clients</i> who stopped paying for ongoing advice service (i.e. paying ongoing <i>adviser charges</i>) during the reporting period.
Charging structure	
What types of adviser charging structures are offered?	Only those fields relevant to the <i>firm's</i> charging structure should be completed.
Combined charging structure (£)	When a <i>firm</i> operates charging structures which are a combination of per hour, percentage of investment and/or fixed fee, <i>firms</i> should record the actual minimum and maximum charges charged in the reporting period and not the published tariff or price list for that combined charging structure. For example, where the <i>firm's</i> charging structure is a combination of a fixed fee element and a percentage basis the <i>firm</i> will need to work out what the actual maximum and minimum <i>adviser charges</i> charged in the reporting period were in order to report values in UK Sterling (£).
Minimum and maximum <i>adviser charges</i>	Where a <i>firm</i> has no range in their charging structure, the minimum and maximum <i>adviser charges</i> should be recorded as the same.
Typical charging structure	If a <i>firm</i> has more than one charging structure, it should

<p>(tick all that apply)</p>	<p>report all charging structures and indicate what the typical charging structure is for initial and ongoing services. If the adviser charging structures typically offered are split evenly between the different charging types (per hour, percentage of investment, fixed fee or combined) for initial and/or ongoing advice services, tick the charging structures that are relevant.</p>
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Section L: Consultancy charges

In this section we are seeking data from *firms* in relation to *consultancy charges* (COBS 6.1C). We will use the data we collect to monitor and analyse the way *retail investment firms* implement the rules on *consultancy charges*.

Consultancy charges are payable on behalf of an employee to a *firm* or other intermediary in respect of advice given or services provided in connection with *group personal pensions schemes* (including a group *SIPP*) and *group stakeholder pension schemes*.

Consultancy charge data should be reported on a cumulative basis throughout the *firm's* financial year, with the exception of the highest, lowest and typical *consultancy charges*. All the data in this section should only be in respect of *retail investment products*.

Firms are asked to split the data on revenue from *consultancy charges* by payment mechanism, i.e. whether the *consultancy charges* have been received directly as a *fee* from the employer, via *product providers*, or via *platform service providers*. COBS 6.1D.9R allows for *firms* to facilitate the payment of *consultancy charges* from a *retail investment product* or otherwise by means of a third party such as a *platform service provider*.

Firms that have *appointed representatives* should include their *appointed representatives* as well as the *firm* itself in the information submitted in this section.

Data elements are referred to by row first, then by column, so data element 2B will be the element numbered 2 in column B.

Section L: guide for completion of individual fields

Retail investment revenue from either or both group personal pension scheme and group stakeholder pension scheme fee and consultancy charges	
Initial services (row 1)	This is the revenue invoiced during the reporting period for services provided at the scheme outset. For example, the initial services for setting up the scheme such as advice on the selection of scheme provider and launching the scheme to employees.
Ongoing services (row 2)	This is the revenue invoiced during the reporting period for an ongoing service. For example, assisting the employer with the annual scheme renewal or promoting the scheme to new joiners.
One-off services (row 3)	This is the revenue invoiced for services provided during the term of the scheme, which have not been included in row 1 or row 2. For example, one-off advice or services an employer may seek about an existing scheme such as whether it meets the government's requirements for auto-

	enrolment.
<i>Fees</i> invoiced directly to employer clients (column A, data elements 1A to 4A)	These are all of the <i>fees</i> invoiced directly to employer clients.
<i>Consultancy charges</i> invoiced via <i>product providers</i> (column B, data elements 1B to 4B)	These are all <i>consultancy charges</i> invoiced via <i>retail investment product providers</i> who facilitate, directly or through a third party, the payment of <i>consultancy charges</i> .
<i>Consultancy charges</i> invoiced via <i>platform service providers</i> (column C, data elements 1C to 4C)	These are all <i>consultancy charges</i> invoiced via <i>platform service providers</i> who facilitate, directly or through a third party, the payment of <i>consultancy charges</i> by means of a <i>platform service</i> .
Number of employers that received one-off services	
Number of employers that received one-off services in the reporting period (row 5)	This should be the number of employers who received services of a one-off nature not included previously in any initial or ongoing charges within the reporting period and where no ongoing service is envisaged.
Employer clients paying for either or both ongoing group personal pension scheme and stakeholder pension scheme services	
Employer clients receiving ongoing services (row 6)	This should be the number of employer clients receiving ongoing services (i.e. paying ongoing <i>consultancy charges</i>) at the end of the reporting period.
Employer clients who start receiving ongoing services (row 7)	This should be the number of employer clients who began receiving an ongoing service (i.e. paying ongoing <i>consultancy charges</i>) during the reporting period.
Employer clients who stop receiving ongoing services (row 8)	This should be the number of employer clients who stopped receiving an ongoing service (i.e. paying ongoing <i>consultancy charges</i>) during the reporting period.
Range of consultancy charges	
Highest, lowest and typical <i>consultancy charges</i> (row 9)	<i>Firms</i> need to report the highest, lowest and typical <i>consultancy charges</i> calculated as the first year's projected <i>consultancy charges</i> (as % of first year's total employer and employee contributions) applying to <i>group personal pension schemes</i> and <i>group stakeholder pension schemes</i> set up in the reporting period.
Types of consultancy charges in typical scheme	
Charging structures offered to active and deferred members of <i>group personal pension</i>	Only those fields relevant to the <i>firm's</i> typical charging structure should be completed.

<i>schemes and group stakeholder pension schemes</i>	Tick all that apply.
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Amend the following as shown.

Transitional provisions

TP 1.2

(1)	(2)	(3)	(4)	(5)	(6)
	Material to which the transitional provision applies		Transitional Provision	Transitional Provision: dates in force	Handbook provision; coming into force
...					
8M	<u>SUP 10.13.20A R</u>	<u>R</u>	<u>This rule applies to complaints upheld on or after 31 December 2012.</u>	<u>From 31/12/2012</u>	<u>31/12/2012</u>
...					
12M	...				
	<u>(20A) SUP 16.12.22AR</u>	<u>R</u>	<u>(1) Where a firm is required under SUP 16.12.22AR to submit information on adviser charges in Section K of the RMAR or consultancy charges in Section L of the RMAR the firm is not required to report information collected prior to 31 December 2012.</u> <u>(2) The first reporting period for Section K or Section L of the RMAR begins on the first day of the firm's first full reporting period (as specified in SUP 16.12) after 31 December 2012.</u>	<u>31/12/2012 to 30/06/2013</u>	<u>31/12/2012</u>
...					

...

Schedule 2 Notification requirements

...

Sch 2.2 G

Handbook reference	Matter to be notified	Contents of notification	Trigger event	Time allowed
...				
<u>SUP 10.13.20A R</u>	<u>Retail investment advisers (RIA) – if a firm has upheld a complaint and paid redress of over £50,000, or has upheld 3 complaints in the last 12 months, about matters relating to the retail investment activities carried out by a retail investment adviser</u>	<u>Approved Persons Form G Retail Investment Adviser Complaints Alerts Form (see SUP 10 Annex 9R)</u>	<u>A complaint is upheld with a claim value of over £50,000 or three complaints are upheld in a 12 month period about matters relating to the retail investment activities carried out by a retail investment adviser</u>	<u>By the end of the period of 20 business days beginning on the day on which the matter to be notified occurs</u>
...				

Annex C

Amendments to Dispute Resolution: Complaints sourcebook (DISP)

In this Annex, underlining indicates new text and striking through indicates deleted text.

- 1.10.2A R (1) Twice a year a *firm* must provide the *FSA* with a complete report concerning *complaints* received from *eligible complainants* about matters relating to the *retail investment activities* carried out by its *retail investment advisers*. The report must be set out in the format in *DISP 1 Annex 1CR*.
- (2) *DISP 1 Annex 1CR* requires (for the relevant reporting period) information about:
- (a) the total number of *complaints* received by the *firm* about matters relating to the *retail investment activities* carried out by its *retail investment advisers*;
- (b) the total number of *complaints* closed by the *firm* about matters relating to the *retail investment activities* carried out by its *retail investment advisers*;
- (c) the total number of *complaints* upheld by the *firm* about matters relating to the *retail investment activities* carried out by its *retail investment advisers*; and
- (d) the total amount of redress paid in respect of *complaints* upheld during the reporting period about matters relating to the *retail investment activities* carried out by its *retail investment advisers*.
- (3) For the purpose of *DISP 1 Annex 1CR retail investment adviser information* must be reported by *FSA Individual Reference Number (IRN)*.
- 1.10.3 G For the purpose of *DISP 1.10.2R* and *DISP 1.10.2AR*, when completing the return, the *firm* should take into account the following matters.
- ...
- (3) If a *firm* reports on the amount of redress paid under *DISP 1.10.2R(4)* or *DISP 1.10.2AR*, redress should be interpreted to include an amount paid, or cost borne, by the *firm*, where a cash value can be readily identified, and should include:
- (a) amounts paid for distress and inconvenience;
- (b) a free transfer out to another provider which transfer would normally be paid for;

- (c) goodwill payments and goodwill gestures;
 - (d) interest on delayed settlements;
 - (e) waiver of an excess on an insurance policy; and
 - (f) payments to put the consumer back into the position the consumer should have been in had the act or omission not occurred.
- (4) If a *firm* reports on the amount of redress paid under *DISP* 1.10.2R(4) or *DISP* 1.10.2AR, the redress should not, however, include repayments or refunds of premiums which had been taken in error (for example where a *firm* had been taking, by direct debit, twice the actual premium amount due under a policy). The refund of the overcharge would not count as redress.

[Note: See *SUP* 10.13.20AR for the ongoing duty to notify *complaints* about matters relating to the *retail investment activities* of a *retail investment adviser*].

After *DISP* 1 Annex 1BR insert the following new annex. The text is not underlined.

Annex 1CR Illustration of the online reporting requirements, referred to in *DISP* 1.10.2AR

This annex belongs to *DISP* 1.10.2AR

COMPLAINTS BY RETAIL INVESTMENT ADVISERS REPORTING / NIL RETURN DECLARATION

1 Does the data reported in this return cover *complaints* about matters relating to the *retail investment activities* carried out by more than one *retail investment adviser*? If 'Yes', then list the individual reference numbers (IRNs) of all the *retail investment advisers* included in this return.

Yes / No

2 We wish to declare a nil return

Yes / No

Total complaints, complaints closed, complaints upheld and total redress paid during the reporting period

	A	B	C	D	E	F
	IRN	Name of RIA	Total number of complaints received	Total number of complaints closed	Total number of complaints Upheld	Total redress paid
1						
2						
3						
4						

NOTES ON THE COMPLETION OF THIS RETURN

Nil returns

If no *complaints* have been received during the reporting period or none of the *complaints* received is about matters relating to the retail investment activities carried out by a *retail investment adviser* the *firm* may submit a NIL RETURN by clicking on the relevant box.

...

Amend the following as shown:

TP 1.1 Transitional Provisions table

(1)	(2) Material provision to which transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
...					
30	<u>DISP 1.10.2AR</u>	<u>R</u>	<u>Where a firm, which has a reporting period ending on or before 30 June 2013</u>	<u>31 December 2012 to 30 June 2013.</u>	<u>31 December 2012</u>

		<p><u>submits its report to the FSA in accordance with the complaints reporting rule at DISP 1.10.2AR the number of complaints must be calculated for the period from the 31 December 2012 to the end of the firm's relevant reporting period.</u></p>		
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...