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Chairman's Foreword to 'Safer' Products report.

The Financial Services Consumer Panel has strongly supported the FSA's Retail Distribution Review which, when implemented, will clarify the responsibilities of financial advisors and the basis on which they are remunerated. One widely expected consequence, however, is a likely shortfall in advice available to less affluent consumers. These consumers may wish to acquire investment and other financial services products but may not see the fees charged as representing good value for money. The Panel has therefore been concerned to explore the scope for what might variously be termed 'safer', 'simpler' or 'straightforward' products, which might be distributed through 'simpler advice', at lower cost than standard products distributed via standard advice. The Panel accordingly commissioned David Severn, to whom it is grateful for his efforts, to prepare a report on these related topics, which it is pleased to publish as a contribution to ongoing debate.

The views in the report are those of the author, the Panel is continuing to discuss with the FSA and with a number of major firms to understand better the impediments in the way of meeting the needs of consumers in this particular market segment, with the aim of encouraging beneficial practical outcomes.

Adam Phillips
Consumer Panel Chairman