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This document is intended to help you consider the type of information you could get from reviewing a customer's file. Think about your current process. Does it only act as a check for administrative errors or does it allow you to assess the advice process (i.e. treating customers fairly) as well as the quality of the advice given. You should ensure you are satisfied that your firm is meeting with our requirements. This list is not a checklist, nor is it exhaustive.

Consider your own firms' business model and activities when considering what you want to get from reviewing a customers' file.

In addition to the hard facts e.g. adviser, customer name, product and provider details etc. the reviewer can also satisfy themselves of the following:

Know Your Customer (KYC) information

The adviser:

- Recorded sufficient KYC information to enable the reviewer to clearly assess the needs, priorities and objectives of the customer before making the recommendation.
- Considered and discussed the customer's existing arrangements, investments and tax status.
- Properly assessed the customer's attitude to risk and it accurately reflects their risk appetite.
- Established whether the customer could afford the recommendation, both now and in the future.

Recommendation

The adviser:

- Provided the correct type of advice i.e. full/focused/execution only and it is justified. Where the advice is focused, they made the customer aware of the risks.
- Conducted adequate research to justify the recommendation.
- There are no concerns with the quality of advice provided to the customer and the recommendation clearly matches the customer's needs, priorities and objectives, attitude to risk, personal and financial goals.

Suitability report

- Is tailored to the customer;
- Uses clear and plain language;
- Explains the reasons for all recommendations and how they relate to the customer's objectives;

- Highlights the risks associated with the recommendations;
- explains the costs, charges and potential penalties attached to the recommendations;
- Provides a balanced view;
- Highlights if you have omitted any objectives, or have presented 'focused' advice only; and
- Highlights how the customer will be advantaged or disadvantaged by the advice

Processes

The firm:

- Ensured documents disclosing costs and services are compliant and issued to the customer at the appropriate time.
- Undertook adequate money laundering checks based on business written.
- Matched Key Features Document/Illustration with the recommendation it made and issued them at the appropriate time.
- Disclosed commission (in cash terms) to the customer.
- Application accurately reflects the recommendations made and completed at the appropriate time.
- Policy documents have been issued to the customer within a reasonable period.

Points to consider when undertaking a review of a customers file

- Encourage the reviewer to provide comments on their understanding of the customer's circumstances, the recommendation made, the communication with the customer and whether the records overall provide satisfactory evidence that the customer was treated fairly throughout and received good quality of advice.
- Encourage comments from the adviser on the overall findings from the review.
- Use the review in conjunction with other management information gathered (e.g. complaints records, Key Performance Indicators, results from post-advice surveys). This is to gain a clear picture of the individual, the process followed and how the customer was treated to identify potential weaknesses.
- Where issues are identified ensure clear and appropriate remedial action is set with clear statements about what is required, who should undertake this, where it should be recorded and when it will be finished.
- Where appropriate, ensure gaps or weaknesses identified feed into individual learning and development plans.