

FSA's pension-switching advice suitability assessment template: Questions section

There are functionalities in the Excel version that are not available in this PDF version (e.g. dropdown menus).

Section 1: File-specific information

FRN	Firm name	Reviewer name	
	Appointed representative	Review date	
	Adviser name		
	Customer name	Customer date of birth	
	The provider of the receiving scheme is:	The receiving scheme is a:	
		PPP	SIPP
		Date of application form	

Section 2: Customer needs analysis

- A What drivers for the pension switch were stated in the suitability report or in other documents on file?

Consolidation
Future drawdown
Investment flexibility
Performance
Specific investment
Switch to cheaper scheme
Other: state in comments box
File does not contain drivers

Comments on customer needs analysis

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Section 3: Unsuitable outcomes

- 1 The customer has been switched to a pension that is more expensive than their existing one(s) or a stakeholder pension (because of exit penalties and/or initial costs and ongoing costs of the receiving scheme versus the old scheme or a stakeholder pension) without good reason.**

1.1	Is the receiving scheme more expensive than the ceding scheme(s)?	<div>Yes</div> <div>No: same</div> <div>No: receiving scheme is less expensive</div> <div>Not enough information to tell</div> <div>Costs are not an issue: explain why</div>
1.2	Is the receiving scheme more expensive than a stakeholder pension?	<div>Yes</div> <div>No: same</div> <div>No: receiving scheme is less expensive</div> <div>Not enough information to tell</div> <div>Costs are not an issue: explain why</div>
1.3	For each pension switch, did the advice consider any MVAs or penalties that applied on switching out?	<div>Yes</div> <div>No: this is detrimental to the customer</div> <div>Not an issue: explain why</div> <div>NA: as no penalties</div>
1.4	Does the receiving scheme have the features / options that meet the customer's needs?	<div>Yes</div> <div>No</div> <div>Not an issue: explain why</div> <div>Unclear</div>
1.5	Could the features / options / funds have been achieved more cost effectively by a different product?	<div>Yes</div> <div>No</div> <div>Not an issue: explain why</div> <div>Unclear</div>
1.6	<p>Is the recommendation to switch to a more expensive scheme than the ceding scheme(s) without good reason (see guidance)?</p> <p>Examples:</p> <ul style="list-style-type: none"> Did the adviser identify a limited range of investments in the ceding scheme? Did the adviser check that the investments in the ceding scheme were performing poorly? Has the adviser analysed the with-profit funds in the ceding scheme? 	<div>No</div> <div>Yes: provide details</div> <div>Costs are not an issue: explain why</div> <div>Not enough information to tell</div> <div>No additional cost</div>

1.7 Is the recommendation to switch to a more expensive scheme than a stakeholder pension without good reason (see guidance)?

Examples:

- Has the adviser made use of external funds?
- Would a stakeholder pension meet the customer's needs?

No
Yes: provide details
Costs are not an issue: explain why
Not enough information to tell
No additional cost

Comments on outcome 1

Comments on Question 1

Outcome 1 materialised?

No
Yes
Unclear

2 **The customer has lost benefits (e.g. guaranteed annuity rates) in the pension switch without good reason.**

2.1 Were guarantees in the ceding scheme considered and was there good reason for their loss on switching out?

Yes: loss of guarantees justified
No: loss of guarantees not justified
No: no evidence of guarantees checked
Not an issue: explain why
NA: no guarantees

Comments on outcome 2

Comments on Exhibit 2

Outcome 2 materialised?

No
Yes
Unclear

3 The customer has switched into a pension that does not match their recorded attitude to risk (ATR) and personal circumstances.

3.1 What is the ATR recorded in the know you customer (KYC)/fact find documents?

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3.2 What is the ATR recorded in the suitability report?

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3.3 Is the investment recommendation suitable given the customer's ATR and personal circumstances?

Yes
No
Not an issue: explain why
Unclear

Comments on outcome 3

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Outcome 3 materialised?

No
Yes
Unclear

4 The customer has switched into a pension where there is a need for ongoing investment reviews but this is not explained, offered or put in place.

4.1 Did the suitability report explain the importance (see guidance) of regular ongoing reviews?

Yes
No: but should have
Not an issue: explain why

4.2 Have these have been offered, carried out or arranged for a future date?

Either offered, carried out or arranged
Offered but review date has passed and the review has been missed
No: not offered, not carried out and not arranged
Not an issue: explain why

Comments on outcome 4

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Outcome 4 materialised?

No
Yes

5 Other unsuitable outcomes

5.1 Detail any other unsuitable outcomes identified:

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Outcome 5 materialised?

No
Yes

Initial rating

Explain why you have selected this rating.

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Suitable
Unsuitable
Unclear

Final rating (if initial rating is “Unclear”)

If the initial rating is “Unclear” because of incomplete information on file, you should obtain the missing information from the adviser and re-assess.

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Suitable
Unsuitable

FSA's pension-switching suitability assessment template: Data section

Ceding schemes

Policy	Policy type	Provider	Transfer Value (£)	Fund Value (£)	Ongoing charges %	Projection to Selected Retirement Date (£)	Guarantees and Guaranteed Annuity Rates	Comments
A								
B								
C								
D								
E								

Policy-specific data for receiving scheme

Fees/initial commission for advice	Fees/ongoing commission	Adviser waived fee and commission		Comments
		Yes	No	

Term to retirement (full years)	Retirement date	Retirement age on KFI/projection	Non fund charges (initial) %	Non fund charges (ongoing) %	Projection to Selected Retirement Date (£)	Reduction In Yield (RIY)	Comments

Fund-specific data for receiving scheme

[illegible]