



Introduction

Retirement Income Advice Survey

Introduction

Who this survey is for:

This survey is for completion by Directly Authorised firms, including Principal Firms that have Appointed Representatives (ARs).

Note to Principal Firms:

Please complete this survey in relation to the principal firm only. A separate survey should be completed for each of the firm's ARs. Please select two ARs and click on the AR links in the survey cover email.

Instructions:

Please provide data related to the calendar year **January - December 2022**, unless a specific date is stated.

This survey consists of 14 sections which contain a total of 87 multiple choice and 'yes' or 'no' questions. Some questions require manual input of data into a free-format text box. Some of these questions may not be applicable to your firm and some may only be relevant based on the response to a prior question. Therefore, some numbers may not be in sequence and won't appear where the questions are not relevant. You may share this link internally with other colleagues to view the questions but only one individual can edit and save inputs at any one time.

If the data you hold is at a group level, please ensure that you provide at the entity level (ie. FRN level). If you are unsure about any terms mentioned within the survey, please click [here](#) to view the glossary. Please ensure the information input is reviewed for accuracy.

If you need to make any changes, or review any inputs, please navigate using either the **back** button at the bottom of the survey or using the **table of contents menu** in the sidebar of the survey before submission. Please click on the 3 lines to bring up the table of contents. You can navigate to different pages by clicking on the headlines. Please note it may not be possible to leave certain sections without completing the mandatory questions. The on-screen prompt will highlight which questions must be completed.

You may find it helpful to view or print a pdf of this survey containing all the questions [here](#).

The **next** button on the bottom of the survey saves the information input on each page and allows you to return and continue the survey at another time.

By clicking **SUBMIT** at the end of the survey your response will be submitted and you will not be able to return to the survey. On submission, a summary of your response will be displayed on screen with the option to save a copy for your records. If you submit in error, please contact us to reactivate the survey link (information already inputted will be retained).

Please note, we request this survey to be completed within **three weeks of receipt by 4 July 2023**. As this survey aims to help us understand how the retirement income advice market is working, we would be grateful for your participation. We recommend this survey is completed on a computer.

If you require any assistance or further guidance, please contact us on QualtricsRIA@fca.org.uk. When emailing about the survey please include "Qualtrics Survey – name of your firm – your FRN" in the subject line or you can contact the Supervision Hub on 0300-5000597.

Firm identification Part 1

Firm identification

1. Firm name

Note – when we refer to "firm" we mean the legal entity that this survey has been issued to.

2. Firm Reference Number (FRN)

3. Is the firm part of a larger group structure? (Not including appointed representatives (ARs))

Yes

No

3a. What is the name of the group?**3b. If the parent company of the group is regulated, what is the FRN?****4. Description of firm activity?***(select all that apply)*

- Adviser
- Platform
- Wealth

5. Is the firm a principal firm?**5a. How many appointed representatives do you have?**

Please complete the AR survey for two ARs that provide retirement income advice or lifetime lending.

6. Does your firm provide lifetime lending as part of its decumulation advice model?

Note - lifetime lending includes retirement interest-only mortgages and equity release.

6a. What products does your firm provide advice on as part of its decumulation advice model? Please indicate whether advice is provided directly by advisers within your firm (as recorded in 1) or through a related company associated with the firm, including a parent company?

	Y/N	Advice
Interest only mortgages	<input type="text" value="▼"/>	<input type="text" value="▼"/>
Equity release	<input type="text" value="▼"/>	<input type="text" value="▼"/>

Q7**7. Where lifetime lending is provided directly by advisers within your firm****7a. Do advisers also advise on retirement income solutions (such as annuities or drawdown)?** Yes No**7b. Are all products considered when considering retirement income needs?**

- All products are considered
- Retirement income and lifetime lending products considered as distinct and separate areas of advice / to suit different objectives / generally considered at different stages in customers' lives (later than decumulation advice)

7c. Do advisers for lifetime lending advise on all mortgage products?

- Yes – all mortgage products are considered when considering retirement income needs
- No – Lifetime mortgage advice is considered as a distinct and separate area of advice to other mortgage products (e.g. retirement interest-only and equity release as opposed to conventional mortgages)

7d. Is remuneration structured differently for retirement income advisers and lifetime lending advisers? Yes No**7e. Does the firm's monitoring and supervision of lifetime lending advisers differ from the monitoring and supervision of the retirement income advisers?**

Note – for example, is there a separate training framework in place with different frequency of review.

 Yes No

Q8

8. Where lifetime lending is provided by advisers within a related company, why has the firm chosen to structure its advice on lifetime lending in this way?

Firm identification Part 2

9. Is the firm vertically integrated?

 Yes No

10. Does the firm use any automation within the decumulation advice model?

 Yes No

10a. In which areas of decumulation advice is automation used?

(Select all that apply)

- Risk profiling (ATR)
- Capacity for loss (CFL)
- Cash Flow Modelling (CFM)
- Portfolio / fund recommendations
- Income withdrawal strategy recommendation
- Sustainability of income withdrawal %
- Decumulation recommendation (annuity vs drawdown)

11. How many compliance and audit function employees does the firm (as recorded in 1.) have?

- 1 - 5
- 6 - 24

- 25 - 49
- 50 - 99
- 100 - 499
- 500+

11a. Are any of the firm's compliance and audit functions outsourced? Yes No**12. How many advisers does the firm have for decumulation/retirement income advice?**

- 1 - 5
- 6 - 24
- 25 - 49
- 50 - 99
- 100 - 499
- 500+

13. How many advisers does the firm have for lifetime lending advice?

- 1 - 5
- 6 - 24
- 25 - 49
- 50 - 99
- 100 - 499
- 500+

14. How many advisers provide both decumulation/retirement income and lifetime lending advice?

- 1 - 5
- 6 - 24
- 25 - 49
- 50 - 99
- 100 - 499
- 500+

Target Market

Target Market

These questions look at whether firms are identifying a target market (and, where relevant, negative target market) for their centralised retirement proposition. These questions also consider whether the design of the firm's distribution strategy takes account of their customers' needs, characteristics and objectives (including any characteristics of vulnerability).

15. Does the firm have an identified target market for its decumulation advice model?

Yes

No

15a. Please confirm when your decumulation advice model and ongoing service was last reviewed to ensure it still meets the needs of its target market? (Confirm date of last review)

16. What are the most common objectives of the firm's target market?

(select all that apply)

- Consumers looking for decumulation advice and options available
- Consumers looking solely for drawdown advice
- Consumers looking solely for annuity advice
- Estate Planning/wealth transfer
- Lifetime lending

17. What are the key characteristics of the firm's target market?

(select all that apply)

- Professionals
- HNW
- Sophisticated investors
- Retail consumers

18. Does your firm specify an overall minimum fund value before providing decumulation advice or a minimum value of overall customer assets, before accepting

a customer for advice (on any aspect of financial planning)?

- Yes, a minimum fund value for decumulation advice
- Yes, a minimum total wealth/assets value at individual customer or family level
- No minimum value

18a. Where there is a minimum fund/transfer value for decumulation advice, select the appropriate value.

- Under £50,000
- £50,000 - £99,999
- £100,000 - £249,999
- £250,000 - £499,999
- £500,000 - £1m
- £1m +

18b. Where there is a minimum value of overall assets, either at individual customer or family level, select the appropriate value.

- Under £50,000
- £50,000 - £99,999
- £100,000 - £249,999
- £250,000 - £499,999
- £500,000 - £1m
- £1m +

19. Does your firm offer any incentives to potential customers who are seeking decumulation advice Yes No**19a. What incentives are offered to potential customers to switch to your firm for decumulation advice (including for example consolidation incentives)?***(Select all that apply)*

- Cashback
- Gift card
- Reduced Charges
- Other

20. Has the firm identified the group(s) of consumers for which their decumulation advice model is likely to be inappropriate? Yes No**20a. What are the reasons?***(Select all that apply)*

- Minimum fund/transfer value not met
- Guaranteed income required by consumer (firm does not advise on annuities)
- Drawdown required (firm does not provide drawdown advice)
- DB transfer for flexible access objectives (via drawdown/UFPLS)
- Consumers wishing to invest in assets that are NOT standard (as defined in COBS 4 and COBS 22)
- Non-UK residents
- Inexperienced investors
- Cautious investors

21. Please provide the total number of customers in decumulation strategies, (where they have drawn or started to draw benefits via retirement solutions, irrespective of the year of advice) and also the percentage of your customers that this represented at 31 December 2022.

Where data is not available at 31 December 2022, you may provide the current position based on the most recent data the firm has available.

Number of customers**Data not available:**

- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

Percentage

Data not available:

- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

Please also confirm what your answer is based on:

- Based on position known at end of 2022
- Based on current position

22. Please provide the total number of customers in decumulation deemed High Net Worth or sophisticated investors and the percentage of your customers in decumulation that this represented at 31 December 2022.

Where data is not available at 31 December 2022, you may provide the current position based on the most recent data the firm has available.

Number of customers**Data not available:**

- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

Percentage

Data not available:

- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

Please also confirm what your answer is based on:

- Based on position known at end of 2022
- Based on current position

23. Does the firm's vulnerable customer policy and processes allow for identification of customers during the decumulation advice process that may be vulnerable, both at the point of initial advice and on an ongoing basis? Yes No**24. Please provide the total number of customers in decumulation identified as vulnerable and what percentage of your customers in decumulation this represented at 31 December 2022.**

Where data is not available at 31 December 2022, you may provide the current position based on the most recent data the firm has available.

Number of customers**Data not available:**

- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

Percentage**Data not available:**

- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

Please also confirm what your answer is based on:

- Based on position known at end of 2022
- Based on current position

25. What reasonable adjustments does the firm allow for vulnerable customers?*(Select all that apply)*

- Face to face advice option (instead of paper-based or online)
- Access to telephone advice (instead of paper-based or online)
- Home visits available
- More concise / clearer documentation
- Presence of family member/close friend
- More touchpoints / interactions with customers

Nature/scope of advisory services**Nature/scope of advisory services**

This section considers the design of the firm's advisory services (initial and ongoing) and whether it supports the delivery of good outcomes to consumers within their target market.

26. What is your firm's decumulation business advice model?*(select all that apply)*

- Independent/Whole of market
- Restricted
- Single provider
- Holistic advice (considering all areas of financial planning)
- Focused advice (limited to one or more specific needs)
- Transactional advice (one off advice on a specific objective with no ongoing advice)
- Ongoing advice
- Fully automated/hybrid (partly) automated

27. In respect of the firm's advised decumulation business over the last calendar year (Jan-Dec 2022):

27a. What was the minimum, mean and maximum fund value (in £) per customer?

Minimum fund value (£)

Data not available:

- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

Mean fund value (£)

Data not available:

- Data not measured
- Data not recorded centrally/require manual extraction from files

Other

Maximum fund value (£)**Data not available:**

Data not measured
 Data not recorded centrally/require manual extraction from files
 Other

27b. What was the minimum, mean and maximum initial advice fee (in £) per customer?**Minimum initial advice fee (£)****Data not available:**

Data not measured
 Data not recorded centrally/require manual extraction from files
 Other

Mean initial advice fee (£)

Data not available:

- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

Maximum initial advice fee (£)**Data not available:**

- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

27c. What was the minimum, mean and maximum ongoing service charge (in £) per customer?**Minimum ongoing service charge (£)****Data not available:**

- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

Mean ongoing service charge (£)

Data not available:

- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

Maximum ongoing service charge (£)**Data not available:**

- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

28. In respect of the firm's advised decumulation business over the last calendar year (Jan – Dec 2022):**28a. How much (in £) and what percentage of total firm revenue came from providing decumulation advice?**

Decumulation advice includes advice in relation to drawing income from defined contribution pension funds on an ad-hoc or regular basis, encashment of pension funds using UFPLS or full encashment (including for small pots), securing a fixed term or guaranteed annuity, or withdrawal of PCLS only.

Total firm revenue (£)

Data not available:

- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

Percentage**Data not available:**

- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

28b. How much (in £) and what percentage of total firm revenue came from ongoing service fees arising from customers in decumulation solutions?**Total firm revenue (£)****Data not available:**

- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

Percentage

Data not available:

- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

28c. Has the firm's decumulation advice revenue grown or declined over the last calendar year (Jan – Dec 2022) when compared with the previous year?

- Grown
- Declined
- No significant change

Data not available

- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

28d. Has the firm's decumulation advice revenue grown or declined due to a change in the service charges in the last calendar year (Jan – Dec 2022)?

- Grown
- Declined
- No significant change

Data not available

- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

28e. How much (in £) and what percentage of total revenue came from new customers (i.e. customers who did not have an existing relationship with your firm)?

Total firm revenue (£)**Data not available:**

- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

Percentage**Data not available:**

- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

29. In respect of the firm's decumulation advised business over the last calendar year (Jan – Dec 2022):**29a. How many and what percentage of the firm's customers received transactional advice?**

(Defined as one off advice on a specific objective with no ongoing advice or consideration of wider financial circumstances)

Number of customers

Data not available:

- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

Percentage**Data not available:**

- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

29b. How many and what percentage of the firm's customers received full or holistic advice?

(Defined as advice given where full information is obtained from the customer on all pension and non-pension assets, including property and income and is considered when giving advice).

Number of customers**Data not available:**

- Data not measured
- Data not recorded centrally/require manual extraction from files

Other

Percentage**Data not available:**

- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

29c. How many and what percentage of the firm's customers received automated advice, either fully or partly?

(Defined as advice given with the aid of tools or computers to formulate a recommendation).

Number of customers**Data not available:**

- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

Percentage

Data not available:

- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

30. How many and what percentage of customers in decumulation paid for an ongoing service in the last calendar year (Jan – Dec 2022)?**Number of customers****Data not available:**

- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

Percentage**Data not available:**

- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

31. What is the frequency of the ongoing review service provided to customers in decumulation?

(select all that apply)

- Six monthly
- Annually
- Biennially
- Triennially
- At customer request

32. What does your firm's annual ongoing service include?

(select all that apply)

- Review customers' circumstances and health
- Review sustainability of income
- Review of fund performance
- Review risk profile
- Realign and rebalance portfolio/funds
- Changes to objectives/needs
- Tax planning – impact of tax rates/allowances

Adviser charging model

Adviser charging model

The questions in this section are related to the structure of the firm's adviser charging model (both on paper and in practice) and whether it supports the delivery of good outcomes for consumers taking retirement income.

33. In respect of advice on decumulation, do your firm's charging structures for accumulation differ from those for decumulation?

Yes

No

34. What are your firm's charging structures for advice on decumulation?

(Select all that apply)

- Fixed fees
- Flat fees
- Percentage of assets
- Cap
- Collar

Other**35. Do your firm's charging structures for restricted advice differ from those for independent advice?** Yes No N/A**35a. Could you please clarify what the charging structures for restricted advice are?**
(Select all that apply)

- Fixed fees
- Flat fees
- Percentage of assets
- Cap
- Collar
- Other

36. For independent advice**36a. In respect of total revenue for advice on decumulation, please provide:****36a(1). Total revenue from all initial adviser charges including initial, one-off and ad hoc adviser charges within the time period Jan-Dec 2022, or for the 12 months ending in 2022 based on your accounting reference date.****Initial adviser charges paid direct by retail customers £ 000s****Data not available:**

- Feed from Provider/DFM/Platform not available
- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

Initial adviser charges facilitated by product providers or platform service providers £ 000s**Data not available:**

- Feed from Provider/DFM/Platform not available
- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

36a(2). Total revenue from ongoing adviser charges within the time period Jan-Dec 2022, or for the 12 months ending in 2022 based on your accounting reference date**Ongoing adviser charges paid direct by retail customers £ 000s****Data not available:**

- Feed from Provider/DFM/Platform not available
- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

Ongoing adviser charges facilitated by product providers or platform service providers £ 000s

Data not available:

- Feed from Provider/DFM/Platform not available
- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

36b. In respect of payments of initial adviser charges for advice on decumulation, please provide:**36b(1). Total sum of initial adviser charges paid as a lump-sum by retail customers within the time period Jan-Dec 2022, or for the 12 months ending in 2022 based on your accounting reference date.****Initial adviser charges paid as a lump-sum direct by retail customers £ 000s****Data not available:**

- Feed from Provider/DFM/Platform not available
- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

Initial adviser charges, paid as a lump sum facilitated by product providers or platform service providers £ 000s**Data not available:**

- Feed from Provider/DFM/Platform not available
- Data not measured

Data not recorded centrally/require manual extraction from files

Other

36b(2). Total sum of initial adviser charges, paid in regular instalments, by retail customers within the time period Jan-Dec 2022, or for the 12 months ending in 2022 based on your accounting reference date

Initial adviser charges paid in regular instalments direct by retail customers £ 000s

Data not available:

Feed from Provider/DFM/Platform not available

Data not measured

Data not recorded centrally/require manual extraction from files

Other

Initial adviser charges paid in regular instalments facilitated by product providers or platform service providers £ 000s

Data not available:

Feed from Provider/DFM/Platform not available

Data not measured

Data not recorded centrally/require manual extraction from files

Other

36c. In respect of one-off advice services on decumulation, please provide:

36c(1). Total sum of initial adviser charges in respect of one-off/ad hoc advice services, provided within the time period Jan-Dec 2022, or for the 12 months ending in 2022 based on your accounting reference date.

Data not available:

- Feed from Provider/DFM/Platform not available
- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

37. For restricted advice

37a. In respect of total revenue for advice on decumulation, please provide:

37a(1). Total revenue from all initial adviser charges including initial, one-off and ad hoc adviser charges within the time period Jan-Dec 2022, or for the 12 months ending in 2022 based on your accounting reference date.

Initial adviser charges paid direct by retail customers £ 000s

Data not available:

- Feed from Provider/DFM/Platform not available
- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

Initial adviser charges facilitated by product providers or platform service providers £ 000s**Data not available:**

- Feed from Provider/DFM/Platform not available
- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

37a(2). Total revenue from ongoing adviser charges within the time period Jan-Dec 2022, or for the 12 months ending in 2022 based on your accounting reference date.**Ongoing adviser charges paid direct by retail customers £ 000s****Data not available:**

- Feed from Provider/DFM/Platform not available
- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

Ongoing adviser charges facilitated by product providers or platform service providers £ 000s

Data not available:

- Feed from Provider/DFM/Platform not available
- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

37b. In respect of payments of initial adviser charges for advice on decumulation, please provide:

37b(1). Total sum of initial adviser charges paid as a lump-sum by retail customers within the time period Jan-Dec 2022, or for the 12 months ending in 2022 based on your accounting reference date.

Initial adviser charges paid as a lump-sum direct by retail customers £ 000s**Data not available:**

- Feed from Provider/DFM/Platform not available
- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

Initial adviser charges, paid as a lump sum facilitated by product providers or platform service providers £ 000s**Data not available:**

- Feed from Provider/DFM/Platform not available
- Data not measured

Data not recorded centrally/require manual extraction from files

Other

37b(2). Total sum of initial adviser charges, paid in regular instalments, by retail customers within the time period Jan-Dec 2022, or for the 12 months ending in 2022 based on your accounting reference date

Initial adviser charges paid in regular instalments direct by retail customers £ 000s

Data not available:

Feed from Provider/DFM/Platform not available

Data not measured

Data not recorded centrally/require manual extraction from files

Other

Initial adviser charges paid in regular instalments facilitated by product providers or platform service providers £ 000s

Data not available:

Feed from Provider/DFM/Platform not available

Data not measured

Data not recorded centrally/require manual extraction from files

Other

37c. In respect of one-off advice services on decumulation, please provide:

37c(1). Total sum of initial adviser charges in respect of one-off/ad hoc advice services, provided within the time period Jan-Dec 2022, or for the 12 months ending in 2022 based on your accounting reference date**Data not available:**

- Feed from Provider/DFM/Platform not available
- Data not measured
- Data not recorded centrally/require manual extraction from files
- Other

Platform selection**Platform selection**

The following question consider the choice of investment platform(s) and whether they meet the different retirement income needs of consumers within firms' target market.

38. Does your firm hold any of its assets under administration on a platform?

Yes

No

39. How much and what percentage of your firm's total assets under administration, arising from decumulation advice are held on a platform at 31 December 2022?

Where data is not available at 31 December 2022, you may provide the current position based on the most recent data the firm has available.

Total assets (£)**Percentage**

Please also confirm what your answer is based on:

Based on position known at end of 2022

Based on current position

40. Does your firm have its own platform?

Yes - own platform (include any platform held by your firm or any entity within the group)

Yes - white labelled (from a third-party provider)

No

41. How many platforms are available for advisers to recommend for decumulation customers (this does not include those platforms already held by customers at point of advice).

1

2 - 4

5 - 9

10+

42. What percentage of assets for customers in decumulation was held across the top three platforms (by AuM) your firm use at 31 December 2022?

Where data is not available at 31 December 2022, you may provide the current position based on the most recent data the firm has available.

Platform 1**Name of platform provider****% of decumulation assets under management**

Please also confirm what your answer is based on:

Based on position known at end of 2022

Based on current position

Platform 2**Name of platform provider****% of decumulation assets under management****Please also confirm what your answer is based on:**

Based on position known at end of 2022

Based on current position

Platform 3**Name of platform provider****% of decumulation assets under management**

Please also confirm what your answer is based on:

Based on position known at end of 2022

Based on current position

43. Have the platform(s) that are available for customers in decumulation been specifically chosen to meet the needs of those customers (based on features)?

Yes

No

44. What are the main reasons for choosing the platform(s) you use?

(Select up to 5)

Cost

Service levels

Functionality

Ability to process regular and ad-hoc withdrawals

Financial Stability

Research Tools

Cashflow modelling tools

Range of products/wrappers

Range of investment choices

Quality of reporting

Multi portfolios

Adviser remuneration

Ability to link portfolios of Family or Couple

45. How often does your firm review the platform(s) available on your panel for customers?

Annually

Biennially

No review has been carried out

Other

46. When was the last time you changed the platform(s) available on your panel for customers?

- No changes have been made
- During the past calendar year
- During the past two calendar years
- During the past five calendar years
- More than five years ago

47. Where you've changed platform(s), what were the main reasons for switching?

(Select up to 5)

- Cost
- Service levels
- Functionality
- Financial Stability
- Research Tools
- Cashflow modelling tools
- Range of products/wrappers
- Range of investment choices
- Customer access
- Quality of reporting
- Other

Use of third-parties**Use of third-parties**

This section relates to the firm's due diligence on third-party tool and service providers used to deliver the firm's centralised retirement proposition.

48. Which of the following third-party services or tools does your firm utilise to help deliver your decumulation advice model (or Centralised Retirement Proposition (CRP))

(select all that apply)

- Investment platform
- Consumer platform
- Investment research
- Consumer onboarding

- Tool for risk profiling (ATR)
- Tool for capacity for loss (CFL)
- Compliance/risk management
- Cash Flow Modelling (CFM)
- Quality Assurance (QA)
- Other
- Third-party tools and services not utilised

49. Does your firm provide an automated advice or hybrid (part) automated advice service which is provided or operated either fully or partly by a third party?

Yes

No

49a. Which areas of the automated advice process are outsourced?

(select all that apply)

- Risk profiling (ATR)
- Capacity for loss (CFL)
- Portfolio / fund recommendations
- Income withdrawal strategy recommendation
- Sustainability of income withdrawal %
- Decumulation recommendation (annuity vs drawdown)

Decumulation solutions

Decumulation solutions

The questions in this section are around the design of how the firm's investment solutions (i.e. the products and underlying investments used to deliver retirement income) meet the different needs of consumers within their target market.

50. Over the last calendar year (Jan – Dec 2022), what number of customers in decumulation were recommended the following:

50a. For pots of under £50,000:

Numbers of customers or confirm data is not available

Annuities

Numbers of customers or confirm data is not available

Flexi-access drawdown

Uncrystallised Funds
Pension Lump Sum
(UFPLS)

Pension Commencement
Lump Sum (PCLS)

Lifetime lending products

Blended product solutions
(e.g. annuity and
drawdown)

No action/use of other
sources (e.g. ISA)

**Total number of
customers in this
category**

50b. For pots of £50,000-£99,999:

Numbers of customers or confirm data is not available

Annuities

Flexi-access drawdown

Uncrystallised Funds
Pension Lump Sum
(UFPLS)

Pension Commencement
Lump Sum (PCLS)

Lifetime lending products

Blended product solutions
(e.g. annuity and
drawdown)

No action/use of other
sources (e.g. ISA)

**Total number of
customers in this
category**

50c. For pots of £100,000-£249,999:

Numbers of customers or confirm data is not available

Annuities

Flexi-access drawdown

Numbers of customers or confirm data is not available

Uncrystallised Funds
Pension Lump Sum
(UFPLS)

Pension Commencement
Lump Sum (PCLS)

Lifetime lending products

Blended product solutions
(e.g. annuity and
drawdown)

No action/use of other
sources (e.g. ISA)

**Total number of
customers in this
category**

50d. For pots of £250,000-500,000:

Numbers of customers or confirm data is not available

Annuities

Flexi-access drawdown

Uncrystallised Funds
Pension Lump Sum
(UFPLS)

Pension Commencement
Lump Sum (PCLS)

Lifetime lending products

Blended product solutions
(e.g. annuity and
drawdown)

No action/use of other
sources (e.g. ISA)

**Total number of
customers in this
category**

50e. For pots of £500,000+:

Numbers of customers or confirm data is not available

Annuities

Flexi-access drawdown

Numbers of customers or confirm data is not available

Uncrystallised Funds
Pension Lump Sum
(UFPLS)

Pension Commencement
Lump Sum (PCLS)

Lifetime lending products

Blended product solutions
(e.g. annuity and
drawdown)

No action/use of other
sources (e.g. ISA)

**Total number of
customers in this
category**

51. Over the last calendar year (Jan – Dec 2022), how many and what percentage of customers were recommended to switch and/or consolidate their existing pension arrangements as part of decumulation advice?

Number of customers

Data not available:

Data not measured

Data not recorded centrally/require manual extraction from files

Other

Percentage

Data not available:

Data not measured

Data not recorded centrally/require manual extraction from files

Other

52. Have any of the firm's investment portfolios been specifically selected or constructed to meet the needs of customers in decumulation?

Yes

No

52a. How many different portfolios are available?

53. Over the last calendar year (Jan – Dec 2022), how many and what percentage of customers in drawdown have been recommended an investment pathway following consideration of whether they are suitable as per COBS 9.3.3A?

Number of customers

Data not available:

Data not measured

Data not recorded centrally/require manual extraction from files

Other

Percentage

Data not available:

Data not measured

Data not recorded centrally/require manual extraction from files

Other

54. How many and what percentage of customers in decumulation have Restricted Mass Market Investments (RMMI), Non-Mass Market Investments (NMMI) or other High Risk Investments (HRI)?

RMMI - Number of customers

Data not available:

Data not measured

Data not recorded centrally/require manual extraction from files

Other

RMMI - Percentage

Data not available:

Data not measured

Data not recorded centrally/require manual extraction from files

Other

NMMI - Number of customers

Data not available:

Data not measured

Data not recorded centrally/require manual extraction from files

Other

NMMI - Percentage**Data not available:**

Data not measured

Data not recorded centrally/require manual extraction from files

Other

HRI - Number of customers**Data not available:**

Data not measured

Data not recorded centrally/require manual extraction from files

Other

HRI - Percentage

Data not available:

Data not measured

Data not recorded centrally/require manual extraction from files

Other

55. How frequently is rebalancing carried out for customers in drawdown?

Quarterly

Six monthly

Annually

Biennially

Triennially

Other

56. How is rebalancing carried out?

(Select all that apply)

Following review by an adviser

By the fund manager

By a DFM

At request of the customer

By the customer

Other

57. What risk rated portfolios are available for customers in decumulation?

(Select all that apply)

No risk / Risk averse / Very cautious

Low risk / Cautious

Low to Medium / Moderately cautious

Medium / Balanced

Medium to High / Balanced to Adventurous

High / Adventurous

Speculative / Very Adventurous

Periodic review of suitability

Periodic review of suitability

The following questions are around ongoing services including periodic review of the suitability of customer investments and whether ongoing services are matched to customer needs and delivered in line with expectations.

58. How many of your customers in decumulation paid for an annual/ongoing review in the calendar year (Jan – Dec 2022)?

Data not available:

Data not measured

Data not recorded centrally/require manual extraction from files

Other

58a. How many of these customers did not receive a review?

Data not available:

Data not measured

Data not recorded centrally/require manual extraction from files

Other

59. Where a customer in decumulation paid for, but didn't receive a periodic suitability review in the last calendar year (Jan – Dec 2022), what were the main reasons for this?

(Select all that apply)

Customer didn't respond/declined

Staff resourcing

Firm error/oversight

Other

60. During the last calendar year (Jan – Dec 2022), how many and what percentage of customers in drawdown purchased an annuity following a review of suitability?

Number of customers

Data not available:

Data not measured

Data not recorded centrally/require manual extraction from files

Other

Percentage

Data not available:

Data not measured

Data not recorded centrally/require manual extraction from files

Other

61. During the last calendar year (Jan – Dec 2022) how many and what percentage of customers in drawdown have depleted their drawdown funds such that their pot size no longer meets their income needs?

Number of customers**Data not available:**

Data not measured

Data not recorded centrally/require manual extraction from files

Other

Percentage**Data not available:**

Data not measured

Data not recorded centrally/require manual extraction from files

Other

62. During the last calendar year (Jan – Dec 2022) how many and what percentage of customers in drawdown have reduced their income withdrawals due to the level of withdrawal becoming unsustainable?**Number of customers****Data not available:**

Data not measured

Data not recorded centrally/require manual extraction from files

Other

Percentage

Data not available:

Data not measured

Data not recorded centrally/require manual extraction from files

Other

Income withdrawal strategy

Income withdrawal strategy

The following questions consider whether the methodologies firms use to produce/deliver income from their customers' assets are consistent with the delivery of good consumer outcomes. A variety of options (including annuities, capped drawdown, flexi-access drawdown, UFPLS, small pots, non-pension income from ISAs, other assets etc) and strategies (sustainable withdrawal rates, natural income/yield, multiple investment pots, ad hoc withdrawals etc) exist to do this.

63. What decumulation solutions does your firm advise on?

(Select all that apply)

Annuity - enhanced / impaired

Annuity – Lifetime

Annuity – fixed term

Annuity – blended solutions

Capped drawdown

Flexi Access Drawdown (FAD) - taxable withdrawals only

FAD – Pension Commencement Lump Sum (PCLS) & taxable withdrawals

FAD - PCLS only (partial)

FAD - PCLS only (full)

UFPLS

Small pots encashment

Non-Pension Income

64. Does your firm have a standard withdrawal rate percentage, which is typically used to calculate the sustainable income limit for income drawdown recommendations?

Yes

No

64a(1). What is the standard withdrawal rate percentage currently in use?

64a(2). Also, if yes, how often is the firm's standard sustainable income withdrawal rate reviewed to ensure this remains an appropriate rate for advisers to use?

Six monthly

Annually

Biennially

Triennially

Other, please specify

64b. Where the firm does not have a standard withdrawal rate, how is the withdrawal rate for customers determined?

(select all that apply)

Life expectancy/health

Age

Withdrawal objectives of customer

Portfolio growth expectations / market conditions

Charges

Aligned to customer's ATR

Planned capital erosion within a specified period / to a specific age

Other, please specify

65. How does the firm ensure sufficient liquidity is maintained within customers' investments on an ongoing basis to be able to meet ongoing income needs?
(select all that apply)

- Bucketing approach
- Cash
- Fixed Income Securities
- Income funds
- Managed by the DFM
- Other, please specify

65a. If cash was selected above, how many months income is typically covered?

- 6 months
- 12 months
- 24 months
- 25 to 36 months
- 37 months and above

66. How often are your customers' income withdrawal strategies reviewed to ensure they continue to meet their needs?

(select all that apply)

- Annually
- Biennially
- Triennially
- At client request
- Due to market conditions (ie. high inflation/high volatility/interest rates)
- Other, please specify

67. Does your firm have a standard for how much secure income a customer should have as a proportion of overall income, including drawdown/investment income?

Yes

No

67a. If yes, please select

0% - 19%

20% - 29%

30% - 49%

50%+

67b. If no, then why not?

(Select all that apply)

Dependent on the minimum income needs of individual customers

Overall level of wealth/capital (customer has other income and assets)

Capacity for loss

Planned capital erosion

Where expenses will reduce with age

Fact-finding / Know your client

Fact-finding / Know your customer

This section relates to firms' fact-finding/'know your customer' processes and whether the necessary information is gathered to give suitable advice. This includes information on customers':

objectives and needs

personal/family/financial circumstances

knowledge and experience of investments

attitude to investment risk

68. How does your firm fact find (FF) / gather know your customer (KYC) information on decumulation needs?

(select all that apply)

Adviser – face to face

Adviser – over telephone

Adviser – via video call

Paraplanner

Online portal

Paper fact find

Data gathering app

Via third party support

69. Where the adviser does not complete the FF/KYC information directly and any information is entered manually by the customer or collated by 3rd party arrangements, is information verified to ensure its accuracy/completeness before advice is provided?

Yes

No

70. When providing further advice, after what period of time does the firm review and update the FF/KYC information before proceeding to provide advice?

3 Months

6 Monthly

12 Months

When further advice is given (irrespective of time interval)

Other

71. Where a customer declines or is unable to provide relevant personal and financial information, does the firm proceed to provide decumulation advice?

Yes

No

71a. In which scenarios would the firm still proceed to provide advice?

(select all that apply)

Holistic advice

Transactional advice

Existing customer

Insistent customer

Customer unable to provide information

Risk profiling

Risk profiling

The following questions consider firms' processes, including tools used for assessing customers' risk profiles (i.e. the level of risk they are willing and able to take) to determine suitable investment recommendations.

72. How does your firm assess attitude to risk (ATR) for customers in decumulation?
(Select all that apply)

Software

Risk questionnaire

Psychometric profiling questionnaire

Visual or descriptive aids, including flowcharts

Other, please specify

Is the risk-profiling approach:

An in-house solution (developed by your firm or any entity within your firm's group of firms)

Provided by a third party

Developed in conjunction with a third party (including joint ventures but excluding related entities)

73. Is the risk-profiling method specifically for decumulation advice (i.e. not the same approach used for accumulation advice)?

Yes

No

73a. How often is the risk-profiling approach reviewed to ensure it is fit for purpose?

Annually

Biennially

No review has been carried out

Other

74. How often is the risk profile of a customer in decumulation reviewed?

(Select all that apply)

Annually

During ongoing review meeting

Further advice meetings

When customer circumstances change

At customer request

No review carried out (eg if only transactional advice)

75. Does the firm have a separate process for assessing capacity for loss (CFL) for customers in decumulation (as opposed to assessing CFL as part of the ATR assessment)?

Yes

No

75a. If yes, is the CFL approach:

An in-house solution (developed by your firm or any entity within your firm's group of firms)

Provided by a third party

Developed in conjunction with a third party (including joint ventures but excluding related entities)

75b. How often does the firm review the approach that is used for assessing capacity for loss?

Annually

Biennially

Triennially

No review has been carried out

Other

Research and analysis

Research and analysis to determine a suitable recommendation (including cash-flow modelling)

The following section considers firms' processes when undertaking research and analysis to determine a suitable course of action for their customers' objectives.

Where firms undertake cashflow modelling (CFM) using tools, the assumptions underpinning the analysis should be robust and the outputs from the tool should be clear, fair and not misleading.

76. Does your firm undertake stochastic or deterministic cashflow modelling when giving advice?

Stochastic

Deterministic

No CFM undertaken

77. What assumptions are used for your firm's CFM?

(select all that apply)

- Health and longevity
- Additional/other income in receipt
- Marginal Tax rate applicable
- Inflation
- Growth rates
- Customer income needs, including essential expenditure, and objectives
- Discretionary expenditure
- Investment charges assumed
- Investment charges actual
- Investment risk
- Investment growth
- Totality/level of charges
- Future inheritance
- Spouse pension (on death of spouse)
- Other

77a. How often does the firm review the underlying assumptions to ensure the CFM approach remains appropriate for use?

- Annually
- Biennially
- Triennially
- Other

78. How often does the firm review and adjust the CFM forecasts completed for customers to ensure sustainability of the customer's withdrawal strategy?

- Annually
- Biennially
- Triennially
- At customer request
- Change in customer circumstances / income needs
- Other

Staff Competence and Incentives

Staff Competence and Incentives

The following section looks at whether firms ensure advisers have the right skills, experience and qualifications and provide appropriate training and assessment on an ongoing basis so they can fulfil their roles competently.

79. What minimum level of qualifications does the firm require?

(select all that apply)

Level 4

Level 6

Pension Transfer Qualification (AF3/G60)

AF8

Other, please specify

79a. How many and what percentage of your advisers fall into the following categories?

	Number of advisers	Percentage
Level 4		
Level 6		
Pension Transfer Qualification (AF3/G60)		
AF8		
Other		

80. What are the minimum number of hours advisers are expected to spend on Continuing Professional Development (CPD) per annum, in relation to the following areas of advice?

Decumulation

Lifetime lending

81. For the Jan-Dec 2022 calendar year, or for the 12 months ending in 2022 based on your accounting reference date, how much and what percentage (on average) of adviser remuneration was comprised of a bonus?

Average value of adviser bonus

Data not available:

Data not measured

Data not recorded centrally

Other

Percentage (on average) of total adviser remuneration

Data not available:

Data not measured

Data not recorded centrally

Other

82. What criteria is adviser bonus based on?

(Select all that apply)

AUA

Specific products sold

Volume of sales

Initial advice fees

Fee income received (including ongoing fees)

Customer experience

Adviser conduct/behaviour
Quality including QA results
Persistency/retention
Complaints
Customer outcomes

Other, please specify

83. Does the firm have an adviser clawback policy?

Yes

No

Supervision & Quality Assurance

Supervision & Quality Assurance

The following questions look at firms' training and competence framework and the supervision of their employees. These questions also consider whether firms have a robust quality assurance (QA) framework in place to assess the quality of their business.

84. What percentage of advice files are QA checked for the following,

Competent advisers

Advisers undergoing training or working to accreditation

84a. What is the minimum number of advice files checked and passed before an adviser is deemed competent?

85. Is the QA sampling size for accumulation the same as decumulation? (the firm does not differentiate between accumulation and decumulation)

Yes

No

86. How many advice files were subject to QA checks in the last calendar year (Jan – Dec 2022)?**Number of files****Data not available:**

- Data not measured
- Data not recorded centrally
- Other

Percentage**Data not available:**

- Data not measured
- Data not recorded centrally
- Other

87. How many of your advice files failed QA checks in the last calendar year (Jan – Dec 2022)?**Number of files**

Data not available:

Data not measured

Data not recorded centrally

Other

Percentage**Data not available:**

Data not measured

Data not recorded centrally

Other

Survey End

Thank you for completing the survey.

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On submission, a summary of your responses will be displayed on screen with the option to save a copy for your records.

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