

SUMMARY OF RECEIVED FEEDBACK

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| Consultation title | Proposed guidance on the Retail Distribution Review (RDR) Roadshows FAQs |
| Date of consultation | 22 August 2011 for four weeks. |
| Summary of feedback received | <p>We received feedback from providers, intermediaries, trade bodies and professional bodies; 97 responses in total. Respondents asked for further guidance on all 11 questions covering the following Professionalism and Charging and Advice categories:</p> <ul style="list-style-type: none"> • role of a CF30; • accredited bodies and qualifications; • evidence to satisfy Professionalism requirements; • clarity on firms' status when offering independent and / or restricted advice; • type of products that fall within the scope of the RDR; and • and clarification of the rules on using a charging structure. |
| Response to feedback received | <p>We have incorporated our response to the feedback we received in the FAQs.</p> |
| Changes made to the guidance as a result of feedback received | <ul style="list-style-type: none"> • Questions 1,2 & 3 As a result of feedback we received, we have changed the responses to question 1, 2 and 3. • Questions 4, 5, 6, 8 & 11 As a result of feedback we received, we have changed the responses to question 4, 5, 6, 8 and 11. The wording of question 5 has also been amended. • Question 7 No changes were made. • Questions 10 As a result of feedback we received, we made minor changes to the response to question 10. • Question 9 No changes were made. <p>No changes were made to the responses of the following questions:</p> <ul style="list-style-type: none"> • Question 7 We considered the feedback we received to this question but we have not made changes to the guidance, because in total three respondents asked whether we could set out examples of what is and isn't a retail investment product. One respondent asked that we set out what types of financial instruments are caught by the definition of (g), but noted that even if we did so, firms may still encounter difficulties in identifying the products where such products are not clearly labelled and/or not flagged in the firm's files. |

One respondent suggested that we made clear that annuities were retail investment products, as many parts of the market were unaware for some time that annuities were in the scope of the RDR.

- **Question 9**

We considered the feedback we received to this question but we have not made changes to the guidance because there were only a few comments on the answer to this question, which supported the line taken. One respondent suggested we should point out that COBS 6.1A.24R says a firm should ensure that disclosure of the charging structure uses cash terms as far as practicable, or, if it is in non-cash terms, examples in cash terms should be used to illustrate how the charging structure will be applied in practice. However, we think it is sufficient to say here that the costs should be clearly disclosed and explained to the customer, without going into the details of the rules on the structure and disclosure of the charging structure.

- **Question 10**

Although we considered the feedback we received to this question, we only received a few comments so have not made changes to the guidance. A trade body disagreed with our proposed answer. Instead, it considered that defining a business proposition and attempting to define what a consumer sees as a 'service' went beyond our remit. It also felt that an adviser being available on a reactive basis was not necessarily vague - it could be put in writing, setting out the days/hours that the adviser would be available and for what purpose, and what the next steps were if the consumer required more in-depth advice. It also considered the availability of Financial Services Compensation Scheme (FSCS) protection, without a long stop, was a legitimate service provided to a consumer, even without any ongoing contract.

[**You can access the full text of the guidance consulted on here**](#)