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## Advisers risk fines from poor pension switch training

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Many advisers have not been properly trained to use pension transfer tools, despite massive uptake in their use since an FSA review in 2008.



Prudential says advisers are clamouring for new software tools following a number of high profile pension switching fines, but believes many are not receiving the required training to use the tools effectively.

Vince Smith-Hughes, head of business development at Prudential, says he has seen great appetite for pension transfer tools at a series of recent roadshows, but says many advisers are not using the software effectively.

"We spoke to IFAs who were advised to use specialist tools by their networks, but many hadn't been properly trained to use them, and could still trip up when the FSA calls to examine their case files," he says.

Failing to properly compare prices on a 'like-for-like' basis and not taking commission payments into account were key issues, he adds.

Meanwhile, a recent survey of over 200 advisers found almost half did not have a single coherent process for pension switching advice.

IFASurveys.co.uk found advisers were not being deterred from pension switching advice despite fines, with 70% saying they were 'unconcerned' about the FSA's thematic review of pension switching.

This comes despite substantial fines for Financial Ltd and RSM Tenon for poor systems and controls on pension transfer business.

Paul Cadde, managing director of IFASurveys.co.uk, says: "How any adviser can have no formal pension switching process after recent events is alarming.

"The FSA have come down hard on advisers whose processes are inadequate and require that every adviser has a robust and repeatable process in place to give consistent and high quality reporting to each client where a switch is advised."

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