

'Advisers are sleepwalking towards fines'

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FSA pension-switching advice review

IFAs' attitudes to pension switching could be putting their businesses at risk of FSA fines.

A review of attitudes to pension switching advice carried out by IFAsurveys.co.uk shows that half of IFAs are writing the same amount of switching business as a year ago, with 26 per cent writing less business and 24 per cent writing more business in this area.

The survey found that 70 per cent of IFAs remain unconcerned by the outcome of the thematic review on pension switching and believe their advice process meets the FSA's standards.

But with 5 per cent of survey respondents saying they were unsure of what action to take to avoid the fines that have been handed out to Financial Limited and Tenon and 10 per cent of firms saying they have no formal switching review process in place, IFASurveys.co.uk managing director Paul Cadde says he is concerned that some IFAs are sleepwalking into further fines.

Cadde says: "We have to question whether advisers really have reviewed their procedures adequately or are just burying their heads in the sand. My own experience is that all too often, very little seems to have changed following the thematic review and I foresee more high profile fines and fallout from this before advisers get the message that they need a robust and repeatable pension switching process in place."