



**Tim Eadon**, PFS CEO, says awareness of the Retail Distribution Review is too low and that members need to realise that it will affect every aspect of their working lives

## It's time to face down the challenges thrown up by RDR

I spent much of July and August on the road meeting PFS members nationwide – and what a fine time I had. Everywhere I went I was struck by the energy and enthusiasm of hard-working financial advisers whose prime concern is to offer the best possible service to their clients. That to me is the bedrock of professionalism – the honest desire to perform as well as one possibly can. It fills me with optimism for the future of high-quality advice in general and the Society in particular.

That said, I also noticed that general levels of awareness of the FSA's Retail Distribution Review was actually quite poor. The roadshows we put on included a presentation by the FSA on the scope and potential impact of the RDR, and I could see that many individuals were waking up to the realities of this momentous project for the first time. It is impossible to overstate just how serious the implications of the RDR will be for each and every member of the PFS. We need to raise levels of awareness pronto.

It is the duty of the PFS to help members boost their knowledge of what RDR entails

and to prepare for whatever market model emerges from the debate. Equally, the PFS must do whatever it can to contribute to that debate so that the market continues to provide opportunities for advisers to flourish. Remember, nothing has yet been set in stone. We have the rest of the year to add our voices to the RDR mix. The more potent and persuasive our arguments, the better the chance they will be taken on board by the FSA as it mulls over the feedback it receives.

The first step in this process is for everyone to acquaint themselves with the essence of the RDR. That means reading, as a minimum, the RDR summary – Guiding the Profession on RDR – at our dedicated website [www.thepfs.org/rdr](http://www.thepfs.org/rdr).

I feel like I'm dishing out homework, but I can't stress enough how important it is for everyone to engage with these issues. It is not enough to assume someone else will take on the burden. The RDR will affect you and your business, so you have a responsibility to get in the game. Sitting on the sidelines and hoping someone else scores for your team is not satisfactory.

It's also the case that the biggest asset of the advice profession and the PFS is the intellectual capacity of individual advisers. I've said it before, but we've got 23,000 members, and that means 23,000 different points of view. All are valuable, and who knows which member has the crucial insight or devastating analysis which will make all the difference to the direction of the debate. Let's not miss the opportunity to advance our interests because we couldn't find the time to read the most significant document to affect our business for years.

We at the PFS will have a relentless focus on RDR over the coming months and years. The deadline for responses to the FSA is 31 December, so we can expect things to hot up as the year comes to an end. The first half of 2008 will see a period of reflection and assessment, with the consultation period on hard FSA proposals likely to occupy the second half of the year. And then, in 2009, we can expect implementation of the final decisions.

Our job, as I say, is to monitor RDR activity across the market, to act as a clearing house for your thoughts, and to influence the debate whenever and wherever we can. That means extolling the virtue of professionalism and arguing for a market framework that enables all advisers to reach their chosen level. We believe you should have support to help you get to the level where you feel comfortable and able to provide a professional service.

It is not all about getting ever more qualifications. Of course, qualifications are crucially important, and it is gratifying that so many individuals are striving to reach Chartered status. But not everyone wants to take the Chartered route, and that is perfectly right and proper. We want to see an active, vibrant and varied advice market that values the input of all professionals.

The focus is therefore on core competence, standards of behaviour and high-quality service provision. We're here to assist in each of these areas, so if you would like to see the PFS extend its activities in any particular area, let us know and we will do all we can to help.

There are a number of negative sentiments being expressed about the RDR and its potential effect on the advice sector, but we remain positive. It is an opportunity for the cream of the profession to rise to the top. We'll be with you all the way. **fs**

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