

TIME TO JOIN THE CAMPAIGN

With RDR now behind us, PFS chief executive **Keith Richards** is looking ahead with a campaign to build trust in the financial planning profession. Discover how you can back the initiative...

United profession in support



CONSUMER CONFIDENCE CAMPAIGN

By now, pretty much everyone working in financial services has probably become tired of hearing those three little letters – RDR (retail distribution review). However, whether you embraced it from the start or begrudgingly complied with its requirements, its implementation does present us with a real opportunity to change consumer perceptions, building awareness and trust in the profession as a whole.

This positive opportunity to raise awareness of the commitment and hard work of all who achieved their Level 4 qualifications (or higher) should not be overlooked. It is an incredible achievement for an entire market to move to a higher standard in a relatively short space of time. Importantly, this achievement, coupled with a significant regulatory and market development, presents us with a tangible opportunity to establish recognition and improve confidence in the financial planning profession and promote its inherent consumer benefits.

Let me be clear – I am proposing an opportunity for the sector as a whole to gain greater recognition for being a profession. The vast majority of individual clients, of course, already trust their adviser to act in their best interests and provide them with a professional and valued service. However, those same clients generally have little trust in other advisers or the profession in general. Consumer research provides evidence that retail financial services are viewed with suspicion and a lack of trust, which is something we need to change.

Unintended consequences

I am always amazed at just how critical advisers can be of each other, whether it is about different charging models, independence versus restricted or simply a hunch that adviser poor practice is still rife.

Some advisers are also happy to go public in deriding their peers on anecdotal evidence of churning, mis-selling or other misdemeanours, with few able to offer any actual evidence. You would rarely hear a legal adviser accepting that wrongdoing existed to any relevant extent within their profession; indeed, a lawyer would instinctively defend their profession against criticism to avoid all lawyers unintentionally being tarred with the same brush.

It is important to recognise the unintended consequence of public criticism as contributing

to the erosion of confidence and trust in the entire profession. And it is not just consumer perceptions that are impacted – the regulator and other professions are also looking inward.

I am certainly not advocating that anyone should turn a blind eye to wrongdoing or sweep it under the carpet; that would equally do little for building confidence in our profession. If I personally came across evidence of poor practice, I would know how to professionally deal with it to protect consumers and the profession in general. I am, however, highlighting that we need to understand the consequences of washing our dirty laundry in public, especially without evidence. If anyone comes across evidence, they should report it, not blog or Tweet about it.

I am also not suggesting that advisers should be gagged from having a view, or should not use social media or trade blogs to air their respective opinions. I respect those who do so under their real name and want to add constructive comment or debate, but I disagree with the number of negative, especially anonymous and sometimes slanderous, bloggers, who simply bring the profession into disrepute without accountability, responsibility, or due consideration of others. If people want to make their views public, that is of course their right, but they should at least have the backbone to put their real name to it, rather than writing under anonymous or a pseudonym.

It is time for the silent majority to unite and more positively influence the future of our profession.

Uniting behind professionalism

It is high time the industry put aside its differences and made consumers aware of

the higher standards of professionalism that the RDR has achieved. We need to unify and get our own house in order – demonstrating confidence and respect in our own profession will ultimately influence external audiences looking in. The potential benefits are immense:

- More positive trade press – national consumer press scan the trade press, blogs and social media sites;
- Better engagement with the regulator – a change in behaviour will help influence the Financial Conduct Authority;
- Potential regulatory recognition, which could lead to a less intrusive supervisory oversight;
- Greater recognition and referrals from other professions and consumer bodies;
- More graduates and new entrants attracted to the profession;
- A professional image, which will secure higher consumer confidence and trust.

Playing your part

So, what should you do to support the Consumer Confidence Campaign and help achieve these objectives?

- **Have pride in our profession** – Talk positively about the profession. Every adviser has a long list of clients that have benefited from their advisory services, so the fact that the RDR has now introduced higher standards and greater transparency is a hugely positive message.
- **Accept that difference is not necessarily bad or wrong** – Our market can accommodate a wide variety of business models, all of which have the potential to appropriately meet a client need. Some clients want an online transactional service, while others may see merit in a more holistic lifestyle approach. Concentrate on perfecting your own advice offering rather than commenting on others.
- **Join together in a united voice** – The regulator sees small advisory firms behaving in a fragmented and disparate manner, which no doubt influences its supervisory focus. By coming together to positively support our profession, we have the opportunity to change perceptions and regulatory outcomes.
- **Tell clients about your PFS membership and commitment to professionalism** – Similar to the way the legal profession espouses membership of the Law Society. The adherence to a code of professional ethics is important and reassuring to consumers, as is your commitment to continually updating your knowledge and skills through continuing professional development.

Join the campaign supporters
Numerous advisers and advisory firms have already formally added their support to the campaign, including:

- APFA
- IFA Centre
- Sesame Bankhall Group
- Threesixty Services
- Simply Biz
- Harvest Independent
- Molyneux and Associates
- Richardson and Associates
- Sense Network
- LEBC
- RSM TENON
- Investment Quorum
- HK Wealth Managers
- Phoenix Temple Wealth
- Chadney Bulgin
- CBL Wales
- BH Financial
- MC
- Whitechurch
- In Partnership
- Lighthouse Group
- BH Financial and Mortgage Solutions Ltd.

- **Campaign logo** – Go to the campaign website at www.thepfs.org/confidence and register your support. You can also download and display the campaign logo to demonstrate to your peers that you are committed to working together to achieve the desired outcomes and encourage wider support. You can see that the campaign logo is brand neutral so that even political differences can be put aside in the pursuit of desired outcomes.

Greater opportunities for all

Our ultimate ambition must be to create a more vibrant financial planning sector that is well thought of and highly trusted. More consumers will seek professional financial advice and be confident in paying for the expertise of a highly qualified and ethical adviser. Good consumer outcomes will be positively perceived by all stakeholders and result in a reinvigorated sector, offering opportunities for all. 🗣️

Keith Richards, CEO, Personal Finance Society

ONLINE ///

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