

**Press Release**

**Release Date – Immediate**

### **Advisers are sleeping whilst the FCA goes fishing**

The regulator announced last week that it will soon be trawling through advisers' files looking for examples of poor 'suitability'. This is despite the fact that advisers only account for three in 1,000 FOS cases being declared in the consumer's favour.

Libertatem Director General comments: "It is clear that the FCA have been instructed to keep its hands off the Banks. It has abandoned its Banking Culture Review, published blame free reports on RBS and HBOS, sacked its Chief Executive for being too aggressive to banks and published FAMR which will give banks the ability to sell products whilst pretending to give guidance. You have to admire the bank's powerful lobbying machine. It is amazing what can be achieved with a bit of unity and an annual budget of £250 million."

In contrast, the adviser community refuses to scrape together £1m to protect itself despite having a turnover in excess of £7bn. It sleeps whilst this unaccountable regulator embarks on a fishing trip designed to find problems. The FCA needs to find some non-bank issues to substantiate its £500 million annual budget and the unrepresented adviser community is in pole position to become the scapegoat.

"Yesterday I wrote to the Chairman of the FCA requesting a meeting in order to discuss where the FCA are going with this Review. What is its real purpose? Who will be conducting the Review and what experience and qualifications do they have? What procedures will be in place to deal with any advice which the regulator deems to be unsuitable. And what right to reply will advisers have over any such discovery?"

Our sector has an excellent record over the past two decades with only three in 1,000 FOS cases being declared in the consumer's favour. This compares with the banks who have habitually overloaded the FOS with cases and have an appalling record of treating their customers fairly and yet their review is abandoned and a new one for advisers is started.

Regulatory costs are increasing by £15 per adviser for every working day. Now we have a review which is bound to apply new standards retrospectively. Doubt on advice already given will impact heavily particularly on business valuations.

They need to join Libertatem before it is too late. [www.libertatem.org.uk/join](http://www.libertatem.org.uk/join)

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