



# Insuring IFAs

## When regulators go rogue

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Harriet Quiney & Phil McCormack

DWF Law LLP

[dwfgroup.com](http://dwfgroup.com)



# Agenda

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| 1. | British Steel pension scheme –<br>A disaster waiting to happen     | 4. | Mission Creep - FSCS              |
| 2. | British Steel pension scheme -<br>FCA actions and consumer redress | 5. | Mission Creep - FOS               |
| 3. | FCA direction of travel  | 6. | Mission Creep – they're all at it |

# British Steel Pension Scheme

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## A disaster waiting to happen?

- Large defined benefit scheme
- Tata Steel restructure
- 8,000 transfers out - £2.8 billion
- 95% on advice from an IFA



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## Gold at the end of the rainbow?

- Or hotels in Cap Verde
- Or truffles?



# British Steel Pension Scheme

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## FCA Actions

- November 2017 FCA initial action
- 2018 regulatory action
- 2020/2021 FCA ask members to consider complaining
- March 2022 FCA CP22/6 proposed redress scheme
- April 2022 FCA PS22/4 asset restriction powers
- May 2022 FCA urges members to complain





# British Steel Pension Scheme

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## Consumer Redress

- 8,000 transfers out
- 30% have complained
- FOS 98% uphold rate
- FSCS 95% of advice provided was unsuitable
- FCA asset restriction methodology allows for 46% likelihood advice unsuitable
- What if insufficient funds have been withheld?
- Could there be 5,600 left to complain?



# British Steel Pension Scheme

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## Consumer Redress

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- What if insufficient funds have been withheld?

## Pensions unlocking by the back door?



# FCA direction of travel

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“A more pro-active regulator”

- Carrying out redress processes earlier
- P&O
- Rolls Royce
- Lifetime mortgages
- Funeral plans
- Crypto assets
- Greenwashing





# FCA direction of travel

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“A more innovative, adaptive and assertive FCA”

- s404 schemes
- PBRs
- Mission creep for FCA – has the “success” of the BI litigation encourage it or does it merely reflect an existing trend?
- Attempts to lift the corporate veil – FCA v Ferreira [2022]

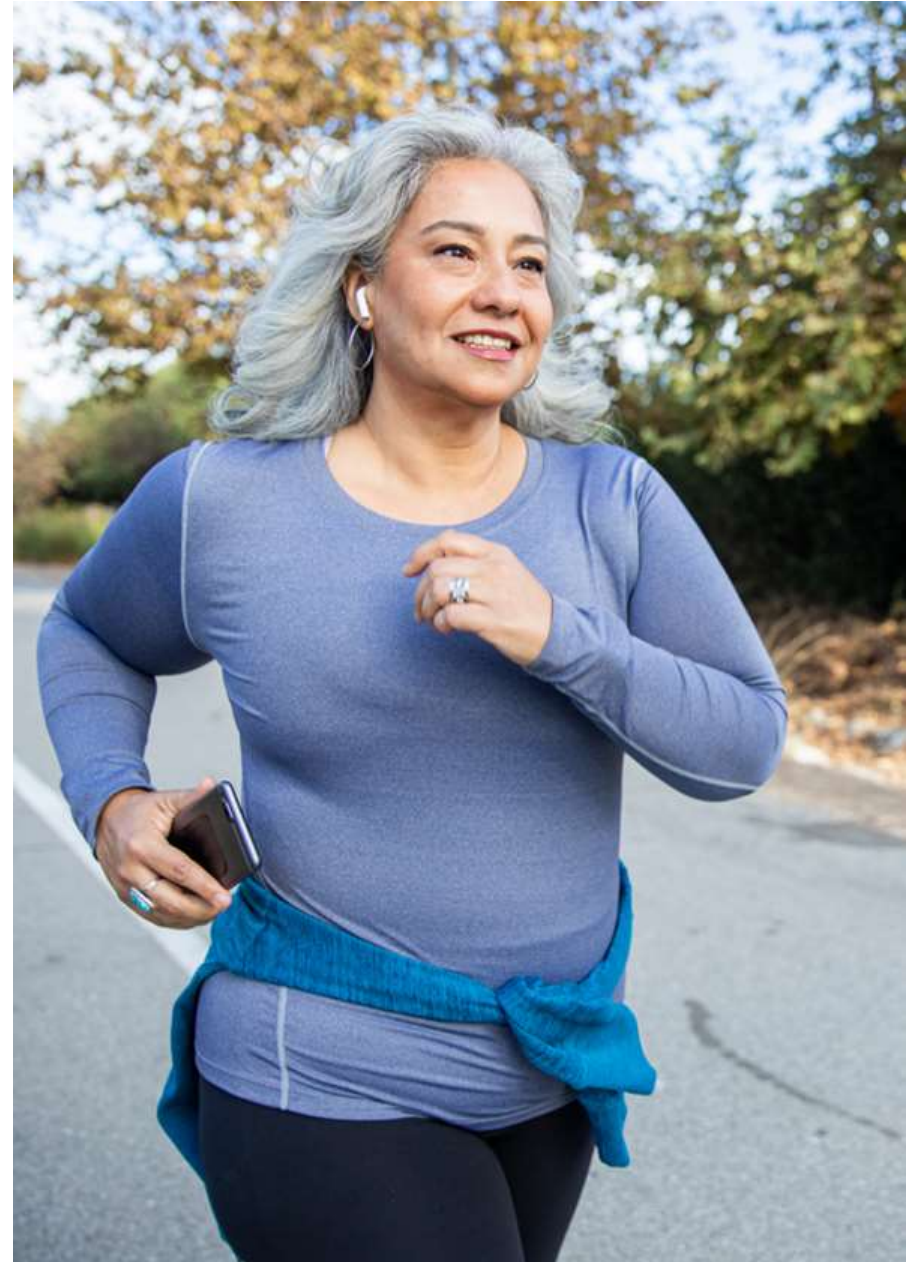


# Mission Creep FOS

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## FOS limits

- FOS Limits are increasing
- £375,000 complaints about acts or omissions after 1 April 2019
- £170,000 beforehand





# Mission Creep FSCS

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## Keydata

### Why we're rejecting your claim

We can only consider claims against failed firms that aren't able to meet claims themselves and where we've found **no one else** liable to meet those claims.

We've found that the Plan was held with Fund Custodian PLC. However, the original advice in regard to the ISA and the investment into the Bond came from Portal Ltd who were appointed representatives of Principal LLP. This firm is still in business which means you should contact them about your claim.

## But

Portal Ltd is a Portal. It doesn't provide financial advice.

## And another thing

FSCS is seeking to increase its limits



# Other regulators

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## They're all at it

- New regulators - Building Safety Act and ARGAs
- Financial Reporting Council fined KPMG over £13m for Carillion failings
- Institute of Actuaries spent 2 years investigating a complaint made as part of a blackmail threat





# Should insurers be worried?

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Yes!!!

- Exclusions
- Market compliance





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