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## Supervising Retail Investment Advice FCA Thematic review on the Retail Distribution Review

### Introduction

Six months after introducing the Retail Distribution Review ('RDR'), the Financial Conduct Authority ('FCA') has carried out a thematic review on the implementation of the Retail Distribution Review ('RDR'), which became effective from 31 December 2012.

This is a three stage review to assess how advisory firms have implemented the RDR and the current report gives findings on the first stage of this review. A link to the report and press release are attached below. A factsheet on disclosing services and charges is also available to enable firms to review this against its own existing practices.

<http://www.fca.org.uk/news/rdr-six-months-in>

<http://www.fca.org.uk/news/tr13-05-how-firms-are-implementing-the-rdr>

<http://www.fca.org.uk/your-fca/documents/thematic-reviews/tr13-5>

<http://www.fca.org.uk/your-fca/documents/fca-factsheet-no-007>

### Key Messages

The FCA reviewed a number of firms' implementation of the RDR requirements and this highlighted the following issues:

- Lack of clarity of disclosure on services and charges including where possible providing examples of charges in cash terms.
- Firms describing themselves as independent when they were in fact choosing products from a limited number of providers or products.
- Firms not clearly describing what services customers will receive for ongoing fees.

The paper provides examples of good and poor practices identified during the review.

### Next Steps

The FCA has written to the firms involved in the initial review with specific feedback. However all retail firms are recommended to review this report to ensure that they are following the FCA's rules in this area. Any future firm specific assessment will take the FCA expectations detailed in this paper into account when reviewing how effective a firm's RDR implementation has been.

*The above note is intended as a summary only of the RDR thematic review, and is not full and/or firm specific advice. For further information, or for enquiries on review your firm's RDR implementation, please contact Gillian Gallacher.*