

## PRESS RELEASE

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### Senior wealth managers voice concern about meeting RDR qualification requirements

With less than three years before the FSA's Retail Distribution Review ("RDR") comes into force, many wealth managers are questioning whether they can support the wholesale up-skilling of their advisor workforce.

At November's Meeting of Minds ("the Meeting"), a biannual forum bringing together the Chief Executives and Chief Investment Officers from the largest private banks and multi-family offices, the RDR was very much on the agenda.

The challenges identified were:

- the number of staff that will be required to meet the new standard before 2012;
- the time that will be required away from the business devoted to study; and
- the cost of running training programmes on the scale required.

Senior executives also expressed concern that they would find it difficult to maintain the regulatory qualifications necessary to continue to work with their clients.

However some firms believe the introduction of the new qualification will lead to clearer distinctions between the roles of account manager, investment advisor and tax experts, each with the appropriate qualifications. In turn, this will mean the market moves increasingly towards a team-based approach to client management.

When questioned before the Meeting, 76% of the wealth managers who took part thought that the RDR would have an impact on their businesses. 58% felt they were under represented by their associations although APCIMS and the BBA came out level pegging as being considered as doing a reasonable job. And when asked which activities they felt their trade body should be focusing on, more than 60% said lobbying should be the number one activity.

**Evie Owen, Joint Managing Director of Owen James, the organisers of A Meeting of Minds, said that:** "At November's Meeting, it was striking how the RDR has suddenly come on to their radar. There were serious concerns being raised at its potential impact and an obvious frustration at the apparent lack of dialogue with the FSA. Not to put too fine a point on it, the leaders of the wealth management industry gave the strong impression that they felt that the entire regulatory regime is being forced upon them even though key elements are not entirely relevant to their business model. They were calling for greater clarity on the meaning and requirements of the RDR."

"We have worked with Owen James for a number of years to support the Meeting of Minds as a leading forum for debate on issues that are critical to the future of the wealth management industry. Wealth managers are increasingly concerned about their ability to meet the training requirements of the RDR within the proposed timeframe. There is undoubtedly the need for leadership on this issue as we approach the end of the first quarter of 2010," says **Catherine Tillotson, Managing Partner, Scorpio.**

For a copy of the full report of the Meeting, please contact Evie Owen at Owen James (01483 861334) or Cath Tillotson at Scorpio Partnership (020 7811 0122).

### **Editors' notes**

A Meeting of Minds Private Banking & Multi Family Offices is a forum created by Owen James in association with Scorpio Partnership. It is an opportunity for private banking and wealth management professionals to meet in a neutral environment to discuss and develop intelligent business strategies.

These Meetings take place in London and Singapore. The next UK Meeting will take place on Thursday 27 May and the Singapore Meeting will take place on 22/23 September.