

PRESS RELEASE

2nd August 2011

FOWLER DREW DESCRIBES FSA'S DELAYED RULING ON PLATFORM PAYMENTS AS ADMISSION OF FAILURE

Wealth management firm Fowler Drew Limited responds to the FSA's postponement of its Platforms Paper which was due to set out its stall on provider payments to platforms and cash rebates to consumers.

The firm's founder and head of investment, Stuart Fowler says: "The FSA was very naive at the outset at not realising how significant the different versions of a platform are to a modern distribution industry for retail investment products. It needed to research and understand this absolutely before committing to a decision to go ahead with the commission changes that are a key plank of RDR. It was also naive in not realising the extent to which adviser charging would increase the use of platforms, as most adviser firms simply cannot provide services that would justify continuous charging other than using a platform.

"Platforms nonetheless provide scope for massive leakage, as some agents may (if they have half a chance) get round commission bans and create business formats that are just as biased as currently. The FSA is therefore right to stick to its guns that nothing that looks like commission can be paid to either a platform or an end investor.

"The FSA readily admits that '*any future changes will have an impact on firms' business models, and that they will need time to adapt their systems*'; it is absolutely right that they should be given time. This is analysis that should have been completed at an early stage of the RDR process, before decisions were made, so that all the changes could have been implemented with due notice at the same time.

"When the Treasury Select Committee called for a year's delay, they did not suggest that the FSA needed the extra year to ensure its platform policy was decided in good enough time for firms to adapt their systems and prepare practices. This would have been a better reason than allowing more time for a minority of advisers to get ready."

Fowler Drew recently produced an in-depth Report on the effects of RDR called: Reforming the Financial Advice Market; Bridging the Gap – or Widening the Chasm? The Report can be downloaded at www.fowlerdrew.co.uk .

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Notes to Editors

Fowler Drew Limited, which is authorised by the Financial Services Authority, offers high net worth individuals goal-based financial planning integrated with discretionary portfolio management. The company is independent, owned by its management and charges flat fees for both planning and management.

Fowler Drew is the acknowledged leader in UK private wealth management in applying the principles of Liability Driven Investing (LDI) to private wealth. LDI has transformed the management of occupational pension scheme assets and is widely expected to make similar inroads in private wealth. £100m of assets are managed 'quantitatively' in separate accounts, uniquely customised to meet personally-planned target real outcomes at planned dates. The most popular application is for drawdown in retirement.

In the 2010 unbiased.co.uk Media IFA of the Year Awards, Stuart Fowler was awarded 'Best Media IFA Individual' and runner up for 'Best Investment Adviser'. The firm was awarded runner up for 'Best IFA Firm'.

Fowler Drew staff members were individually voted 'Best Investment Planner' and 'Best Retirement Planner' at the FT Business *New Breed Adviser Awards* in October 2010.

To contact Fowler Drew Limited, visit www.fowlerdrew.co.uk, where you can read Stuart Fowler's regular blogs, or telephone 020 7736 2434. Or follow Stuart Fowler on Twitter at <http://twitter.com/fowlerdrew> .

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