



BS 8577 Framework for the Provision of Financial Advice and Planning Services

Prepared for and presented to:
Interface Financial Planning Ltd



Assessor: Arah Perrett
Assessment Date: 25.08.2021
Assessment Year: Quality Review Assessment Year 4



Introduction

Assessment Type, Visit Duration	Standard being assessed	Company Address	Individuals assessed & dates
Quality Review Assessment, Year 4, Remote	BS8577 Framework for the provision of financial advice and planning services – specification	122 Hamstead Hall Road, Handsworth Wood, Birmingham, B20 1JB	Alan Moran, Tom Moran, Sarah Challenor, Sarah Harvey. Files seen: C Gordon and F Waterhouse N Coles

Assessment summary

Note: This assessment was carried out on a sample of evidence.

Alan joined the financial services industry in January 1990 as an Adviser. He became an IFA in 1992 and until 2012 worked with an internal team. Since that date, however, he has run Interface Financial Planning Ltd alone with the support of a remote team, providing a largely remote service to clients. Alan is aware that some clients might prefer to work with him on a face-to-face basis. However, he has made the decision that a remote service is the most cost –effective way in which he can work with as many clients as possible.

Alan has a number of external associates who support his business and operations; the core team (of which a number were interviewed) includes:

Sarah Harvey, Processing Manager

Spoke with Sarah, who runs her own Adviser outsourcing firm and has provided business processing and day to day administration services to Interface Financial Planning since 2016. Despite this long association, Sarah and Alan have yet to physically meet. Her role within Interface Financial Planning includes new business processing, annual client reviews, collating information for tax returns and project work.

Sarah Challenor – Data Manager

Spoke with Sarah Challenor also. Sarah works for Intuitive Support Services and Interface Financial Planning has been one of her accounts since 2015. She last met Alan physically 2 – 3 years ago. Her role includes income reconciliation, help with the Retail Mediation Activities Return (RMAR), monthly bulk valuations and adding new clients to the marketing list. Sarah describes this as a “check and maintenance role”.



Jo Morgan - Intelliflo Document Designer Specialist

Jo completes projects on behalf of the business. She has been involved in the project to link the National Savings (NS) Adviser Portal to Intelliflo (IO). This enables Interface Financial Planning to record the NS holdings of their clients. Jo also manages the firm's operations manual, helps to put together the start of suitability letters and supports Sarah Harvey with administration tasks.

Katie Moran - Administration Wills, Trusts, & Lasting Powers of Attorney Interface Trusts

Alan's daughter has been working with the business for 18 months. She supplies a will, trusts and probate service on behalf of the firm via Countrywide Tax and Trusts Corporation Ltd. She is also the liaison point between the business and land registry.

Tom Moran – Financial Adviser Trainee

Tom was interviewed as part of this assessment. He has worked with his father for 2 years. During this time, he has focused on learning the background of the business. This includes completing the fact find with clients following the initial meeting with Alan, completing research, cash flow modelling using Voyant or I4C and writing suitability letters. He is also studying for the PFS Diploma in Regulated Financial Planning. At the time of writing R03, R04 and R06 are outstanding. Tom aims to complete his exams by end 2021.

Alan is 73 years old; despite receiving offers to sell his business, he is clear that he does not wish to do so, "this is a family business". Instead, he will eventually be succeeded by Tom Moran, his son. 2022 will be the year to fully plan how this might work in actuality.

Tom had considered joining the WOWW! Programme in 2021, however, he decided against this as he wanted to focus on achieving his diploma. We discussed that the Programme is something it could be worth revisiting with 2023 business development plans for Tom in mind.

All of the above core team members work closely together. They have a WhatsApp group that does not include Alan and participate in monthly team meetings. They all have authority to contact clients directly where necessary. Katie Moran visits Interface Financial Planning investment clients when required.

The last year has been very busy for Alan. Funds under management went up by a massive 50% and his profit and turnover both increased by 30%. The extra revenue has enabled Alan to pay for more people to support him when necessary. This means that the turnaround times that clients experience has improved.

The fact that Interface Financial Planning was already operating as a remote business has put the firm in a unique position to grow rapidly during the Covid-19 pandemic. Alan has an online 10-minute Zoom booking system that potential clients can access via his website. This makes him especially accessible and able to fit in more meetings. In the last 18 months this has helped him to accelerate his business; he is now turning away clients as he is up to capacity. The business is closing down fully for a week commencing 6 September to allow Alan and the team to have a break.



Many of Alan's clients can be classed as vulnerable. He lost 4 clients to Covid – 19 during the last 18 months and describes how much "it hurts to see this on the death certificate".

He is now supporting the widow of one of the Covid-19 victims, who is suffering from dementia, by having her post delivered to his office at home. He is also helping a woman who is living in temporary accommodation having left a violent household to sort out her finances. Alan has been SOLLA accredited for 5 years and many of his clients are elderly.

Alan is justly proud of his website. Over the years he has invested some £40,000 into making it the educative financial planning site that it is today. Alan believes strongly in his duty to educate clients and the site is one way in which he "can talk to as many people as possible. This investment in time and money has helped with search engine optimisation (SEO) such that a substantial number (up to 50%) of new leads are generated by the website. It was noted during this review that the "Check Your Life Balances" graphic on the website isn't working. Alan is already investigating how it can be reinstated.

Alan is active in terms of marketing. He recently set up a YouTube Channel with the help of Orry Henderson, Sound Engineer from Theatre Sound that can be accessed via the website. Emma Crossick, from Emma Crossick Marketing also writes blogs on his behalf. He produces excellent brochures that reflect his belief in multi – culturalism. It was noted, however, that the Financial Promotions Register for Interface Financial Planning is currently blank.

Alan is registered on the FCA website as SMF 3 (Director), SMF 16 (Compliance) and SMF 17 (Money Laundering Reporting Officer). However, he points out that as a one-man business, the Senior Manager Certification Regime has not impacted on his business from a day-to-day perspective as the responsibilities involved are broadly the same as before. This will change next year when Tom achieves his Diploma. Alan will be Tom's Supervisor in helping him to achieve Competent Adviser Status (CAS). It was noted that none of the paperwork relating to the Senior Manager regime, for example a Fit and Proper Declaration and Roles and Responsibilities, were provided for this assessment.

Compliance and Training Solutions Ltd (CATS) supply external compliance support to Interface Financial Planning. File checks have been completed in 2021. However, a full compliance review was deferred in 2020 as Alan was unwell. This review is now taking place in September 2021 with Mel Holman and will include a discussion about Alan's supervisory duties going forward.

Alan has not received any regulatory complaints in the last year.

Alan is currently applying for FCA permissions so that he can add funeral plans to his portfolio. He is licensed to arrange defined benefit pension transfers and this has not had a negative impact on his PII insurance. He does not make recommendations for VCTs, EISs or BPR as these areas are not suitable for his clients. His only criteria for selecting clients are that they are lovely people. He currently has 130 clients (some of these are couples) and the average investment holding for each is £85,000.

Alan has a well-constructed client survey document that sits on his website. The firm is also about to run a survey to identify which clients holds National Savings Accounts. Interface Financial Planning is also a subscriber to VouchedFor. However, it is noted that the last VouchedFor



entry was November 2020. Alan is honest in admitting that he doesn't always ask clients to submit a VouchedFor entry. The idea of a client advisory board was discussed during this review. This is an idea that Alan may well choose to take up.

For Alan it is critical that he understands where his clients are investing, even if this information does not directly benefit Interface Financial Planning.

One example is the link that has been set up between Intelliflo and NS so that Interface financial Planning have a rounded understanding of where clients are invested. Another example is Alan's website endorsement of a cash management solutions organisation called Insignis. Insignis offers active management of cash deposits to improve returns. As Jo Morgan point, Alan is "very good at doing what other Advisers won't do".

Alan is continually looking for ways to improve the business. This is "what makes me tick". He recently asked Jo Morgan to let him know what other firms are doing to enhance their business. Jo's response was that it was more likely that other firms would benefit from tapping into some of the things that Alan is doing. Alan has just commissioned a series of IHT videos that furthers his desire to educate clients. He will also look at "silly little things" like automatically crossing out a box on DocuSign that some clients were ticking in error. Currently, Alan does not formally record these changes. It is recommended that he does so as a continual improvement log can provide a valuable audit of what has taken place, and most importantly, why.

Documents reviewed during this assessment include:

- FCA reference no. 424729
- ICO reference no. Z5157211
- The operations manual index
- Statement of professional standing to 31.08.2021
- Social media policy
- Business plan
- One Commercial Speciality Insurance to 14.12.2021
- Financial promotions register to July 2021
- Cyber Essentials to 14.10.2021
- Marketing strategy plan November 2020
- Continual improvement policy
- Compliance declaration – Nove 2020
- Training and competence scheme document
- CPD log
- 2 x client files.



Glossary and Terms

Compliant (C): Evidence of conformity to the requirements of the standard(s) has been shown therefore no further corrective action is required.

Opportunity for improvement (OFI): A finding that requires improvement or correction, but is not indicative of a framework, system, process or deliverable failure or weakness; or is of insufficient concern or potential impact to merit root cause analysis or corrective action.

Minor Non-conformity (MINC): A weakness in an internal facing process or procedure; or a finding where any further deterioration of control could reasonably be considered likely to result in the framework, system(s) and processes becoming ineffective. This finding requires root cause analysis and corrective action. Evidence confirming root cause analysis and corrective action must be submitted for re-assessment within 3 months of the assessment date.

Major Non-conformity (MANC): A failure impacting the effectiveness of the framework, system(s), processes and deliverables, which puts at risk the capability of the management system. This finding requires immediate containment, root cause analysis and corrective action. Your assessor and dedicated Scheme Administrator will make the necessary arrangements with you for follow up.

The assessment will incorporate all processes undertaken by the customer and all elements of BS 8577 with no justified exclusions.



Assessment Findings

For full details of all clauses please refer to your copy of BS 8577 Framework for the Provision of Financial Advice and Planning Services.

Clauses not outlined below are considered **Compliant**.

What really stood out for us during this assessment – well done!

Area	Example(s) of excellence
Marketing	The website of Interface Financial Planning is unique and unusually is a source for new clients
Marketing	The brochures supporting the business have a multicultural feel that is unusual to see within financial services
Ethical approach	Alan's ethical approach permeates his business, especially in relation to his approach to vulnerable clients



Opportunities for improvement raised at this assessment

Please Note: These will be assessed again in depth at the next annual assessment.

Clause	Process	Findings
4.3	Disclosure	It was noted that the "Check Your Life Balances" link on the website was not working. Alan has already begun the investigation to reinstate the link.
7.1 (3)	Polices (general)	It was noted that the Financial Promotions Register is blank despite the fact that Interface Financial Planning is actively marketing to clients. It is strongly recommended that this rectified. Alan has indicated that the task of maintaining the register will be allocated to Jo in future. He may also wish to get some additional guidance in the area from Mel Holman at CATS.
5.2.1	Management review	Although requested, documentation relating to the Senior Management Certification Regime was not provided, although information is up to date on the FCA register. It is recommended that a current Fit and Proper Declaration and Role and Responsibilities Record is available, as a minimum, for future assessments.
6	Objectives	Tom Moran featured briefly during this year's assessment. It is recommended that he plays a large part in next year's assessment as he will be training towards CAS and is Alan's potential business successor. This will enable us to assess the business from the supervisory perspective and to stress test the succession plan.
5.2 c	Customer/stakeholder feedback	Interface Financial Planning have a client survey document in place that is easily accessible on the website and the firm also subscribes to VouchedFor. However, the last feedback recorded is 9 months old. It is strongly recommended that the business get back into the habit of asking clients to submit feedback on a consistent basis.
5.3.c	Customer/stakeholder feedback	The idea of a client advisory board was discussed during this review. This is an idea that Alan is likely to explore further.
5.2 (5)	Recommendations for improvement	Alan is always looking for and instigating business improvements and demonstrates a high level of innovation. However, these are not currently documented. It is recommended that he set up a log to supply an audit trail of changes.



Minor non-conformities (MINCs) raised at this assessment

Please Note: Evidence must be submitted within 3 months of the report date with all non-conformities being resolved satisfactorily in order for certification to be awarded. Evidence review is chargeable at a rate of £75 per hour.

Clause	Process	Findings	Date Resolved
		None	

Major non-conformities (MANCs) raised at this assessment

Please Note: All Minor and Major non-conformities must be resolved satisfactorily in order for certification to be considered and to establish this a full reassessment will be required. This will be chargeable.

Clause	Process	Findings	Date Resolved
		None	

Assessment conclusions

I recommend Interface Financial Planning Ltd for certification to BS 8577 Framework for the Provision of Financial Advice and Planning Services.



Areas we discussed where you might benefit from further support

Please Note: Should we be able to assist in any way with the areas noted below please let us know and we shall be happy to discuss the possible next steps.

Area	Support required
Paraplanning	Alan is on the lookout for external paraplanning support and E – Paraplan was suggested as a possible resource. As a result, Alan has already set up a meeting with E – Paraplan.
WOWW! Programme	Tom is interested in potentially joining the WOWW! Programme in January 2023 to support him in helping Alan to run the business.
Further qualifications	Alan would be interested to know more about the Financial Abuse Specialist™ certification.
YouTube support	Alan’s YouTube site needs 100 subscribers to take it to the next level (he currently has 63). Any help to get to 100 subscribers would be gratefully received!



Additional information

Cancelled Visits	Where a specific date for the next assessment has been arranged this should be considered as confirmed. Any required changes to this date should be notified to Standards International.
Contact Details	Email: Enquiries@standardsinternational.co.uk Tel: 01462 790894 Website: www.standardsinternational.co.uk Twitter: @StandardsInt LinkedIn: /standardsexpert
Continual Improvement	Our client's needs are at the heart of everything we do. In the next few days, you will receive a client feedback form from us, we would love to hear your thoughts and feedback about your journey (we want the good, the bad and the ugly). Please be as honest as you like and we look forward to hearing from you soon. Thank you.