



Nucleus teams up with Rory Percival to launch suitability guide for financial advisers

Nucleus, the adviser built wrap platform, has partnered with consultant and former FCA technical specialist Rory Percival to launch a white paper on the rules and regulations around suitability specifically aimed at financial advisers.

The white paper provides advisers with information and practical action points on getting their businesses compliant with suitability regulations, as well as how advisers can be confident in the advice that they give as well as areas in which they may want to improve.

As part of the collaboration, Nucleus and Rory Percival will be hosting *Illuminate* Masterclasses in Edinburgh on 14th May and Birmingham on 21st May. In the workshop, Percival will explain the FCA's approach to assessing suitability and will discuss the key questions the FCA ask when undertaking a client file review.

Demonstrating suitable advice is an issue at the forefront for Nucleus advisers, as evidenced by the upcoming Nucleus' annual Census. It found that value for money is one of the most important priorities for advisers and when it comes to platform selection, reflecting the wider focus on value under Mifid II. For those using outsourced DFM model portfolios, nearly 90 per cent of respondents also agree that cost is one of the highest motivating factors when making their selection.

Meanwhile, there is a polarisation among advisers when it comes to costs and charges disclosure under Mifid II and whether this will lead to good client outcomes. Just over half (54 per cent) of Nucleus users believe the new cost disclosure rules will make charging more difficult for clients to understand.

Barry Neilson, Chief Customer Officer at Nucleus, said: "We are delighted to be partnering with someone of Rory's calibre and expertise to provide this guide to suitability for advisers. This comprehensive white paper aims to help advisers make sense of the various requirements suitability brings, how they apply to their business and we hope they find it useful in helping in their advice processes.

"While the main rules around suitability have stayed the same, advisers have had to adapt to a fluid regulatory backdrop, with the likes of Mifid II and PROD coming along and clouding the waters. Along with the likes of pension freedoms and defined benefit transfers there is a myriad of reforms and regulations that now go into the advice process, and as such it is a good time for advisers to review how they deliver advice to their clients."

Rory Percival, author of the paper, added: "The conversation around suitability and ensuring the delivery of suitable advice has been a long running one. The then FSA first published its guidance on assessing suitability as part of its work on risk profiling tools back in 2011. It is fair to say the market has changed somewhat, and the concept of suitability has permeated into every aspect of advice and financial planning.

"Advisers are well versed in navigating an ever increasing regulatory world. But despite the changing environment, at their heart suitability rules are all about acting honestly, fairly and with integrity, and most importantly putting clients' interests first. Great financial planning firms will already be doing this, but it is important to keep delivering positive client outcomes for all involved in the advice process.

“Advisers clearly want to fully act within the rules but may have different interpretations when it comes to product compliance. As such, I wrote the guide specifically with financial advisers in mind, and added some examples based on my own experience with the regulator and advice firms. It includes a lot of practical help on the changes you need to make.”

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To download a copy of the report and sign up to the masterclasses, please visit nucleusfinancial.com/suitability

For further information please visit www.nucleusfinancial.com or contact:

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About Nucleus

Nucleus is a wrap platform founded in 2006 by advisers committed to altering the balance of power in the industry by putting the customer centre stage. It provides independent wrap platform services to over 1,390 active adviser users and works with more than 800 financial adviser firms.

The multi award-winning platform offers a range of custody, trading, payment, reporting, fee-handling, research and integration services across a variety of tax wrappers and more than 6,500 asset choices including cash, OEICs, unit trusts, offshore funds, structured products and listed securities, including ETFs and investment trusts. The platform currently facilitates over 1.1 million customer account transactions on average per month.

Nucleus has won CoreData's 'Best medium sized platform' for 2018 (and the last seven years), the Schroders 'Platform of the Year' award for 2018 (and the last three years) and recently won 'Best Platform' and 'Platform Innovation' at the 2018 Money Marketing Awards.

As at 31 December 2018, assets under administration on the platform were £13.9bn.

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