

What is RDR and what does it mean to you?

Dear Client,

IMPORTANT CHANGES TO THE WAY THAT ADVICE IS PROVIDED IN THE UNITED KINGDOM.

As you may be already aware, the Financial Services Authority has recently conducted an in depth review of the Financial Services Industry (as part of its 'Retail Distribution Review'). The factors that prompted this review were concerns about:

- The sustainability of the sector, and the ability to look after clients longer term
- The impact of incentives on advice given to clients
- The professionalism and reputation of the industry
- Consumer access to financial products and services
- Current regulatory barriers and enablers

The recommendations following this review were focused into 3 themes:

1. Improve the clarity for consumers on different service types
2. Raise professional standards
3. Improve the conflicts of interest within remuneration practices and improve transparency of advice costs

These become part of full regulation on **1st Jan 2013**, and will have far reaching consequences for consumers and firms across the United Kingdom.

What does this mean to firms offering financial advice?

Firms will need to (among many other regulatory requirements)

- clearly define whether they offer Independent or Restricted advice and products
- deliver on the service levels agreed with each client
- demonstrate a high level of professional qualification before being able to offer advice
- agree how advice will be paid for with each client, as they can no longer be remunerated by commission from Investment and Pension products and providers

What does this mean to Clayden Associates?

We are pleased to be able to state, that many of these detailed recommendations have already been embraced within the way we do business here. Indeed, we have already attained the level of professional qualifications required post 1st Jan 2013.

Being proudly professional, we have taken this opportunity to review our working practices to ensure we continue to deliver high quality financial advice, not just now, but long into the future.

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clayden associates

independent financial advisers

As a result of the legislation and regulatory changes, and the review of our business, we will be enhancing the transparency of our offering to our clients.

What does this mean to you?

We feel that the changes we have made as a business will ensure you continue to receive first class advice and service from us.

We are committed to providing clear, simple, and straight forward, face to face advice and recommendations to you. You will know whether we have based that advice on an Independent review of the whole of the market or from a specially selected range of advice solutions and providers.

We will continue to offer face to face advice, when you most need it. We will explore your attitudes towards risk, reward and volatility, to ensure that your existing portfolios and plans maximise the chances of hitting your objectives.

We will have on offer to you portfolio reviews, and annual reviews to ensure we examine the impacts to you resulting from changes in legislative, regulatory or economic policy. We will keep in touch with you in the style and frequency that suits you best.

We will keep all our clients informed about generic market issues and news that we feel you will find beneficial.

What happens next?

Firstly, we want to thank you for your business, and want to continue to be your chosen adviser.

Secondly, we want to explore which on-going personal review service suits you best, and agree the best way for us to continue to work together.

We trust that you like us, feel excited about the improvements and clarity of our offering, and we look forward to being of service to you, both now and in the future.

Best wishes and thanks

Dan Clayden
Director

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