



Every day we campaign for **Security of Employment, Fair Reward** and **Dignity at Work.**

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An update for Accord Members in Bancassurance

Further consultations and talks have been taking place in meetings with David Willis and Sam Marsay from Bancassurance. The discussions revolved around questions that had come from our members and a brief outline of the issues and Company responses is below.

These meetings will continue to be held at least monthly and we welcome your input. Details of the Advisory committee and Accord Officers responsible for Bancassurance matters are given later in the newsletter.

One of the most frustrating and restrictive parts of the job at the moment is the Wealth referral system. Several FAs have complained of losing cases due to clients not being prepared to be referred, but who would have listened to options on the day. Also, in some cases, Wealth advisers simply don't want a £10k or £20k case, yet these would be good cases for FAs.

Added to this is the reduction in the product range. FAs have lost pensions as well as clients with investable assets of over £250,000 or someone earning £100,000 per annum. These now have to go to Wealth.

Our wealth referral (segmentation) rules ensure that we can offer our customers who have significant savings and/or large incomes are offered a broader range of advice, including where appropriate IHT planning and complex needs that our FAs are not trained or authorized to provide advice on.

In the vast majority of instances segmentation is working well, however, if you believe that local wealth colleagues are not providing the level of support required then this should be raised through your line manager and discussed at Area level.

Pressure of targets and RDR - with the threat of a reduction in basic pay and pension provision if you fail to be above 90% of target it looks very

difficult to take time off for study for the exams. The amount of time allocated to this is completely insufficient and the 'target reduction' is not sufficient.

The Group has made a multi-million pound investment in supporting Colleagues through their RDR Professional Qualifications. The investment includes training, workshops, materials, online support and 15 days (which equates to c. 7%) being taken out of the 2011 business plan. This is to allow colleagues to attend their workshops and exams whilst also having a proportion of the study time required given as time off.

Due to the size of the time commitment the Group cannot provide all of the study time required from working hours, but the package provided is one of the very best offered by any Bancassurer.

FAs have lost income investment products which used to be a key part of the range as the majority of retired people (who have the majority of the wealth) don't like to spend capital but will spend income derived from capital as it's just like the disposable income they've always had.

We are aware we need an income product. However, in the current climate this is not something we can provide at the moment. We cannot risk providing a product that does not meet the design principles of being right for the customer and business, however will continue to work on a solution. The solutions that Wealth can provide are not suitable for the segment of customers we provide advice to.

FAs can no longer do regular saving into investments below £150 per month - this includes top ups to existing plans. This used to be a key part of the business mix. They often did small regular savings but cross sold protection on the back, however this new limit has left many advisors with large holes in their diaries especially those in less wealthy areas.

Customers who are looking to save modest amounts of less than £150pm are recommended to save via short term deposit accounts. Our experience of long term retention has shown that customers who save smaller amounts are generally less likely to save for 5 years or longer which is the investment horizon for a significant proportion of our product range. Therefore we believe these customers should save in a low risk, easy access deposit based account. Customers who have protection need should still be referred to FAs for protection advice.

The maximum investment age is now below 80. This is also the same for wealth even when doing IHT planning.

The maximum age is 80, however there is a central matrix variation process in place which will consider cases for customers above this age if the circumstances and case specifics provide a strong enough rationale to do the business. The team are pragmatic and feedback we have received from the field shows that the process works well.

Legacy process has not been the most popular or well rolled out campaign. The systems have often not been good enough, the support sights not updated or clear to use. Over complicated systems and processes have had a large impact on increasing the amount of administrative time an advisor has to put into the case, this means that they have less time to sell and of course meet the ever increasing targets.

Meeting our existing customers needs is as important as meeting the needs of new customers. We acknowledged that immediately post L day the legacy process was complex and put in place some additional training via Live Meets to ensure all advisers understood the process. The Legacy tool was implemented on 1st November which automated much of the Legacy process for advisers, including the documentation - this has been very positively received and we have seen significant improvements in the quality of our advice and documentation since launch.

The targets have steadily increased quarter by quarter. The worst seemed to be Q4 last year as there was an overall pay rise of around 8% and targets rose by around 15-20%.

Targets in Q3 2010 were lower to take into account the L day changes and to allow advisers to become accustomed to the new products and processes. Q4 2010 saw a return to "normal" target levels and these were reintroduced along with the changes in Terms & Conditions for FAs.

File quality is a major issue. The number of mandatory things that are added to the processes

procedures and paperwork on a weekly basis is simply too much to cope with. On numerous occasions the SFA, LBM and even Head of Risk don't know the procedures and they are the FAs advisors on these matters. The main problem with this has been that very small errors can be deemed to be advice affected and then can knock FAs out of their bonus gateway a month into a quarter, which has a major effect on motivation.

It is acknowledged that we had a large number of manual workarounds post launch of L day. Many of these have been gradually fixed over time, however there are still some outstanding. The nature of providing Investment and Protection advice is that it involves risk and therefore we have to ensure our processes and procedures are robust enough to stand up to external scrutiny. We have provided file quality checklists and are actively trying to simplify complex processes where we can e.g. providing clarification around recommending Protection for customers who have overdrafts and credit cards.

Where we have acknowledged that system issues or complexity of processes have contributed to poor file quality, we have made significant allowances in the bonus gateway. Both Legacy and Cash Reserve were issues where, if the file failed, as long as the customer outcome had been remedied, the adviser did not fail the bonus gateway.

Protection for life has been given back to the MSF and whilst this isn't a problem in itself FAs have relied on this to get to target over the last 6 months. Now they will not get the referrals for this but targets have remained the same.

When the decision was originally taken for MSF to cease providing protection advice, we did not increase FA targets to reflect this decision. Therefore, when MSF re-commenced selling P4L to customers in February 2011 we did not reduce targets as not increase had been previously made to reflect the change in business provider.

Significant opportunities continue to exist for MAs, Bas and CAs to refer protection customers to FAs and we have recently provided additional clarity on pathways to reinforce these opportunities with MSF and branch colleagues. Focusing on these lead opportunities will provide FAs with a sufficient flow of good quality referrals to hit targets.

The suitability letters are not particularly customer friendly. FAs have to post these out prior to a second appointment or if they don't present them at the 2nd and book a 3rd appointment to secure the business. 3 appointments for an investment sale is not a good use of FAs time, nor do customers want to be attending 3 meetings. If the letter is sent out, then a far larger number of customers have been cancelling

their second appointments. Across the board FAs have been arguing that the letters scare off investors.

We have to ensure that all of our customers receive the right advice for their needs and circumstances. By ensuring that the customer has at least 4 nights with the Financial Report, we, as advisers and as a business can be comfortable that they have had sufficient time to read, digest and understand the advice being provided to them. Spending more time with customers to ensure that our business remains on the books after the initial sale is key to driving long lasting and trusting relationships with our customers as well as ensuring that advisers TACSY scores remain positive.

There are new limitations from the system in plan.it which seems to tell us what can and can't be done in terms of advising a customer on risk levels and maximums that can be invested per customer. The system now shows them as secure even if they want to invest. We have evidence of customers with £200,000 in cash being marked "secure" and not allowing FAs to make the investment, despite the customers' wishes.

Plan.it has been automated to ensure that a customer takes an appropriate amount of risk for their needs and circumstances. Where the outcome is that the customer is 'Secure', we have made a business decision that the customer is risk averse and therefore deposits are the most appropriate route for them. We have provided guidance around what advisers can discuss with the customer prior to them answering the 'Attitude for Risk ' questions to ensure they have a foundation of knowledge.

In addition to the above items there has been considerable discussion about the tiering system which still does not seem to have been communicated to many FAs in a clear fashion, with several different views on how it will affect people, when they will have their tiers changed, what levels they could be moved to, impact on pensions etc. We have asked that the Company provide clear guidance to all the Bancassurance colleagues rather than leaving it to a cascades which, in the past, has proved inefficient and confusing.

The company have promised that at the end of Q1 they will provide us with figures giving us an indication of the numbers who would move up and down tiers based on performance at that time. The information we have received concerns us, as the vast majority of areas appear to be off the run rate at this point in time. We have asked to Company to review its targeting as it is our belief that if 80% of areas are behind, it is unlikely to be the individuals' ability that is causing it.

We need your input to make the consultation with the Company worthwhile so please contact either John Dickinson on john.dickinson@accordhq.org or one of the Advisory Committee. The Committee is made up of colleagues from Bancassurance and they attend the meetings and conference calls with the Company.

If you are interested in joining the Advisory Committee please contact John Dickinson. We especially need members from Scotland and Northern Ireland but any Bancassurance colleague who wants to help us work towards making Bancassurance a better place to work can join.

If you know of any colleagues who are not members, please feel free to show them this newsletter and encourage them to join Accord. We can only change things for the better if we have strong membership and all work together.

Members of the Bancassurance Advisory Committee, and their contact details:

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Although Accord's primary aim is to protect your interests at work, we also provide a range of excellent benefits which make membership great value for money.

Legal Helpline All union members and immediate families are entitled to use the legal helpline. The advice is completely confidential, **FREE** and easily accessible at all hours of the day or night. **Call 0800 884 0118.**

Personal Injury Claim line If you've been injured in an accident, our legal experts can help.. It's a **FREE** service to members and their families. **Call 0800 884 0114.**

Personal Accident Insurance Your Accord membership automatically provides you with **FREE** personal accident insurance. For details call **0870 905 0668.**

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