

Sesame Bankhall Group welcomes clarity over trail commission

You may have read in the trade media about the FSA's welcome clarification over the impact of the Retail Distribution Review (RDR) on trail commission payments.

The FSA's final RDR rules published in March raised real concerns that from 2013 onwards, trail commission would not be transferable in the event that an advisory business was sold or changed its regulatory status.

As you will be well aware, this would have taken significant value out of advisory businesses that had been built up over many years of hard work.

Consequently, as a key participant on the Aifa Council, we have been working closely with our trade body to lobby the FSA for a fair and sensible outcome. We are therefore pleased that following a statement issued by FSA and published in Money Marketing, the regulator has now reviewed and clarified its position. The FSA has said that if, for example, an advisory business is sold, its new RDR rules will not prevent entitlements to trail commission from being transferred to the new firm.

Aifa has utilised its increasing credibility as a trade body of excellence to successfully lobby and persuade the FSA on this key issue. Common sense has prevailed and I hope the IFA community recognises the great effort and value that Aifa continues to deliver on their behalf.

It would be easy for us to quickly move on to the next issue. However, that would potentially gloss over both the threat this issue posed to our profession, and the legal work that still needs to take place to ensure that it is successfully enshrined.

In this particular instance the FSA should also be applauded for recognising the unfairness of this proposal and clarifying the issue so promptly.

Going forward Sesame Bankhall Group will continue to work closely with Aifa, as well as maintaining pressure on the FSA directly in our own regular face-to-face discussions with the regulator.

Since the RDR began we have consistently put forward strong and constructive arguments on the issues that matter, both through our work behind the scenes and also in a series of press statements, speeches and white papers.

There is still a long way to go, and we are under no illusions as to the regulatory and economic challenges that still lie ahead for our profession. However, the powerful combination of Sesame Bankhall Group's scale, Aifa's lobbying expertise and your support gives us every confidence that we will ultimately succeed.

By working together, we will successfully overcome the obstacles ahead of us.

We will continue to fight for your interests, and those of the British public, and we will ensure that your voice continues to be heard.

Ivan Martin
Executive Chairman, Sesame Bankhall Group and Deputy Chairman of the Aifa Council