

IFA Defence Union

Subject: FW: [IFADU List] FW: Meeting

-----Original Message-----

From: IFA Defence Union [mailto:enquiries@ifadu.co.uk]
Sent: 13 September 2005 11:38
To: 'John Tiner'
Subject: FW: Meeting

Dear Mr Tiner

I enclose a copy of correspondence sent to David Kenmir yesterday.

In view of today's announcement I believe it would be in everyone's interests if this meeting was with you on a date of your choosing.

Evan Owen
The IFA Defence Union
www.ifadu.co.uk

If you have ten thousand regulations you destroy all respect for the law.
- Winston Churchill

-----Original Message-----

From: IFA Defence Union [mailto:enquiries@ifadu.co.uk]
Sent: 12 September 2005 10:31
To: 'David Kenmir'
Subject: Meeting

Dear Mr Kenmir

To avoid any doubts in your mind - the single item I wish to discuss at the meeting is as advised - Article 6 of the Human Rights Act 1998.

That does not in any way preclude any of the other issues as being worthy of discussion, very far from it, but it does preclude any diversion at that particular meeting away from the one subject listed above. I believe your timescale of 30 minutes to be an inaccurate estimate, by the way.

That there are other issues is not in dispute, nor is their importance in dispute, and as the under noted item will demonstrate the issues are increasing rather than diminishing, both in quantity and in their importance. Perhaps however these are for another day?

You may if you wish forward a copy of the under noted item to your colleagues - specifically perhaps those engaged in the "Generic Advice" study.

Evan Owen
The IFA Defence Union
www.ifadu.co.uk

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- Winston Churchill

From: fsarulesok [mailto:fsarulesok@aol.com]
Sent: 12 September 2005 09:09
To: IFA Defence Union
Subject: [IFADU List] Defect in Design - Item 3

Evan

You know that I wish to keep my comments to a minimum, and use these items as an introduction, I slightly break that promise in this e-mail.

I have posted 2 items to date, this is the third :

http://www.probonopublico.co.uk/downloads/Common_Sense.pdf

It directly picks up on the comments yesterday from Brain Lentz - the article appeared in Money Marketing shortly after the 1st change in the projection rate regime, the one that moved from every Insurer using the same imposed costs structure - under the rules - to having each Insurer illustrating individual costs (actual true individual costs or otherwise is another issue).

However, it also raises issues which go beyond "designing" - a projection rates regime - with or without defects, eg., polarisation and the role of the client.

I will return to the issues which surround the projection rate regime, (your members willing) in due course - but for the purpose of this e-mail, I want to attempt to illustrate (before everyone thinks this is all just a history lesson) to link the last 3 paragraphs in the item to the present day.

I stated in those last 3 paragraphs that there was a "critical" dividing line between giving advice and giving advice on a product - and that it was the corner stone for polarisation.

If that clear divide is ignored (then or now) then the critical importance of what the market called "polarisation" will be equally ignored.

Did the market fully understand this critical importance, I believe some in the market did, but the majority did not..... that includes the OFT (and they will be the subject of my next e-mail).

In my last e-mail I flagged up the words "fiduciary duty" - it was item 6.

That was and remains the correct "design method" for understanding "polarisation"

- who was legally liable for any advice, including advice which may have advised against purchasing a "product".

- who had a legal duty - not at the whim of a regulator - but at common law - to put the clients interest before their own.

Now even those few words will inevitably lead to the potential question - do I know that "polarisation" has been terminated.

Yes, I do, but the "fiduciary duties" - the legal duties based on common law - have not been terminated, and in due course I want to examine what that might mean for those who believe in "independent financial advice" - which is where I hope to show I am heading.

But let's get to the present dayIf your members are following the FSA website they know of the details of the study into a current project - it comes under the title "generic advice".

I don't want at this juncture to go beyond saying that

- it is the FSA's attempt to divide "advice" from "advice on a product"

- and it contains many "design defects".....of which much more later.

Right now however - I am 100% aware that your members will be asking - "where does all this lead?" - maybe even some have reached the stage of saying "all very interesting, but so what?"

I ask only this - if you believe that there is a need for "financial advice" which can be truly called "independent" - then stick with me a while longer.

Mike Fenwick

Note to Brian Lentz :

Brian I want to stay in a very tight focus for the time being - but each issue you raised is on the agenda - and if this all goes forward, I will come back to the issues you raised, I hope being able to address Andrew Large as the first two words in the above article shows that I am listening.

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