

Building and Running a Compliant CIP

Speakers:

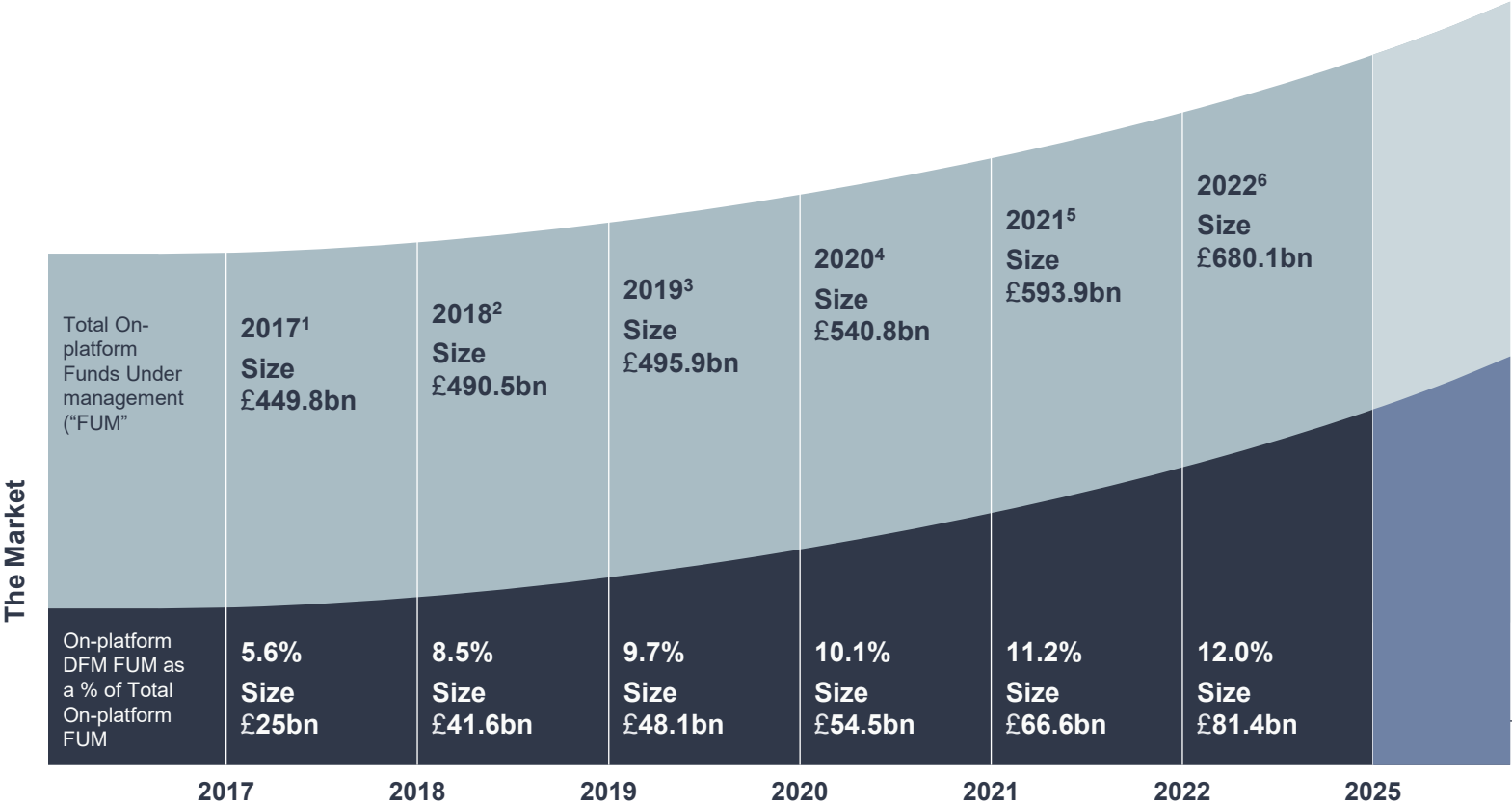
Mike Barrett, Consulting Director, the lang cat

Simon Taylor, Head of Strategic Partnerships & Platforms, Investec Wealth & Investment

Anita Turland, Public Relations, Investec Wealth & Investment

05 March 2024

The use of DFM's to support IFA's CIPs continues to increase



Source: . ¹ Platform, 2017 ² Platform, July 2018 ³ Platform, July 2019 ⁴ Platform, November 2020 ⁵ Platform, July 2021 ⁶ Platform, August 2022

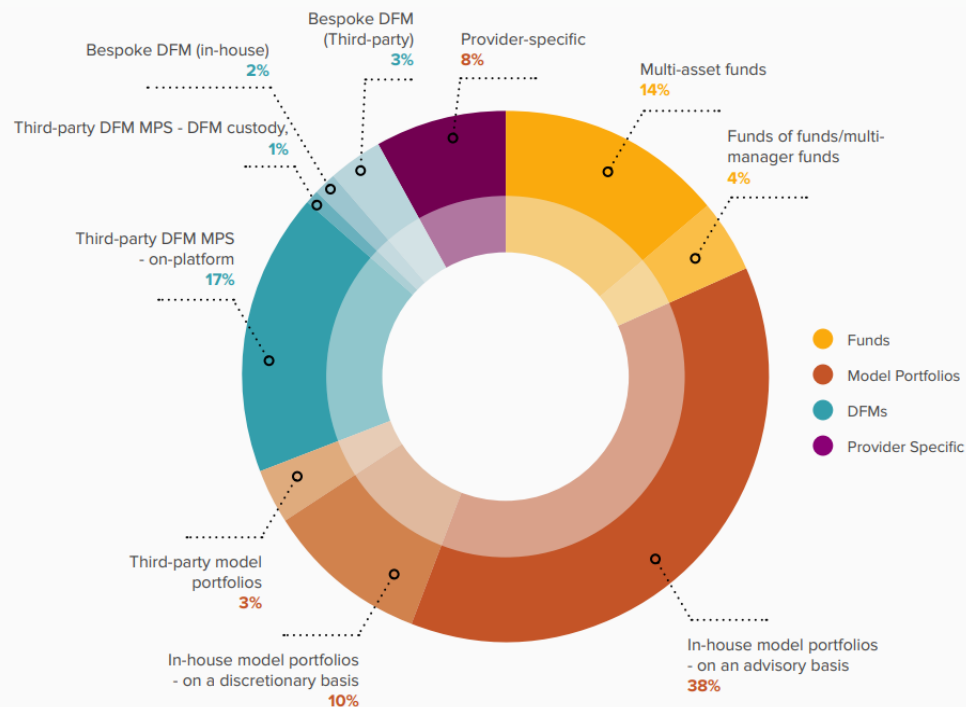


Market forecast to grow 25% per annum to £200bn² over the next 4 years



Fastest growing segment of the wealth management market²

Estimate of Overall IFA Market Asset Split



The majority of advisors use models on an advisory basis but these are administratively cumbersome and more are moving to MPS

Source: Langcat State of the Adviser Nation – Jan 2022

Key Findings



Over 50% of advisors total flow will end up in a model portfolio



The vast majority of business being outsourced to a DFM is occurring on a platform



Very few IFAs run own custody DFM in house



Even fewer IFAs are prepared to relinquish custody to a DFM to run model portfolios

38%

In house model portfolios on an advisory basis



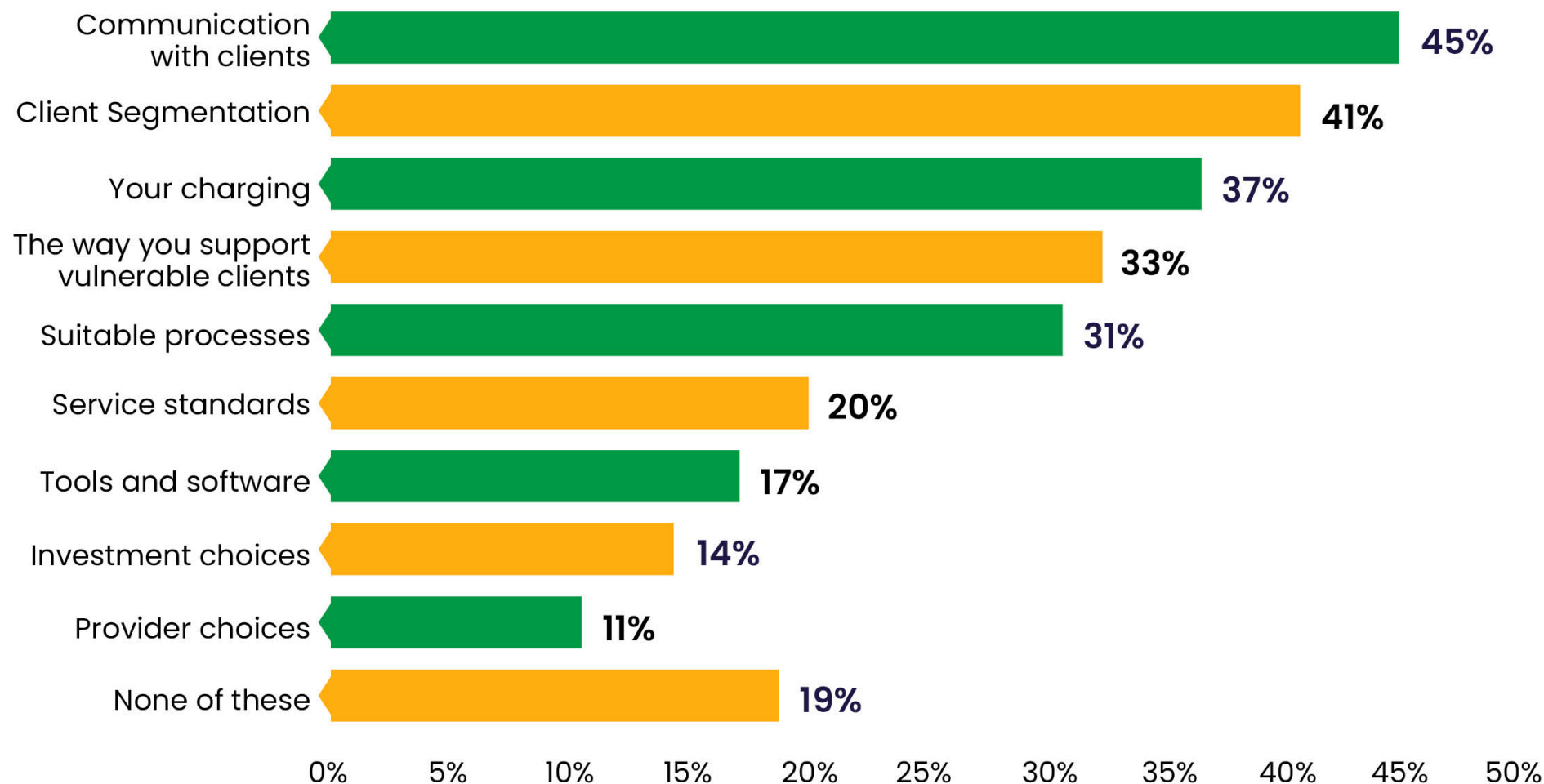
CIP WEBINAR

MIKE BARRETT

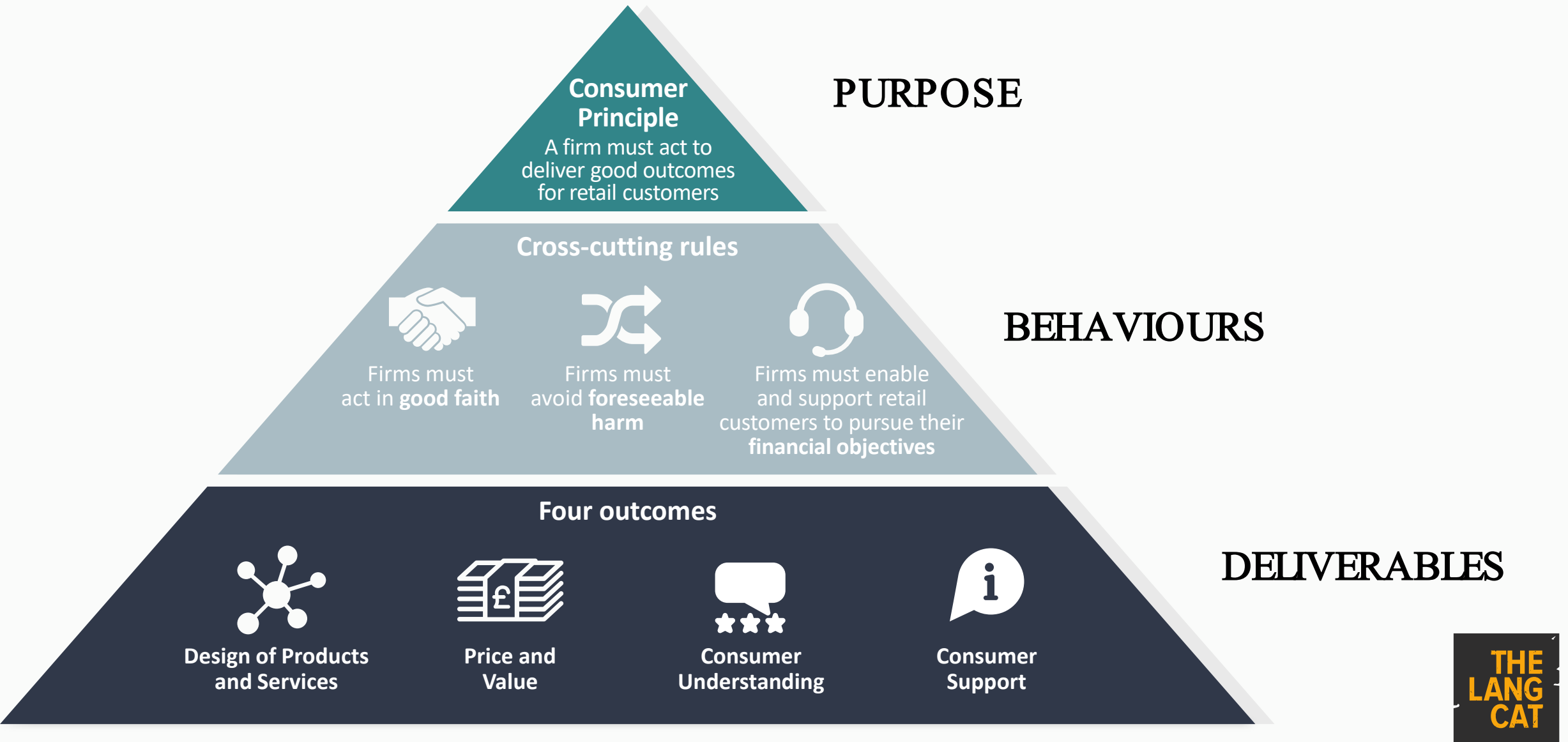
CONSULTING DIRECTOR

MARCH 2024

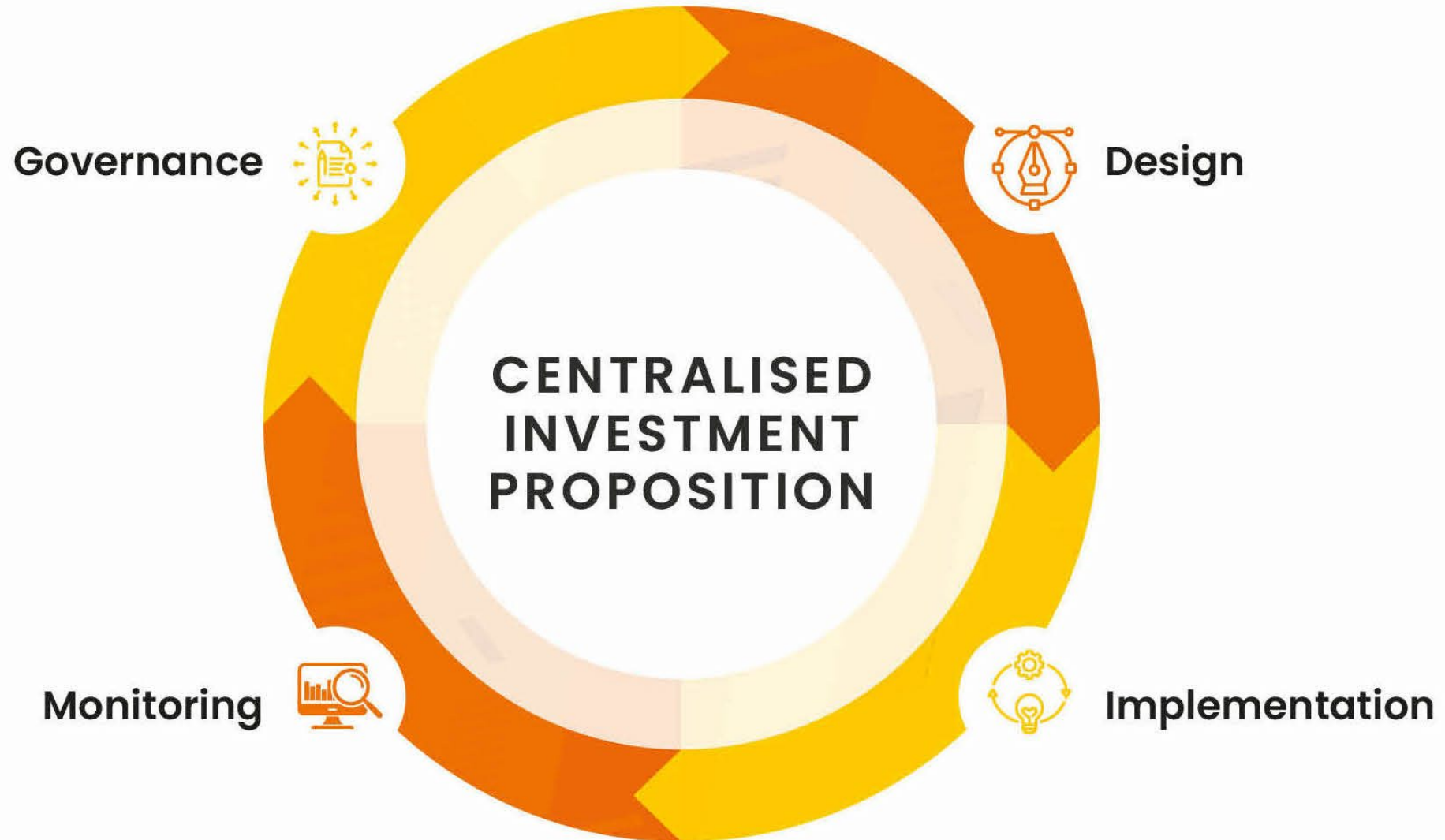
WHAT CHANGES HAS YOUR ORGANISATION MADE AS A RESULT OF CONSUMER DUTY?



CONSUMER DUTY STRUCTURE



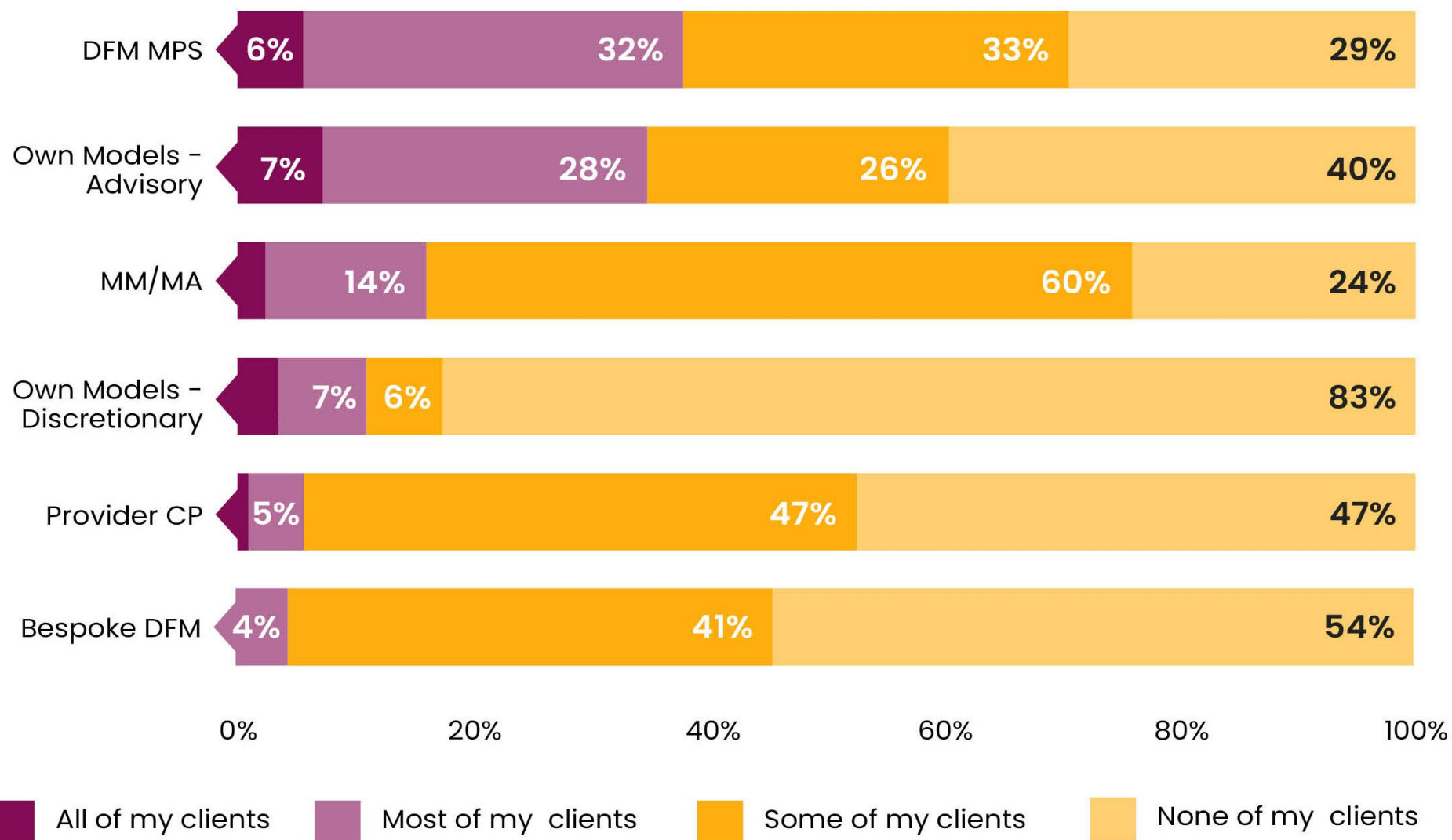
CIP STAGES



CHECKLIST

- ☐ **1. Roles and responsibilities.**
Does your firm have clearly defined ownership for the CIP and the research and due diligence, and have you appointed a Consumer Duty champion?
- ☐ **2. Policy documents.**
Do you have documentation in place recording your approach to investment and platform selection, and how you will segment your client bank?
- ☐ **3. Design considerations.**
Has your firm decided on your approach to CIP or CRP and in-house or outsourced investment management?
- ☐ **4. CIP target clients.**
Have you documented which client types the CIP is suitable for and those for whom it is not suitable?
- ☐ **5. In-house MPS.**
If your firm is running your own in-house model portfolios, are the required Consumer Duty documents (target client definitions and value for money assessments) in place?
- ☐ **6. Outsourced MPS.**
Have you obtained and reviewed target market documentation and value for money assessments from all the external investment providers you have selected?
- ☐ **7. Research and due diligence.**
Have you conducted appropriate research and due diligence on all investment solutions and platforms being used within the CIP, fully documenting the results?
- ☐ **8. Key staff training and competency.**
Have all appropriate staff been trained in how the CIP is intended to operate, who the target clients are and how the products held within the CIP are intended to be used?
- ☐ **9. Consumer Duty.**
In addition to the target market and value for money assessments, how are you evidencing your compliance with the consumer understanding and support outcomes?
- ☐ **10. Ongoing monitoring.**
Has the CIP been reviewed in the last 12 months to ensure the intended outcomes are being generated?

WHAT IS IN YOUR CIP?





THE
LANG
CAT

Tha t's a ll fo lks

m i k e @ l a n g c a t f i n a n c i a l . c o m

Get ready for a surge in new clients...

Investec Wealth & Investment (UK) commissioned independent research agency Viewsbank to interview 1,065 UK adults aged 18-plus including 568 who have stock market investments between January 26th and January 29th, 2024.



Our research shows that financial advisers should get ready for increased demand for their services...



One in five retail investors

are considering using an adviser for the first time with nearly 60% planning to do so within two years

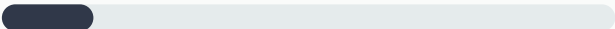


Around six out of 10 (59%)

of those who do not get support from a financial adviser are considering doing so within the next two years, with 29% looking to get advice within the next 12 months.

**Around
21%**

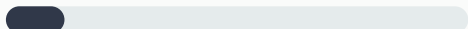
of them estimate they will have investible assets of £250,000 or more when they contact an adviser for help.



A third (31%) of investors

with stock market investments currently work with a financial adviser and that there's significant potential for new adviser clients among the rest.

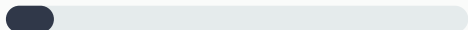
Around 19%



say they increasingly do not have time to manage their investments or admit to doing a bad job and needing help

W H I L E

13%



believe they will need more help as the value of their investments increase.

Coming up to retirement

is the main reason for seeing an adviser but coming into an inheritance is another major reason

Planning for retirement

is the main trigger for seeking out advice among those who do not already have support.

Around 28%

said that was their reason for seeking advice

W H I L E

17%

say it is because they are expecting an inheritance.

Our Combination with Rathbones – in numbers



c.£100bn

Enlarged Rathbones
Group funds under
management and
administration

675+

Investment Managers

FTSE 250

Independent listed
company under the
Rathbones brand

250+

Financial Planners/Advisers
and specialist support team

Long-term strategic
partnership with
Investec Group plc

23

Offices throughout
the UK and
Channel Islands

30

Gresham Street,
London -
new head office

The Combination has received approval by shareholders of Rathbones Group plc and regulators and completed on 21 September 2023.

Q and A

Thank you

The information contained in this webinar does not constitute a personal recommendation and the investment or investment services referred to may not be suitable for all investors.