

### **Educating Rita - Restricted In Time Advisers**

Most advisers and wealth managers are busy people and need good time management to complete their duties. The most productive time is spent seeing clients. However, there are major time thieves that thwart them at every turn.

- Meeting preparation.
- Report writing.
- Preparing presentations.
- Doing research
- Business paperwork
- CPD
- Satisfying compliance

I think that I got that in the normal order in the mind of many advisers.

Obviously, some of those duties can be delegated to paraplanners and administration staff. That should also cover the compliance duties to fill the gaps in the paperwork.

Many advisers undertake a lot of CPD, but then do not record what they have done. The rules state 35 hours per year of which 21 hours must be structured. When you calculate this out, that is lower than 3 hours per month. On a 20-day working month, that is 9(nine!) minutes per day. Or if you want to binge train, 45 minutes per week.

What advisers need to ensure is that the training is relevant to their duties and preferably fill gaps in their knowledge, or refreshes knowledge. If they are filling in their CPD logs, they should be considering:

- What training or reading are they doing?
- How is it relevant to their role?
- What have they learned?
- How are they going to apply what they have learned to their duties?

So, for normal reading, most advisers receive emails from various trade journals, such as FTAdviser, new Model Adviser, Investment Week, Professional Adviser and any number of similar trade press distributors. In the past, we have received weekly paper copies to provide our information. Now that these all arrive on an hourly basis during the day, there is less need for the paper copies.

Our research is similarly digital with providers such as Iress, Air, Defaqto, the Langcat, Morningstar, Synaptics, FE Trustnet or Analytics and MICAP all supplying a fantastic depth of information. We have moved on from the monthly Money Management to undertake our fund performance research.

Firms need to keep records of their research, particularly if they have opted for a Centralised Investment Proposition. Evidence of this needs to be maintained in order to prove independence of advice. It is normal practice for this research to be undertaken once or twice per year. How is independence of this research provable. Most providers can produce literature to provide due diligence for advice firms. Some providers even commission reports from researchers to provide third-party input to confirm their excellence. I have produced several editions of my platform

research, using data from the platforms as well as comparison sites and literature to provide some kind of meaningful comparison of platforms available at a given time.

Last year, I was asked to undertake some research into Managed Portfolio Services for one of my client firms. The firm wanted to use OMW WealthSelect but wanted to have research to prove that the market had been checked before proceeding with OMW. I looked at various reports that had been commissioned by providers, including WealthSelect, but want to go wider. The whole project mushroomed into a document with information from 65 providers that ran to over 160 pages. Job done!

I am now renewing my research and the report will be distributed by IFA Magazine during September 2021.

More interesting, I have been asked to produce a report on Environmental, Social and Governance (ESG) Investment, more correctly known as Sustainable Investment. There are column inches on a daily basis about ESG investment strategies. And the thought of producing more would not be welcomed by many people.

However, in the interests of providing education to advisers about an area of advice that is being mandated by the FCA, my report will be to provide advisers with sufficient information in an understandable format to enable them to become confident about speaking with clients about Sustainable investment.

The key messages I expect the document to usefully cover should be:

- How to discuss with clients what values they wish to see reflected in their investments
- How to then take the outcomes of this conversation and find funds that match these values
- Sources of information on funds and their ESG characteristics – questions to ask fund managers etc
- How to find out more
- How to assure yourself that the funds are doing what they say they will do
- Divestment vs stewardship – plus how to get assurances that the stewardship is real and impactful and driving companies to transition
- Legal and regulatory duties – green taxonomy, FCA principles for describing ESG funds, new regs for IFAs to ask clients about ESG
- What the wider framework is – UK legislation to be net zero by 2050 (78% reduced emissions by 2035), new remit of BoE and FCA to progress net zero
- Beyond net zero, other ESG characteristics eg ‘E’ covers deforestation, biodiversity, soil health, water pollution, ‘S’ covers Just Transition, modern day slavery/forced labour, diversity and inclusion, etc

The report will start with a glossary as there are so many words, phrases and acronyms used in this area. It will then move into the investment spectrum and then onto the background explanations to hopefully provide advisers with everything they need to know about Sustainable Investment but were afraid to ask.

Like any good prophet, I speak of the report that is to come.

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