

It is good to see the Prime Minister and the Chancellor taking a tough line on bank bonuses. However, this rhetoric is just the tip of the iceberg.

There is a petition for IFAs to express dissatisfaction with the FSA. Since the petition will presumably be public, it would be a brave IFA that signs the petition. There cannot be too many IFAs who would relish direct contact or a visit from representatives of the FSA, even for seemingly innocuous reasons.

I feel that we should petition the FSA to actually tighten their regulation of the banks. There are so many issues that come under headings of service, quality of advice, compliance reporting, complaints handling – the list is endless.

If you have ever had reason to complain to a bank for any reason, you will understand the frustration of being fobbed off, passed from one person to another, referred back to unreadable agreements that were previously issued and eventually being told that they have followed their internal procedures and therefore you have no case against them. Sounds familiar?

I am sure that any adviser that has met a bank client will find poor performing products, often unsuitable, sold without any real explanation of features and benefits.

Alternatively, they have unregulated services such as commercial mortgages that seem to give them a licence to do what they like and charge what they like. I recently had a case where a client was buying a guest house and the business manager did not ascertain the amount of stamp duty that would be payable. The client reached completion day to be told he was £21,000 short and had to quickly borrow the money from elsewhere to complete. Answer – it is not up to us to ensure that the client has the money to pay stamp duty! That is up to the solicitors! It should have been part of the calculation to get the right level of borrowing. No, it is unregulated, we do not need to do that! Unbelievable!!

It is our duty to make the FSA and the FOS aware of these shortcomings in order to try to get the banks to behave. IFAs would not get away with any of this type of practice.

This is much more important to us all than simply curbing a few excessive bonus payments.