

PRESS RELEASE

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For Professional Advisers only

Advisers need to consider different approaches to retirement income in light of FCA review, say Copia and Wealthtime

Following the FCA's report on its thematic review of retirement income advice, Robert Vaudry, Head of Commercial at Wealthtime, comments:

"The FCA's report highlights some poor practices in terms of the approach many advice firms are taking to retirement income. In several areas, firms are failing to take account of the different needs of customers in decumulation, as opposed to accumulation. And more work needs to be done to embed Consumer Duty best practice, as it warns that most firms would not comply with some of the requirements of the regulation without taking appropriate action to address concerns raised.

"The regulator's comments about the sustainability of income withdrawal are particularly important given that people in retirement have few options to boost their income if they start to run out of money too soon. Firms need to consider different investment approaches for clients in decumulation to mitigate some of the specific risks faced, like sequencing and longevity risk and avoid providing unsuitable retirement advice that could result in significant financial harm. They also need to ensure their investment approach, whether using a Centralised Retirement Proposition, Centralised Investment Proposition or something else, is suitable for clients who are taking an income."

"While there is clearly an onus on advisers to deliver appropriate advice to clients approaching and in-retirement, there is also a need for platforms and DFMs to offer functionality and propositions that support the different needs of those in decumulation. This includes flexibility and choice over tax wrappers and managing income, as well as innovative investment choices that deliver a sustainable long-term income, perform in different market conditions and continue to meet the client's objectives and risk profile."

Copia and Wealthtime, alongside speakers from the lang cat and Just will be discussing the issues raised at a series of roadshows starting in April. See the Rethinking Retirement website for more information: <https://retirement.wealthtime.com/rethinking-retirement>.

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NOTES FOR EDITORS

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About the Wealthtime Group

Private equity firm AnaCap Financial Partners owns Wealthtime, Wealthtime Select, and Copia Capital. Patrick Mill is CEO of all three businesses in the Group.

Combined, the platforms have over £11.3bn of pension and investment assets under administration (AUA) and over 76,000 clients (as of Jan 2024). AUA is split £8.85bn and £2.45bn, Wealthtime and Wealthtime Select respectively.

Copia Capital, the discretionary fund management (DFM) part of the Group is a pure B2B DFM that works exclusively with advisers to provide a range of managed portfolio services. These include its MPS Custom service, offering customised portfolios to advisers which are constructed to meet the adviser's retail clients' needs; its 'ready to go' MPS portfolio products; and the added-value MPS Plus range.