

INSISTENT CLIENT PROCESS



We are prepared to accept insistent clients; however, this is not guaranteed, and every case is considered on its own merits.

OUR PROCESS

- Suitability report issued with a recommendation not to transfer
- Written confirmation from the client and in their own words, confirming:
 - they have received the suitability report
 - their understanding of its contents
 - their desire to go against our advice and transfer their pension
 - their reasons why they wish to proceed against our advice. Where alternative options form part of our recommendation, such as taking benefits direct, they need to explain why they wish to go against this recommendation.
- Upon receipt of the clients written confirmation the adviser will contact them to discuss their reasoning and why they wish to proceed as an insistent client. The adviser will need to be satisfied the client is acting on their own, without coercion, and that they understand the consequences of their actions.
- The client will need to explain in their own words why they wish to proceed against our advice, and they will need to be able to demonstrate they understand the consequences of their actions.
- If the adviser is happy to proceed on an insistent basis, they will confirm this in an email, followed by a new suitability report, confirming the original recommendation not to proceed, the client's reasons why they wish to proceed with a transfer and why the adviser is prepared to accept this as an insistent case.

KEY PRINCIPLES AGAINST ACCEPTING AN INSISTENT CLIENT

The following are some of the reasons why we may not accept a client as insistent, this is not an exhaustive list:

- A substantial lifetime loss if a transfer was to proceed
- Inability to demonstrate an understanding of the risks of a transfer
- Inability to demonstrate an understanding of the guarantees that would be lost
- Vague and unclear objectives
- Objectives which are of questionable importance
- Suspicion they have been coerced or influenced by a third party
- Refusal to provide key information about their circumstances
- Financially irresponsible e.g., history of cashing in other pensions
- Transfer would cause a shortfall in retirement income needs

If our abridged advice is *negative*, then it is highly unlikely we would accept the client as *insistent*, even if they have elected for *full advice*.

You must remember that the regulations are very clear – the starting point to consider defined benefit pension transfers is that it is not a good idea, and you shouldn't do it.

