

**March 2014**

## **Budget boost and challenges for advisers**

The main criticism that has been leveled at George Osborne's budget is that by removing, from April 2015, virtually all the constraints on the way people will be able to access their pension savings, many bad decisions could be made resulting in hardship for many retirees in later life. The Government is laying much store by the requirement for face to face guidance to be given. However, the size of the task should not be underestimated with the number of defined contribution pension plans set to increase dramatically as a result of auto enrolment.

"The Budget measures are a 'shot in the arm' for financial advisers as they are best placed to meet this requirement and many retirees will in fact need advice rather than simply guidance" says Bruce Moss, Strategy Director at eValue. "How to use retirement savings to meet people's needs in retirement is arguably the most important financial decision in their lives and advice for most people will be crucial".

The size of the challenge is immense. In just over a year (assuming implementation of the Budget measures is not delayed) advisers need to be equipped to provide impartial guidance and advice to potentially millions of defined contribution members spread all over the country, many working for small and medium sized employers (SMEs). The FCA is currently in the midst of its thematic review of direct to consumer propositions which is expected to clarify the dividing line between guidance and advice. The outcome from the FCA review should give advisers a good steer as to how they will need to go about providing guidance and advice to employees in defined contribution plans.

"Much work will need to be done by advisers to meet FCA requirements which are likely to be stringent when they are known. Given the high visibility and potential vulnerability of retirees to making bad decisions, the FCA will be very keen to ensure that a full and balanced picture is given. While the challenge is considerable, this is an extremely exciting and potentially transformational opportunity for advisers who get it right" Bruce Moss added.

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**Note to editors:****About eValue**

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Advisa Centa is a subsidiary of eValue and comprises a powerful suite of easy-to-use and intuitive tools designed to support the financial advisory process, from engaging consumers on the need for advice to analysing individual portfolios and products with a view to enabling full optimisation of existing assets. Regular upgrading of tools on the basis of emerging trends and customer feedback, means that they are continually refreshed. Through its highly configurable offering, Advisa Centa also enables advisers to quantify and demonstrate their added value to clients.

Moneybee ([www.moneybeeonline.com](http://www.moneybeeonline.com)) is a subsidiary of eValue and comprises a powerful suite of easy-to-use and intuitive solutions designed to support the investor decision making process in a practical way. Our dynamically engaging solutions illustrate the potential outcomes from using different investment strategies, from engaging consumers on the need for advice to analysing individual portfolios and products with a view to enabling full optimisation of existing assets. Regular upgrading of the solutions on the basis of emerging trends and customer feedback, means that they are continually refreshed. Through its highly configurable offering, Moneybee can be used to help consumers understand the

associated financial risks and ramifications related to major financial decisions that affect their futures.