

Crossley quits Pru to be Saga COO

By Helen Pow

Prudential marketing director for UK and Europe Ali Crossley is leaving the firm to join Saga as chief operating officer.

She follows ex-PruLab marketing director Roger Ramsden, who left Pru in 2006 and took up the post of chief executive of Saga Services last year after a brief stint at Royal Bank of Scotland.

Crossley leaves at the end of the week after six years with the firm. She was initially a consultant running part of the marketing team before taking a permanent role as marketing communications director. In April 2006, she was promoted to business director for retirement income and became marketing director in October 2007.

Crossley will not be replaced at Pru, which is decentralising its marketing operations and will run intermediary and direct marketing from their respective departments.

A Pru spokesman says: "Crossley has made a significant contribution in the six years she has been with us. We are very sad to see her go."

A Saga spokesman says: "We always like to recruit the best the market has to offer and feel Crossley fits this criteria."

Survey shows hourly rates encourage time-wasting

By Nicole Blackmore

Adviser charging structures that operate on an hourly fee basis reward inefficiency, according to a new survey.

Australian firm Elixir Consulting researched charging structures in the country's financial advice sector and found that time-based fees are unpopular among IFAs.

It says most advisers charge via a job-rate structure or annual retainer amid concerns that hourly charging encourages advisers to simply work slower. The research highlights adviser concerns that hourly fees may discourage clients

from making contact when important events occur and business revenue will always be limited to the number of human hours available.

Advisers also report it is difficult for clients to see the value in time spent analysing possible strategies for their investments when the ultimate recommendation is for no further action.

Managing director Sue Viskovic says: "Many advisers have estimated the time it takes to complete any particular task for a client and worked out their minimum or standard fees accordingly."

Evolve Financial Planning

director Jason Witcombe says: "Hourly rate fees are fine if it is a one-off piece of work. There is a definite start and end point and the adviser can give their client a decent indication of what the cost will be. But for ongoing relationships with clients, hourly rate fees do not work well because they act as a barrier to communication between client and adviser."

FP Advance managing director Brett Davidson says that flat fees and asset-based fees are often a better approach because they encourage clients to make contact and are more conducive to building strong relationships.

Pension cap tax to hit 59%

Pensions

By Helen Pow

The punitive pension lifetime allowance charge looks set to increase to almost 59 per cent for some savers, says Standard Life.

The firm is urging advisers to protect clients' pension pots by applying for enhanced or primary protection before the April 5, 2009 deadline.

Head of pensions policy John Lawson says HM Revenue & Customs charges 55 per cent when the lifetime allowance is taken as a lump sum. If the excess is taken as a pension, which is compulsory in the public sector, the charge is 25 per cent and then a further 40 per cent – a total of 55 per cent.

But in April 2011, the 40 per cent tax will be replaced by a 45 per cent tax for people earning over £150,000 a year, pushing up the penalty lifetime allowance charge to 58.75 per cent.

Chancellor Alistair Darling announced in the pre-Budget report that the lifetime allowance would be frozen at £1.8m until at least April 2016, which means many more people will be facing the charge.

Lawson says: "Around a quarter of advisers' clients will have lifetime allowance issues so they really need to be applying for protection immediately."

Four 11% years needed to make up losses for IFAs

By Tracey Scott

It will take IFAs four years with 11 per cent annual growth in business to make up for the losses of 2008, according to Ascentric head of sales Shaun Sandiford.

He says the dramatic drop in the stockmarkets last year, which saw the FTSE 100 plunge by 31 per cent, plus its 16 per cent decline so far this year, means that advisers will need around four years of solid growth to get back on par.

He says: "In order for IFAs to catch up, they will need to

make 11 per cent for four consecutive years to make up the losses of last year."

Sandiford says he recognises there could be a 40 per cent surge in the FTSE this year, helping IFAs to recoup losses, but believes this is highly unlikely.

Church Hill Finance director Anthony Badaloo says: "I do not think anyone can be so precise about the recovery because you have got different types of IFAs. The bigger IFAs with expensive overheads will obviously suffer more than the smaller IFAs with different business models."

PriceWatch widens scope to rate pension wrappers

By Helen Pow

Skandia is extending the coverage of its platform comparison tool PriceWatch to include pension wrappers.

PriceWatch compares the cost of Isas and unwrapped funds offered by Standard Life Wrap, Cofunds, Nucleus, Transact and Funds Network.

From the end of June, the tool will allow advisers to compare the charging structures of different pension

wrappers that are available on these platforms.

Skandia head of proposition marketing Peter Jordan says: "It is absolutely critical to get clarity in the pension arena. The FSA's pension switching review has put cost firmly on the agenda. The regulator is crystal-clear that, with any business being consolidated into pensions, there must be clarity over the costs but it can be extremely difficult to compare at the moment."

Strategic Investment Planning managing director Graham Dawson says: "It is positive that Skandia is extending PriceWatch to compare pensions but I think that a service which focuses on qualitative rather than just quantitative differences is more relevant."

Skandia is also considering extending the PriceWatch coverage to help advisers conduct due diligence of wrap providers.

Pensions
Investments
Protection

Zurich HelpPoint™

Pensions for people who want a little more conversation and a little more action please.

Call your consultant on 0500 546 546 for more information

Pension transfers can take time, but we do everything we can to reduce delays. We'll let you know straight away if we don't have all of the information we need and will chase the current provider for outstanding requirements every ten working days.
Here to help your world.

 ZURICH®

Because change happenz.®