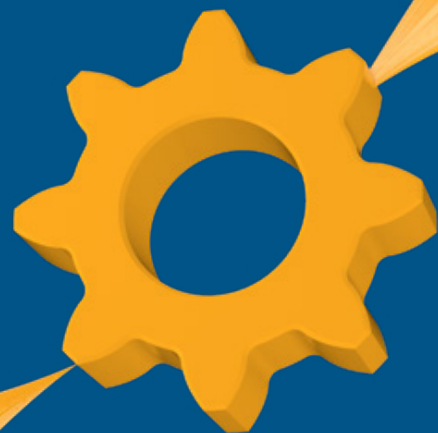




LoA Process: Just Fix It Already

Broken Letter of Authority Processes
in UK Wealth Management



AN ORIGO WHITEPAPER
AUTUMN 2023

Why We're Here Today

The Letter of Authority process is an integral part of onboarding new clients. Yet despite its importance, it remains a painful and often frustrating process for all involved – advisers, providers and ultimately clients. This is not only a drain on our collective time, but leads to repeatedly poor client experience overall.

But change is possible. We only need to look at the transfer process for evidence of this. While we acknowledge there's still work to be done, at Origo we're proud to have played our part in improving the transfer process, making it digital, and significantly speeding up processing times.

What if we could do the same for Letters of Authority? And what would it take to dramatically improve the process we have now?

Before we could arrive at the solution, we first needed to quantify the problem.

How long do Letters of Authority take to complete now? How are they sent, received, and processed? What problems could our solution solve?

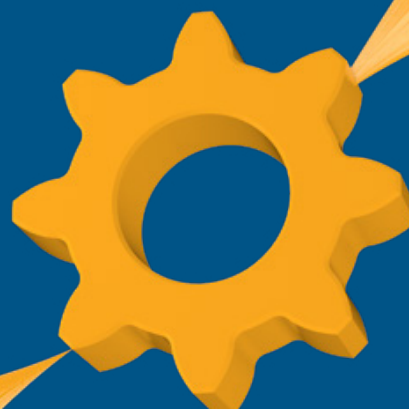
We could of course do this ourselves with our own clients, but we'd be marking our own homework. And this would be a sales flyer, not a Whitepaper. We needed an independent view. To that end, we've teamed up with financial consultancy firm, the lang cat, well-known and respected across the sector and with a rich history of working to help shake up the industry for the better.

We asked the lang cat to qualify the state of play today, and to identify what's good and what needs fixing in the LoA process. The lang cat surveyed more than 200 advisers to help us qualify the problem and to conduct more in-depth interviews with advice firms to explore some of the themes in detail. This paper is intended to highlight the problems in the process, the scale of them, and what a better future could look like.

Throughout the paper, you'll see box outs which have the lang cat's unfiltered opinion on different matters alongside our own, as well as adviser quotes peppered throughout.

Enjoy and thanks for reading.

Origo



Origo Introduction

Hello, and welcome to Just Fix It Already, our paper about the ongoing issues around Letters of Authority in Financial Services. These issues slow down the movement of money, frustrate clients and advisers, drain resources at providers and ultimately raise costs for everyone involved. At best they're frustrating. At worst they cause genuine harm and detriment to advisers' clients and their families.

If Letters of Authority aren't a big part of your life, first thank your lucky stars. Secondly, you might wonder how one small process warrants a paper of its own. Surely, you might think, it is not beyond the wit of very smart people in financial services to work out how to recognise one another in such a way that clients' money can move freely, while still reducing fraud and scams?

Sadly, and deeply, deeply frustratingly from where I sit, it appears that this is the case. And that's why Origo has developed a solution, and why I am so keen to give this subject a proper, structured airing.

I wanted to come up with an analogy to explain why the inability of the sector to solve this is such a problem. The best I could do is to ask you to imagine that you've seen your GP, and she says you need to see a specialist consultant. The problem is that every consultant refuses to accept a referral from any GP without the GP identifying themselves. Each specialist consultant also has their own standard as to what constitutes an acceptable form of identification. Some check the GP register, or phone back to confirm. Some need online checks. Some need the patient to furnish a wet signature.

Some change their mind depending on which administrator in the consultant's office is working that day. And none of them publish what it is they want, so it's a constant guessing game. Even if you get it right, the ID step can take months; months during which time the patient could well have, not to put too fine a point on it, died.

It's not a perfect analogy, but it's not awful either. Our industry is slowed by this issue – and what's so irritating is that it needn't be.

Sometimes papers like this are coy about the solution that's being offered. This isn't one of those. Origo has developed a straightforward, affordable solution to the Letter of Authority issue. Where it's been adopted it's already radically improving timescales and consumer outcomes – exactly the sort of thing I think the FCA were envisaging when they launched Consumer Duty.

But too much of the industry – as opposed to the profession – is hooked on its existing processes, and in the absence of direct regulatory intervention specifically shining a light on it thus far, is perhaps unaware of the scale of the issue we're looking to address, and ultimately not fully aware of how much benefit there is in solving it for providers, advisers and clients. But Origo writing a paper about how great our solution is will be easily dismissed as us simply pushing our own wares.

That's why we teamed up with our friends from the lang cat again – as we did for *A Disconnected World* – and asked them to help quantify how big an issue this is. The team at the lang cat surveyed firms of all shapes and sizes, restricted and IFA, firms with modest staff numbers and large nationals, and everything in between. They also conducted many in-depth interviews which dug below the surface anger (that's where the title of this paper came from) to try and get at the real impact of the Letter of Authority logjam.

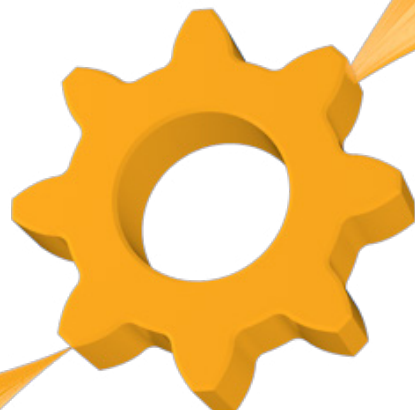
We think the lang cat has proved beyond doubt that advisers and their clients are so frustrated it should be a no-brainer for providers to get it sorted. It's not just a potential route out of the madness for advisers and clients, but for providers' to improve efficiency, reputation, and ultimately reduce costs as well.

So yes, we're talking our own book here. This is our paper, but it's the lang cat's research. We want to revolutionise the Letter of Authority process in much the same way we have the transfers process: by bringing the concerned parties together and uniting them with a solution provided through technology that benefits everyone.

It might sound utopian, but it's firmly within our grasp to make providers', advisers' and clients' lives significantly better, quite before any regulatory intervention. In the brave new world of Consumer Duty, two of the cross-cutting rules (requiring all firms to "enable and support retail customers to pursue their financial objectives", and to "avoid foreseeable harm") mean processes like this could come under increased scrutiny in future. All the more reason to get on the same page and sort this out for good.

All that said, I hope you find the paper an interesting read.

Anthony Rafferty
CEO, Origo



the lang cat Introduction

Well, this is depressing. It's 2023; AI is a reality, and we all have more computing power in our pocket than that which sent Apollo 11 to the moon. Want to know how much more power? 120 million times more, that's how much. Your mobile phone charger has more computing power than Apollo 11.

And yet, here we are. Every financial adviser has a unique entry in a digital register. Every provider does too. Very nearly every client has the means of verifying their identity digitally. And what does our industry do? Demand letters with wet signatures, that's what – as if lines of colloidal systems of fine pigment particles dispersed in a solvent and applied to compressed moist fibres of celluloid pulp have some totemic power, which the Law Commission has already said they don't.

So round and round we go. Every provider has its own standards. Some of them don't make it easy to find out what those are. Some of them change with the weather. Some are great. Some take months, before rejecting Letters of Authority for, I don't know, an Oxford comma or something. Some take so long that they breach their own timescales: "Sorry, this signature is more than six months old and so we can't accept it even though – haha! - you sent it in six months ago and we've been sat on it like a hen on a very, very old egg. Bummer! Good luck on your next try! We believe in you!"

And somewhere out there is a client, wanting to do the thing they want to do, and screaming at their adviser for not getting it done. And all the adviser can do is say, "I know; these guys are complete jokers."

But it isn't funny.

Everyone knows this. And most people know there's a way through. We don't have an opinion on Origo's solution, by the way.

It might be the best thing ever. It might not. But it's what the industry has, and this needs fixed. Now.

Our research, then, has only one goal – to demonstrate to providers out there that effort put into getting this stupid, prehistoric issue sorted is worthwhile in the eyes of advisers; and that it'll have a greater impact on your favourability than a million new funky shiny things in your product. Want advisers to take your calls willingly from your BDMS? Do what the Consumer Duty regulations say, and put as much effort into transfers out as you do into transfers in.

I never, ever want to be commissioned to do a paper like this again; one which is about protectionism, laziness, opacity and thwarting financial plans.

Let's fix this already.

One final thing – we did the research, and you'll see us shine in from time to time in the paper with our own thoughts. We've also got direct quotes in short form – identified by a delightful megaphone graphic – as well as a couple of longer form experiences from advisers.

Everything else in here is Origo's view on our research, and although they paid us to do it they behaved, as always, impeccably throughout and didn't try to direct our activity or futz with our findings in the slightest. Not that we'd have let them, but still.

I don't think you'll enjoy this paper much, but you should read it anyway, and thanks in advance if you do.

Mark Polson
Principal, the lang cat

SECTION ONE

Background

According to the FCA's data, around 95% of firms have five advisers or fewer. As a result, it's a vibrant sector, with a plethora of small, often independent firms that have built relationships with their clients over many years. Throughout those years, significant changes through regulation and technological advances mean that though firms may have shared more characteristics in the past, today it's hard to find two firms with the same sort of services operating on the same technology.

As well as having unique setups, firms need to work with an ever-increasing range of providers, platforms and institutions. They, or their staff, need to learn how to use platforms and providers to place and manage business and though many of them again share similar characteristics in the functionality, user experiences can be quite different (and is also a point of differentiation for platforms), requirements can be different – some will be able to process more online, some will require more paperwork – and some integrate with other financial advice software in different ways.

No-one needs reminding that there's also been swathes of far-reaching regulation that affects all firms. The most significant of which are the Retail Distribution Review ten years ago, and much more recently Consumer Duty. Both of which can have significant knock-on effects on how a firm does business.

What this all culminates to is a profession that is typically time poor due to all of the complexity – some of it as a result of evolving the business, some thrust upon them by the regulator – that's required to operate in today's world.

THE LANG CAT VIEW

For years we've held the view that each advice firm in the UK is unique but since the introduction of State of the Adviser Nation, our annual omnibus study, we've had the data to prove it.

Combining provider choice, legacy assets, back office, investment proposition and a whole heap more means that the number of possible permutations of set up soon gets into the millions.

For fans of choice, that's brilliant. For fans of 'let's find an easy solution to something like LOA processes when we have hundreds of potential provider point to point combinations', the news is not so hot.

But what's also true is that **it is entirely reasonable for a profession as important as the maintenance of financial wellbeing of millions of customers to have an infrastructure befitting of the 21st century.** That, ladies and gents, is our central premise for the paper.



SECTION ONE: BACKGROUND

Practically Speaking

But change of agency is one of the main building blocks of a relationship between an adviser and a client – without the authorisation of the client, the adviser can't operate on their behalf, request information, and manage changes to policies. That's why sorting out the Letter of Authority process between advisers, providers and platforms quickly and efficiently is so important, and why things can go so badly wrong when the process falls apart.

The letter itself is a legal, rather than a regulatory, requirement. But that's not to say that the FCA won't be inclined to step in if things go wrong, and it won't surprise anyone to know that the Consumer Duty could be the mechanism it uses for this. There are several different aspects of the duty that apply to the Letter of Authority process, and one key point for firms on the receiving end of poor service.

Avoid Causing Foreseeable Harm



In today's age, and thinking of Consumer Duty, there has to be a better, simpler, consistent and faster process in dealing with these!

..... “

Yep, that's right, Consumer Duty. Here we're going to delve into exactly why the Letter of Authority process exists today, why it's incumbent on us to fix it, and how the existing process strikes at the heart of Consumer Duty, breaking its rules and *raison d'être*.

The Consumer Duty is underpinned by three cross cutting rules, and two of them clearly apply to the letter of authority process. Firms must avoid causing foreseeable harm to customers – and this can apply both to acts and omissions. It doesn't only apply when a firm is in a direct relationship with a customer, but also applies throughout the distribution chain. If, therefore, a letter of authority disappears into your systems without trace, leaving an adviser pounding the

desk in frustration and unable to make any transactions on behalf of the client, there's clearly harm there. And potentially substantial financial harm, depending on the transaction and the timing. One of the FCA's specific examples of harm in its finalised guidance is 'consumers finding it too difficult to switch to a better product or different provider because the process is too onerous or unclear' – that's a clear signal that an onerous LoA process is going to breach the Duty.

Enable And Support Customers To Pursue Their Financial Objectives

Again, this is a rule that applies throughout the client journey and lifecycle of the product or service. And again, there's a specific example given in the FCA guidance; firms have to ensure 'that the channels of support they provide work effectively and do not act as a barrier to customers utilising their products, cancelling or switching to another provider should they wish to'. An adviser unable to carry out transactions on behalf of the client is clearly facing a barrier that is not of their own making.

With two of the three cross-cutting Consumer Duty rules being breached if your LoA processes aren't up to scratch, there's another sting in the tail for providers and platforms.

Obligation to report

Under Consumer Duty, a firm that's on the receiving end of service or processes so poor that it believes the Duty is being breached no longer has to suffer in silence – in fact more than that, it now has an obligation (under PRIN 2A.9.17) to report this to the regulator. If you've experienced issues with the length of time, the general process or the service standards of processing a LoA, you're required to speak up. And conversely, if your processes aren't up to standard, you should be aware that your adviser customers are under an obligation to report you. All of which adds up to a significant driver to get your letter of authority processes working as smoothly as you can, in the interests of good outcomes all round.

SECTION TWO

The Scale Of The Problem

It should be so simple, right? The LoA process is in essence a simple process. An adviser with the authority asks for essential information about investment to help build a plan for their new clients. But we suspect that everyone reading this paper knows that in reality, life is anything but simple for the advice profession. We know that all too often, completing that first transaction on behalf of a client can and will lead to a world of pain.

We reckoned it was time to prove the scale of the problem and with that in mind it's time to look at some of the lang cat's findings.

The lang cat launched a quantitative research exercise with its panel of advice professionals in July 2023 and more than 200 firms of all shapes and sizes took part.

To start, and to set the tone, the lang cat asked simply **‘What’s the first word or phrase that comes to mind when we say the phrase “letter of authority”?** Below you can see a collection of the most commonly used words and phrases...and to the right is more qualitative responses to the survey.



An overwhelming sense of dread and impending disappointment at how, what should be a straightforward and swift process, always ends up being the complete opposite

“

Waste of employee time

64

Here we f*cking go again

66

It will take a few weeks or more



SECTION TWO: THE SCALE OF THE PROBLEM

THE LANG CAT VIEW

The findings here are as damning as they are frankly embarrassing in 2023.

We've kept it clean in the word cloud above but there are plenty of responses which include expletives, or that respondents can't even bring themselves to use real words, instead opting for vocalisations like 'ARRRGH', 'urgggggg' and 'UGHHH' and acronyms like PITA and FUBAR.

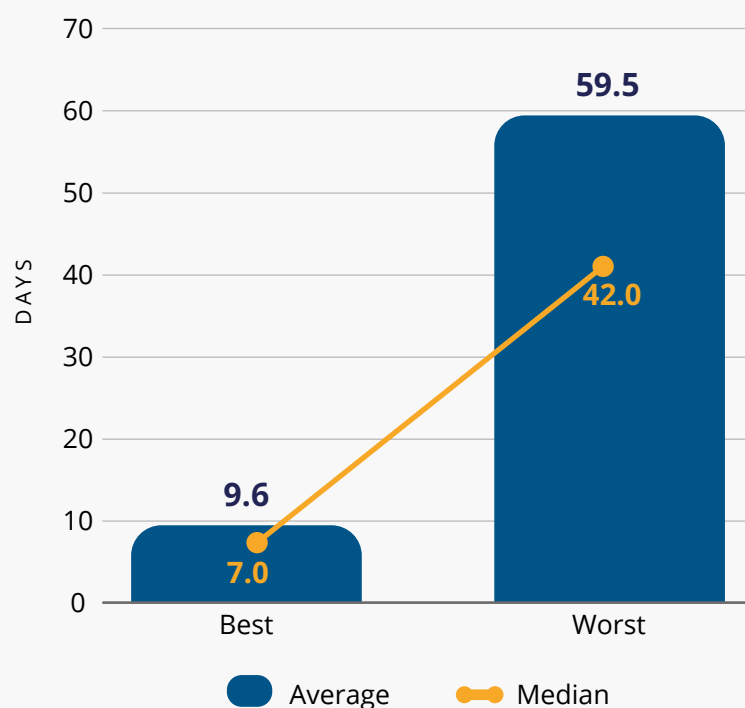
We're not surprised that the largest words here are associated with the duration of these requests in 'time' and 'slow'. It's entirely consistent with work we've done before in this area and that needle hasn't moved at all.

We note as well that on timeframes, no one's talking about days, but measuring in weeks. It simply isn't good enough, for firms, providers and ultimately for clients. **In any other industry waiting weeks to be sent what is often basic information about products a provider has put out to market would be unacceptable.**

The LoA process is, as it has been for many years, incredibly inconsistent which leads to significant time wasted by firms. It's difficult to know where to send the requests to, in which format, and even if both of those simple tasks

are accomplished there's the processing time to add to that. That's the next thing that the lang cat asked of firms, 'what's the **typical** best and worst case scenario for processing a letter of authority?'

"What is the best and worst case scenario for processing a letter of authority?"



The results are pretty shocking here, but perhaps unsurprising. On a best-case scenario, firms are on average waiting for nearly 10 days, but at worst nearly two months. It's a serious drain on what is often some of the earliest interactions a client would have with their new adviser.



Glaring inconsistency and total lack of motivation.



What we also need to consider here is the resources effectively wasted by firms in finding the right place for the request and then chasing up those requests.

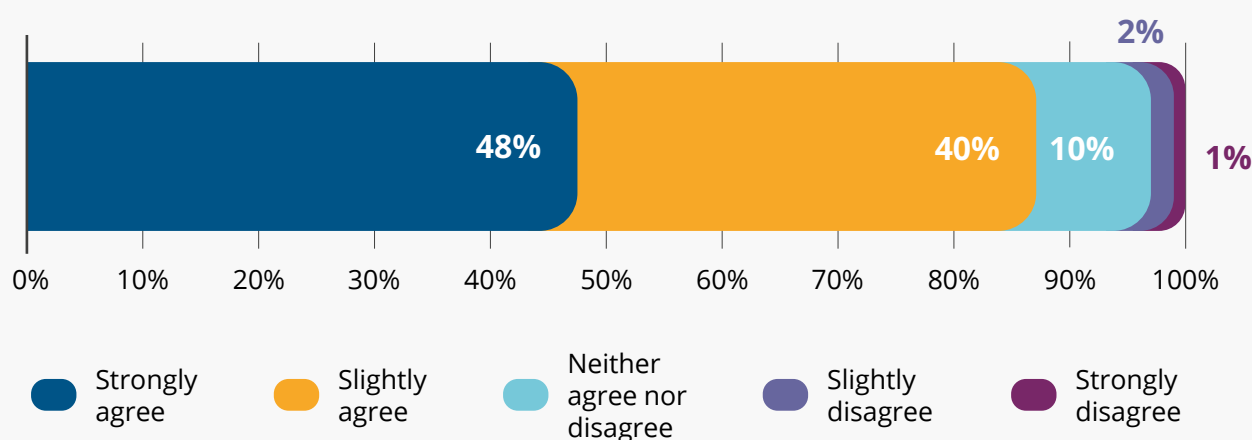
In the worst case, it's important to consider the effect this has on the client, who has more often than not sought professional advice when planning for retirement. In the past, calmer markets and low interest rates will have lessened the blow of the delay in putting these plans fully into action, but the volatility we've seen in the markets in the last couple of years, and the rise in interest rates and inflation means the effect of these delays is more keenly felt.

THE LANG CAT VIEW

These findings ring true with what we've heard and seen in other pieces of research we've done with advisers for years. You simply can't speak to an advice firm for any length of time without hearing about some kind of administrative nonsense that is holding the sector back. One of the parts of this that always resonates is the impact on clients ultimately trying to put their affairs in order with the help of an expert.

We can't imagine any scenario where a provider would want to be put in this situation, so why put your own clients in that situation? Can any reasonable person expect a client to want to keep the investment where it currently sits if this most basic of requests can take two months?

"I often have to apologise to clients on behalf of antiquated processes that slow everything down (specifically relating to LOA)"



SECTION TWO: THE SCALE OF THE PROBLEM

Next the lang cat delved into the effect of the current LoA process. The results continue to shock, with 9/10 responding that they either agreed or strongly agreed that they had to apologise to clients due to the delays. As mentioned above, the LoA process features very early on in the advice service a firm offers, and apologising at one of the first hurdles for matters outside of your control is not the best way to start delivering your services.

THE LANG CAT VIEW

This is about as stark a finding we've seen in any of our research and for us, one that we're surprised hasn't surfaced before as it illustrates the scale of the problem perfectly. If you've had to apologise for another's shortcomings so early in delivering your services that's got to feel embarrassing, but you've no alternative than to manage it the best you can.



ADVISER VIEW

Jennifer Ellis
Wellington Wealth

My heart sinks [at the thought of the LoA process]... Sometimes it's knowing where to send the letter of authority that the pain, and sometimes it's just trying to extract the information.

Responding quickly [to LoA requests] is important. It's important, because it's when client usually first comes to you, and if you've got to say 'Well, it's probably going to be six to eight weeks, maybe three months, maybe six months, maybe a year before we can get the information'... they must think you're crazy.

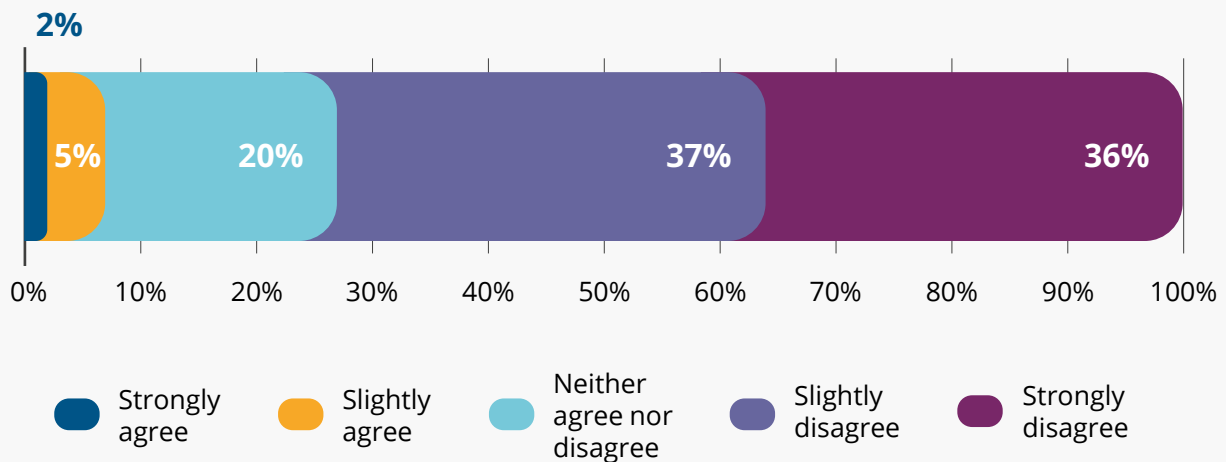
We then have a time commitment. For every delay, we have to go back to the client saying, 'We don't have this yet' and that's repeat work we have to do... Even if we had a maximum time we were working to, at least we can manage that client expectation. [at the moment] It reflects badly on our service, because we can't get what we want.

We've got one where it's been two years and we haven't got the information back [from the LoA request]. We still can't tell the client what they have – and luckily, they're quite a few years out from retirement – but we can't help them properly. That's another frustration actually, because after six months the Letter of Authority expires, and through no fault of the client we have to go back and get another Letter of Authority because of the delay. [On getting clients to sign multiple LoAs] We've done that for years. It's just the quickest way to do things.

[If this process was standardised, digital, fixed and had reasonable standards...] We would spend more time with clients. Meeting the client is the bit that we love, and that's the bit clients really value too. They don't actually value that you've been in contact 300 times with a provider, they value the time sitting in front of an adviser.

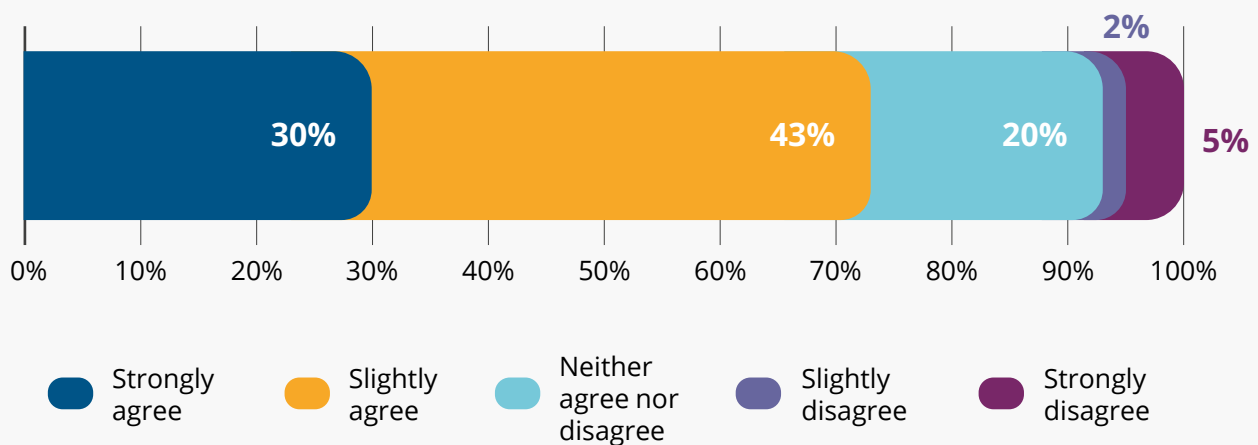
We've seen in the earlier results around time delays in a best and worst case scenario that on average the processing times look long, but that doesn't mean everyone thinks that LoAs are a problem. To square this off, the lang cat asked whether they think the LoA problem is overstated.

"I think the problems attributed to LOA issues in the sector are overstated in my experience."



It's clear that it's not understated, but does that then mean a few bad apples are spoiling the broth? the lang cat asked whether where a client's investments were held had any ultimate influence on whether they would be able to take them on as a client.

"When I look at existing assets for potential new clients and see certain providers named, I sometimes question the profitability of them due to previous issues in extracting information."



SECTION TWO: THE SCALE OF THE PROBLEM

Nearly 75% of respondents surveyed said they would sometimes question whether they could even take on a client if their investments were with certain providers, directly attributed to the ability to extract the information required to service them.



Absolute bleeding nightmare



This is a crucial point to consider for providers that advisers identify as being poor during the Letter of Authority process. Ultimately, these providers are suffering reputational damage here as a result, as well as being at risk of falling foul of the Consumer Duty cross-cutting rules identified in the introduction.

THE LANG CAT VIEW

The hits just keep on coming. We've already established significant shortcomings in being able to deliver advice services because of the LoA delays, but this chart ultimately suggests that the LoA process as it exists today **could in theory result in people that need advice not getting it.**

It also stands to reason that the same advisers will be, at best, reticent to place new business with them in the future. A double whammy that no provider will want to endure, and so easily remedied that compliance departments managing reputational risks = will be pulling their collective hair out so fast that there won't be enough time to sport a comb over.



ADVISER VIEW

Kate Shaw

Financial Life Planning

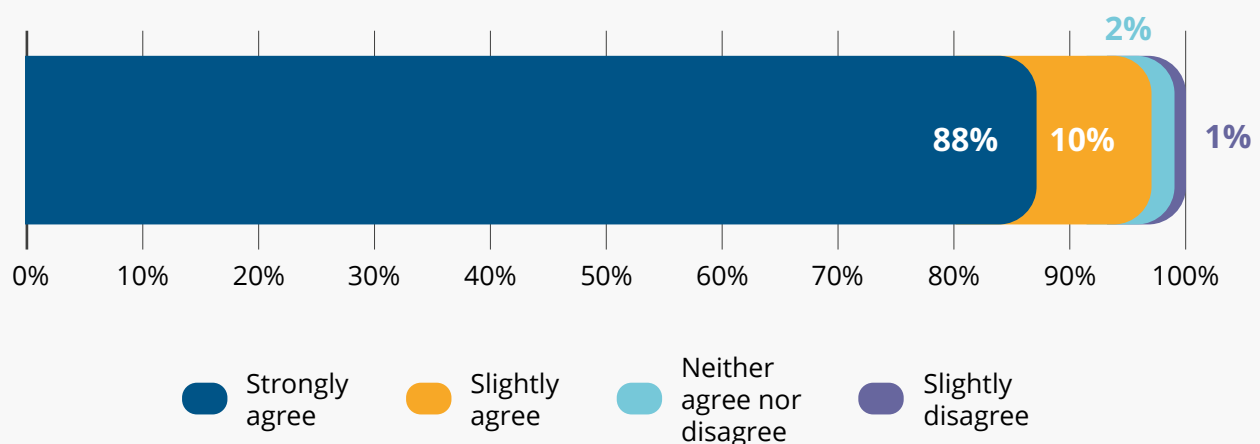
Ok so honestly, of all the bullshit we have to deal with in this "profession", LoAs have to be the thing that grinds my gears the most. Every provider seems to have a different process. They ask for something, then they say that wasn't what they wanted, then they say it's too old and can we start again, etc. etc. until you lose the will to live.

My worst case was with [provider name redacted] where it took 18 MONTHS to get full info on a very straightforward GPP (Group Personal Pension). Luckily for me that was for an existing client - if she'd been a new one, I suspect the outcome might have been different. Even so, it's almost impossible to explain that level of incompetence to an intelligent adult who would quite like a pension review.

And DB (Defined Benefit) is the absolute worst. I have never, in all my years as a planner, had a scheme administrator send me everything I've asked for first time - and we put it in words of one syllable, with bullet points. We have to tell clients that if they come to us for an initial DB screening chat and they already have a CETV (Cash Equivalent Transfer Value) with a ticking clock that we can't guarantee we'll be able to get the work done for them within the 12-week window, because it takes so long to get all the info from the schemes. And if it's for certain providers then I want to hack my head off before we've even started.

The last statement presented to the advice profession in the lang cat's study concerned a consistent letter of authority process. Note, the Origo solution wasn't named at this stage of the research, this was all about testing the degree of sentiment from the advice profession towards **any** potential solution.

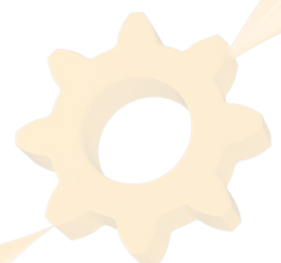
"The financial services sector desperately needs a consistent letter of authority process."



THE LANG CAT VIEW

We celebrate the fact that there's so many advice firms in the UK with such a diversity of views, services, philosophies, shapes and sizes. But that doesn't lend itself to widespread consensus. As wonderful as our advice panel are, **it's incredibly rare to see any statement gain universal consensus to this degree.**

To have 9/10 advice professionals strongly agree on a specific issue is, in our experience, as frequent as finding a hen with pearly white teeth. The mandate from the advice profession is as clear as day: Just fix it already.



AS WE'RE IN PURGATORY

Some Practical Help For The Advice Profession

As part of the research process, the lang cat spoke to Debbie Condon, founder of Intuitive, an organisation that offers administrative support services to the advice profession. Whilst the advice profession patiently waits for the sector to get its act together and deliver a framework fit for the 21st century- Debbie shared some back to basic hints and tips on how to preserve your sanity whilst navigating LOAs with your clients.

LOA top hints and tips

- 1 Before submitting the LoA, establish the provider's requirements. For example, can it accept a scanned copy, can it accept digital signatures, does it have strict requirements on when it was signed?
- 2 For information only LOAs, include the following sentence: "This instruction is to remain in place until revoked in writing by myself."
- 3 It's vital that you have all the facts before you submit the LoA. For example, if it's a HSBC pension, was the client employed by HSBC, or was this a pension sold by HSBC in the branch?
- 4 Ensure the LoA includes the following: "Please accept this letter as my authorisation for you to provide my Financial Adviser, and their team, with any information that they may request "
- 5 Give some consideration to the most secure method of submitting the LoA. Can the LoA be uploaded via a secure portal directly to the provider? If not, can you email it securely, perhaps by password protecting the LoA as an attachment?
- 6 Check that the client's current address (and name) on the LOA will match the address that the provider holds.
- 7 Ensure the LoA includes: client full name, address, postal code, date of birth, NI number (if appropriate), plan number, plan type.
- 8 Ensure the LoA includes: adviser's name, firm's full name & postal address & FCA number.
- 9 The letter of authority should be clearly addressed to the provider.
- 10 Make sure the LoA has been both signed by the client, and dated. An undated LOA will be rejected. Furthermore, ensure the client has signed the LoA within the last 6 months when submitted (some have even shorter timescales; see step 1)
- 11 Once the LoA has been submitted, make a diary note to call the provider within 48 hours in order to check for safe receipt, & obtain a timescale for likely receipt of the requested information. You can then chase for the information taking into account the quoted timescales. This step is critical because if the LoA didn't reach the right department, or if it does not meet the provider's specific requirements - this is your opportunity to identify the problem.

SECTION THREE

Conclusions and Next Steps

Origo conclusion

Firstly if you have got to this point in the paper, thanks for getting this far! We understand this will be a tough read for many, as the LoA issue is one that affects everyone who has to deal with them. As we are all aware, unfortunately one of the most affected parties is the consumer, who has no say in how time consuming and detrimental to their lives the process can be when embarking on their financial advice journey.

As Anthony said at the start of the paper, we're not coy about why we asked the lang cat to look into this impactful industry issue. It's more important than ever that we get the LoA process sorted, once and for all, and we truly believe that we can, with our solution, Unipass Letter of Authority (ULoA). So, as far as this is clearly the moment for us to promote our digital LoA solution, we truly believe this is the key to fixing the issues experienced by everyone.

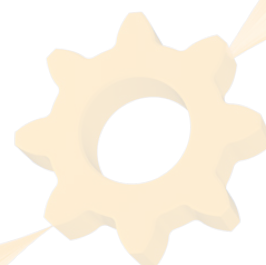
What is Unipass Letter of Authority?

As with all of our services, we built ULoA with input from advisers and providers along the way, to ensure it was fit for purpose when delivered. It is now ready for use, as a slick, secure, digital LoA solution - a one-stop-shop, if you will - for processing letter of authority requests between adviser, provider and client. The most simple way of explaining the digital process is by [watching our video](#).

And in a few bullet points, ULoA will:

- Reduce time and cost in processing LoA requests for advisers, providers and clients, eradicating the need for chaser calls as the status of an LoA request can be seen in real-time.
- Help meet Consumer Duty requirements by changing processes in the aid of UK consumers.
- Built with Unipass at its core, ULoA is trustworthy, secure and GDPR compliant. Whether you're working from home or in the office, it's safer for you and safer for your clients.

Providers, if you are interested in finding out how to get your business using ULoA, our team are ready to talk you through the onboarding process, commercials and get you set up. Get in touch with us by emailing at hello@origo.com



SECTION THREE: CONCLUSIONS AND NEXT STEPS

the lang cat conclusion

We walked into this exercise with certain preconceptions and assumptions and by golly we've had them challenged. So much of these deep dives into particular services are hamstrung by inefficient data standards, or a lack of consistency, but really the overriding theme that struck us was that it was all basic stuff here.

Basic servicing issues like being able to find out where to send something and by which medium. Whether an original instruction is required or whether a copy can be accepted. Emails disappearing into the void. Unknown timeframes. Mistakes. Requests dying a death due to not being processed within its shelf life of six months. One hundred and eighty-two days to provide often simple pieces of information so an adviser can help a client that has sought their services, in some areas isn't being met. The sector simply isn't geared up to deal with cross-party flow of data on a consistent basis, across the hundreds of providers that exist in the UK today. Which seems frankly bonkers in 2023.

It's perhaps understandable, given the breadth of providers in the UK that work with this process, and the often-siloed pockets that exist as a result, that the impacts haven't been highlighted as starkly as they have before this paper has been published. To that end, we're proud to have been able to shine a bright, uncomfortable light on the results of some providers' practices. Of course, not every provider is as bad, or as good, as each other, but we think we can all agree we're much further away from an 'acceptable' state – let alone 'good' – than we should be.

While we disagree fundamentally, we can understand the notion that not processing these quickly and accurately could help keep that business with a provider for longer, that reasoning is entirely flawed. It's a request for information, which probably but may not lead to business leaving. Sitting on these requests isn't without cost, providers need people to respond to the chasers and (eventually) to process them. It should be treated as another interaction with a customer, and dealt with in a timely and accurate manner. Any dangerous thinking that the client's money is the provider's business needs to be eradicated.

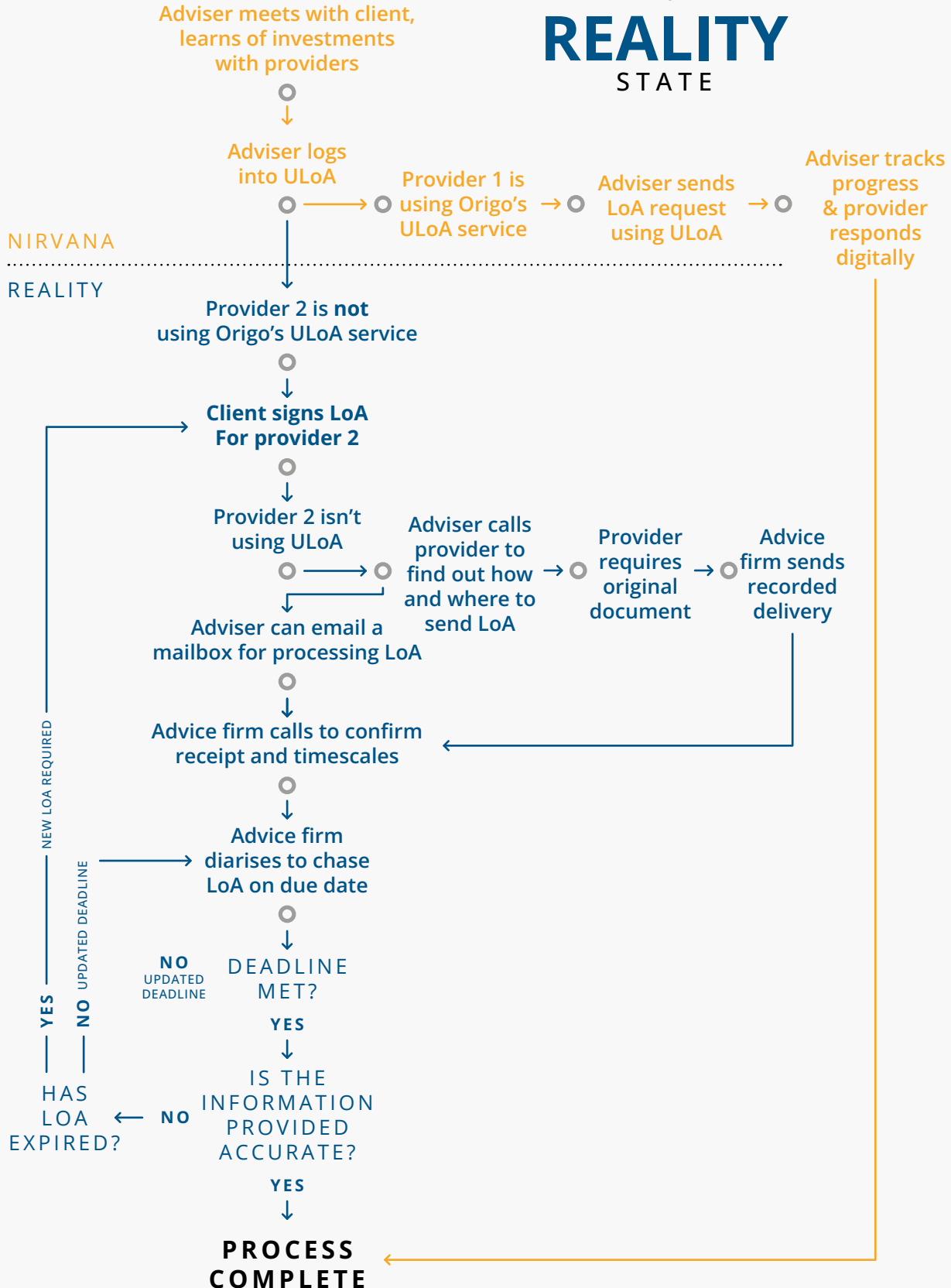
This, obviously, works both ways. Though it will speed up the movement of business, we see consistently that good interactions with providers leads to better retention of business. So, as well as reducing the overheads in servicing areas, providing timely and accurate information helps for better decision making. The best providers with the best services will thrive, rather than a race to the bottom governed by who can clench onto the money the longest.

This won't be news to a lot of us, but we simply must do better. In the advent of Consumer Duty, the choice is to buck up or end up being dragged along kicking and screaming by the regulator. We'll end here with a plea to the regulator to show some teeth in this area. It strikes us as something that's currently completely at odds with the Duty in its current state, and entirely selfishly, we don't want to ever do one of these papers, which shouts about fixing stuff that is so easy to fix, but that causes so much damage to the industry, ever again.

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LoA Process: Just Fix It Already

Broken letter of authority processes
in UK wealth management

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