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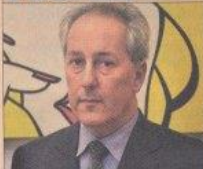
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## Low-cost trio for Fidelity Worldwide

By Joanne Ellul

Fidelity Worldwide Investment is the latest fund firm to add a low-cost range, launching three multi-asset funds with an annual charge of 0.5 per cent.

The multi-asset allocator defensive, multi-asset allocator balanced and multi-asset allocator growth funds will launch on October 10.

They will mirror Fidelity's active multi-asset range, which includes the £28.4m multi-asset defensive, £573m multi-asset strategic and £351.7m multi-asset growth funds.

The funds will have an A-share class with a 0.5 per cent AMC plus 0.5 per cent trail commission and an N-share class with 0.5 per cent AMC and no trail.

Fidelity estimates the total expense ratios for the funds will be 1.17 per cent for the A-share class and 0.67 per cent for the N-share class.

In February, JP Morgan launched a low-cost fund with a maximum TER of 0.55 per cent. Schroders added three low-cost funds this year with capped TERs of between 0.4 and 0.5 per cent.

Fidelity Worldwide Investment head of retail sales Ben Waterhouse says: "For cost-sensitive investors and those wanting to avoid stock selection risk, the multi-asset allocator funds are an alternative."

## 'Developed primarily for orphan customers'

# Quiet launch for Friends' direct service

By Natalie Holt

Friends Life has rolled out a direct-to-consumer financial planning service offering advice to existing customers on how to manage their Friends Life policies.

PlanWise is a phone and web-based service which allows Friends Life customers to check valuations, view fund factsheets, check fund prices and switch funds. It launched in April with no publicity.

The website says that customers using PlanWise can access "professional financial advice" and promises "in-depth advice on your Friends Life plan and more."

It also includes the statement: "By registering for Plan-

Wise, you will be replacing the current adviser to your Friends Life plan with PlanWise."

Marketing director Jo Cann says the PlanWise service is for existing Friends customers who have lost access to their IFA or who no longer have a relationship with their IFA.

She says: "It is a service for our existing customers, it is not for new customers. We already know we have got some orphan customers so it was developed primarily with them in mind. There is an expectation that with the RDR there will be further customers who perhaps do not have access to advice, so we built the service with that in mind as well. We offer clients a financial review of their exist-

ing plan and we make it very clear that we can only talk to them about their existing Friends products."

The service is also available to Friends' existing direct customers.

Last week, Money Marketing reported that Friends had sent a mailing to a number of Woodcocks financial services manager Brian Ollerton's clients and made follow-up phone calls about their relationship with their IFA.

Ollerton says: "I feel Friends is not being totally open with us about what it is doing. Normally, with this kind of service, there would be a fanfare around its launch. The fact that it has not publicised this service speaks volumes."

## Rebate ban will cover life wrappers, says Davis

By Sam Macdonald

Cofunds chief executive Martin Davis says the FSA will "inevitably" extend the platform rebate ban to life wrappers as the current proposals would create an uneven playing field.

In its platform policy statement, published in August, the regulator said it is "desirable" to ban payments between product providers and plat-

forms but has delayed its final rules while it carries out further research.

Davis says: "Rebates are still allowed to go back to a life company and that will skew the market to opaque, insurance-type funds which are unclear and nobody knows if they are suitable for clients. The FSA inevitably will step in and change that and it will be a game-changer."

Speaking at the FSA's Asset Management Conference in London this week, FSA director of conduct policy Sheila Nicoll said the regulator is aware of an uneven playing field between platforms and life companies with regard to rebates.

She said: "There are issues over tilting the famous level playing field again between funds and life products. We are dealing with very complex issues

and it is important we understand fully the implications of any changes we might propose."

Standard Life head of pensions policy John Lawson says: "The FSA has yet to say anything in writing about moving in this direction, which would be a very sharp change. Life products and platforms are two very different things and to try and compare them is pointless."

Martin Davis interview, p15

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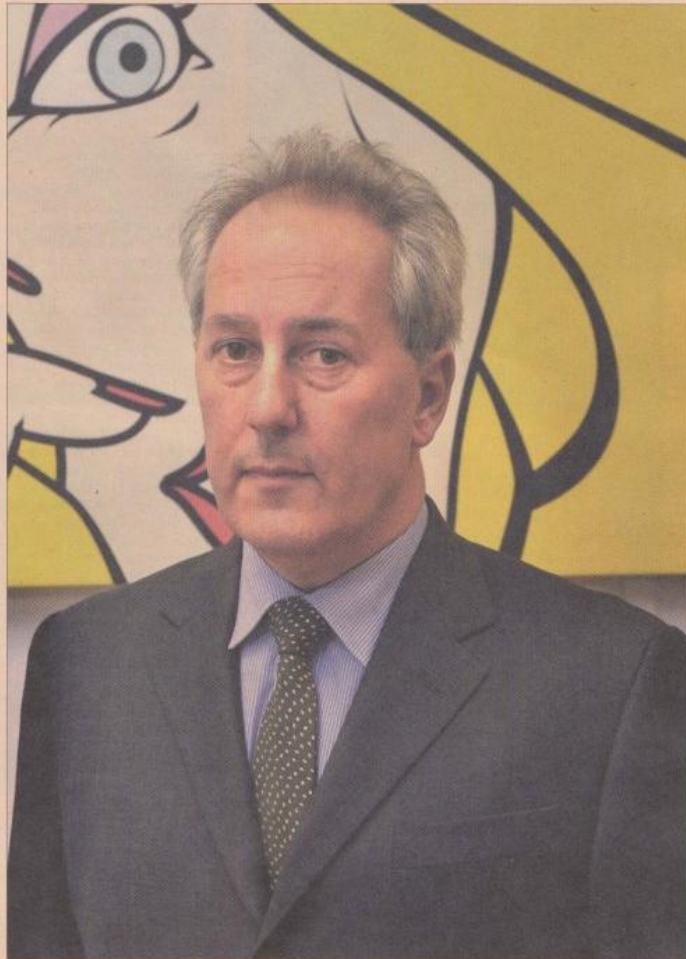


THE MM PROFILE

# Steve Bee

The director of Jargon Free Benefits believes his new venture will revolutionise IFA pension business models and that the Government's reforms could herald a golden era for the market

Interview by Tom Selby



MICHAEL WALTER/TROIKA

Steve Bee is stood perfectly still for his profile picture, surrounded by huge canvasses taken from his Pensions Guru cartoon strips. It is one of the few moments during our two-hour conversation that Paradigm's excitable director is not on the move.

"We are going to publish a book of the cartoons," he says as I greet him. "I am the hero and I give an overview of the pension landscape. We wanted to keep it broad so it does not immediately go out of date."

Bee says if he had not been forced to face the financial reality of paying off a mortgage, he would have pursued a career as a cartoonist.

"I had a stab at being a professional cartoonist but earning money from it is really hard. I was never good enough to be a professional cartoonist. I always enjoyed drawing but then I needed a mortgage so I started doing this."

"I ended up at the Pru and, through circumstance, I became head of pensions. It is not my fault, it just happened to me."

Bee's enthusiasm for pensions is peaking now because an idea he scribbled down seven years ago is about to go live for the first time.

He says Jargon Free Benefits, a product which he quit his most recent employer Royal London to develop, will revolutionise IFA firms' business models over the next four years.

"For small and medium-sized firms, automatic enrolment is a human resources nightmare. What we have done

is build a system which can plug into any payroll system and any pension schemes they have, of any type or from any provider. We are completely transforming the IFA business model so, they are effectively becoming mini employee benefit consultants."

Bee has lofty ambitions for the Jargon Free brand and has already secured the rights to Jargon Free Money and Jargon Free Finance.

"My aim is that, over the next four years, one million employees in the UK will be members of the Jargon Free Benefits system. We have already got the distribution capability with the firms who have already signed up. I fully expect Jargon Free Benefits to become a consumer brand in the next four years."

Having just delivered his new product to the marketplace, Bee is heavily critical of what he sees as a lack of innovation within the pension industry ahead of auto-enrolment.

"This is a once-in-50-years' change to pension legislation. It fundamentally alters the way the state provides pensions. I am surprised there are not more innovative products in the market. We hope we can throw down a gauntlet to pension providers because this is how we think pensions should be. There is a lack of creativity in pensions. We want to bust the old model."

When Bee refers to the old model, he is not just referring to the difference between his new product and those offered by traditional insurers but to the

**Born:** Apparently, but I have no memory of it

**Lives:** Gidea Park, Essex

**Education:** I was comprehensively educated by 1960s' Labour Party edict

**Career:** Head of pensions, Prudential, head of pensions strategy, Royal London Group.

**2010-présent:** founder, Paradigm Pensions; **1998-2010:** head of pensions strategy, Royal London Group; **1972-1997:** Prudential, latterly as head of pensions

**Likes:** Bob Dylan records, Marvel comics, anything built by Apple

**Dislikes:** Windows PCs, Blackberries.

**Drives:** Anything secondhand and cheap (I have an aversion from investing in depreciating assets)

**Book:** The Glass Bead Game by Hermann Hesse

**Film:** Renaldo and Clara

**Album:** Alice's Restaurant by Arlo Guthrie

**Career ambition:** For JargonFreeBenefits to be bigger than Nest

**Life ambition:** To become a better cartoonist

**If I wasn't doing this I would be....** Doing something else

culture of pensions and the way they are presented to people.

I put to him the findings of a recent study from the Association of Consulting Actuaries, which suggests employers will reduce their overall spending on pensions as a result of auto-enrolment.

"A lot of people, including, of course, the ACA, have been saying that wide occupational pension coverage means the quality of those pensions will fall. I would argue that we can achieve wider coverage while also increasing the depth of coverage."

"If we all sit around moaning about pensions and follow the tabloids' lead on pensions and keep talking pensions down, then employers will cut their pension spend. But if we start building pensions up, making it sexier, making it a bit of fun, then maybe we will get more people saving."

Bee even goes as far as to suggest that, far from being destined for a bleak retirement, we are about to enter "a golden era" of pension provision.

"I disagree with people who say we have come from a golden era of pensions. Twenty years ago, people might have had guaranteed pensions but there was no PPE. Today, people have that protection."

"I think we have an opportunity to make this the golden era because, as a result of the Government's reforms, people might just start to appreciate the value of their pension and engage in saving for their retirement."