



RESEARCH

in association with



AIFA Questions

**Complaints received
from Endowment,
Pensions &
Investments**

**Wave 39
March 2007**

The logo for ifa census, consisting of the word 'ifa' in a light blue, lowercase, sans-serif font above the word 'census' in a white, lowercase, sans-serif font, both contained within a dark blue circle.

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**The Definitive Source
of IFA Opinion**

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Introduction

- This month's AIFA questions focused on Complaints received from endowment, pensions and investments.
- Questions were placed on March's IFA Census and fieldwork was conducted during 9th to 22nd March 2007.
- **309** IFAs responded to the survey

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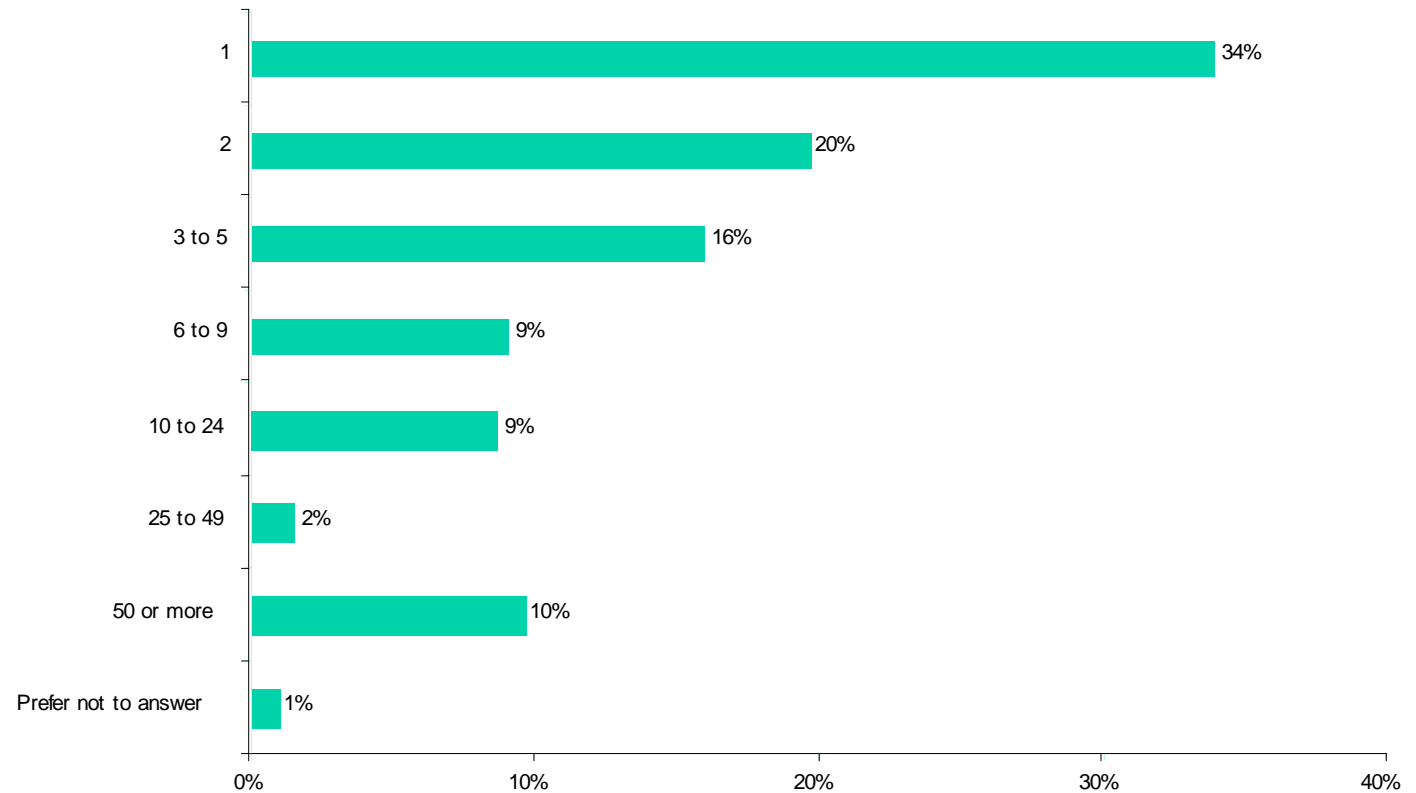
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Registered Individuals

Half of those surveyed are part of 1 or 2 RI firms, a further third are in firms that have up to 24 RIs.



Base: March 2007 – All Respondents (309)

Q1 – How many Registered Individuals work for your business in total across all sites?

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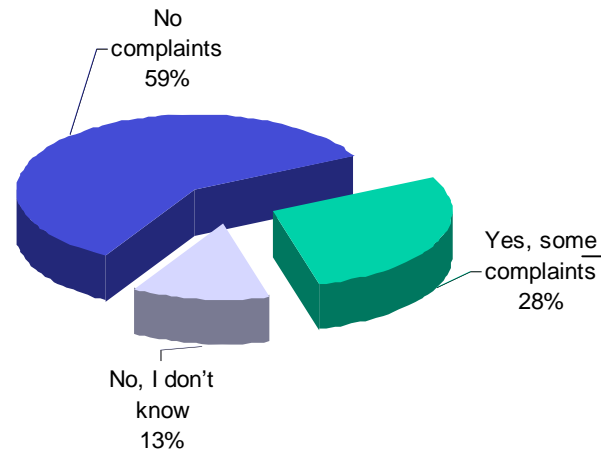
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Complaints Received In The Past 12 Months

28% mentioned receiving some complaints in the past 12 months. Of those who received complaints, 37% mentioned receiving at least one complaint in the past 12 months.



Those who mentioned Yes – Some complaints (87)

Number of Complaints	Incidence	%
1	32	37%
2	13	15%
3	11	13%
4	5	6%
5	6	7%
6	7	8%
8	1	1%
10	1	1%
15	2	2%
20	3	4%
30	1	1%
32	1	1%
40	2	1%
100	1	1%
160	1	1%
Total	87	99%

Base: March 2007 – All Respondents (309)

Q2a – Do you know, approximately the number of complaints your business has received in the last 12 months?

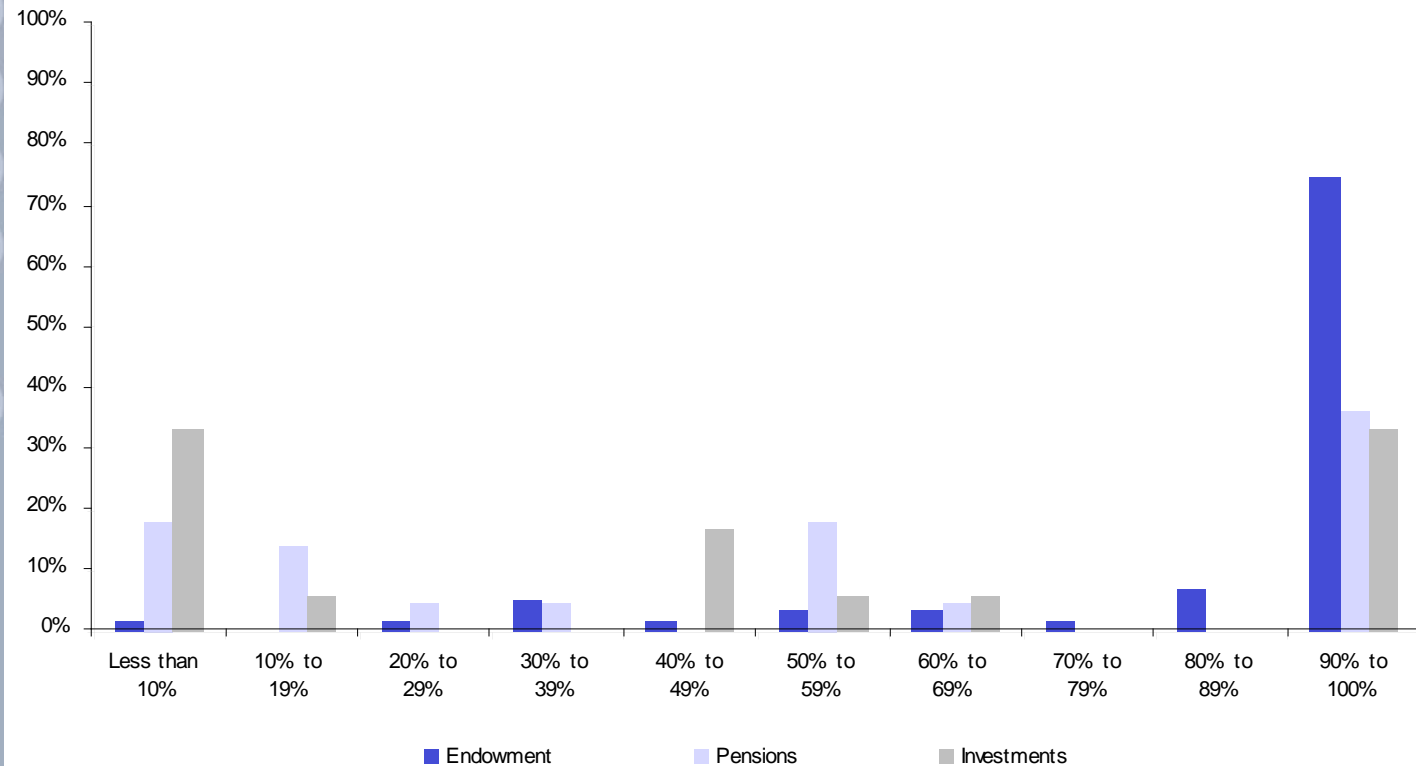
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Total Complaints By Product Type

Majority mentioned receiving endowment complaints. Pensions and investments complaints were substantially lower.



Base: March 2007 – Those who received complaints in the past 12 months (87)
Q2 – What proportion of total complaints come from each of the following product types?

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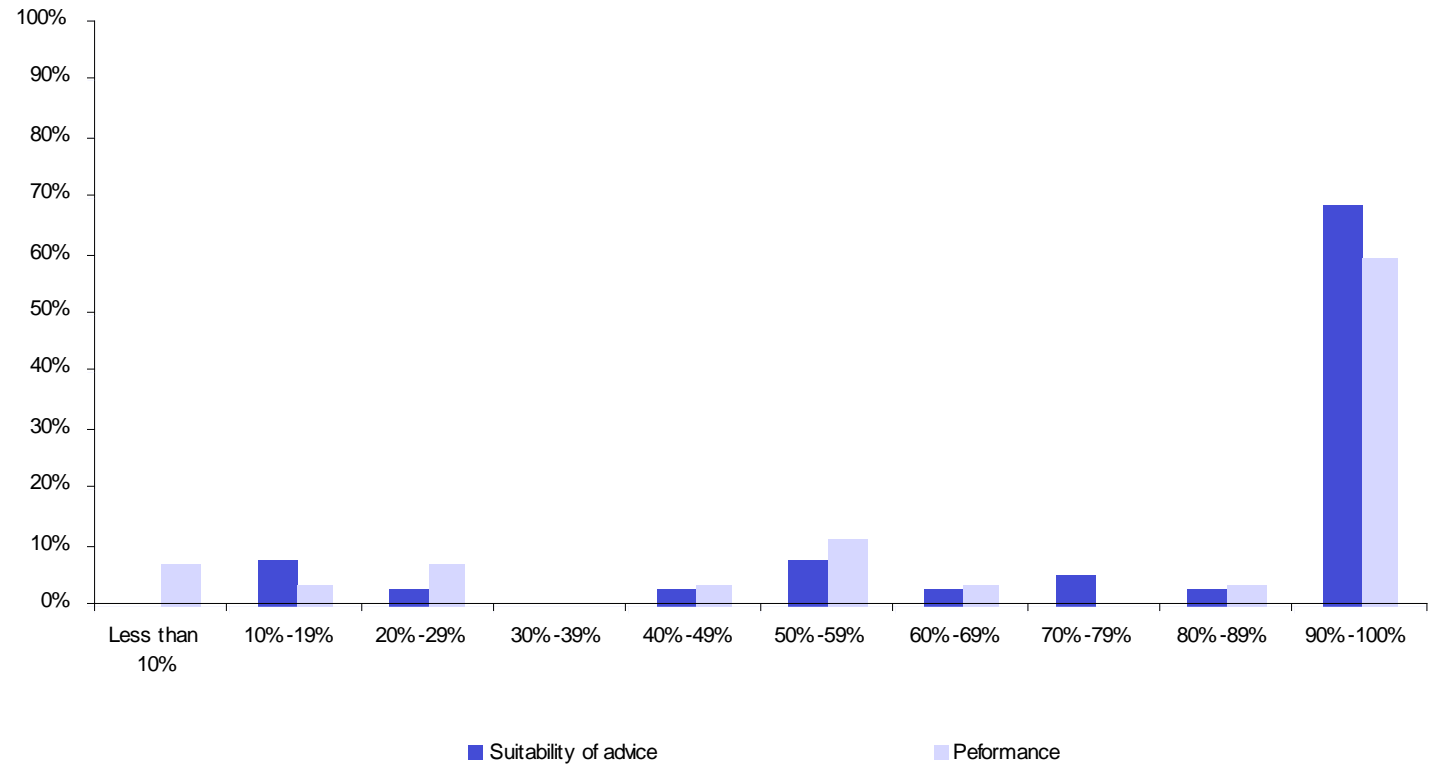
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Endowment Complaints By Proportions

Suitability of advice and product performance are both key criticisms levied at endowments.



Base: March 2007 – Total complaints related to Endowment (60)
Q2 – What proportion of the Endowment complaints comes from each of ...



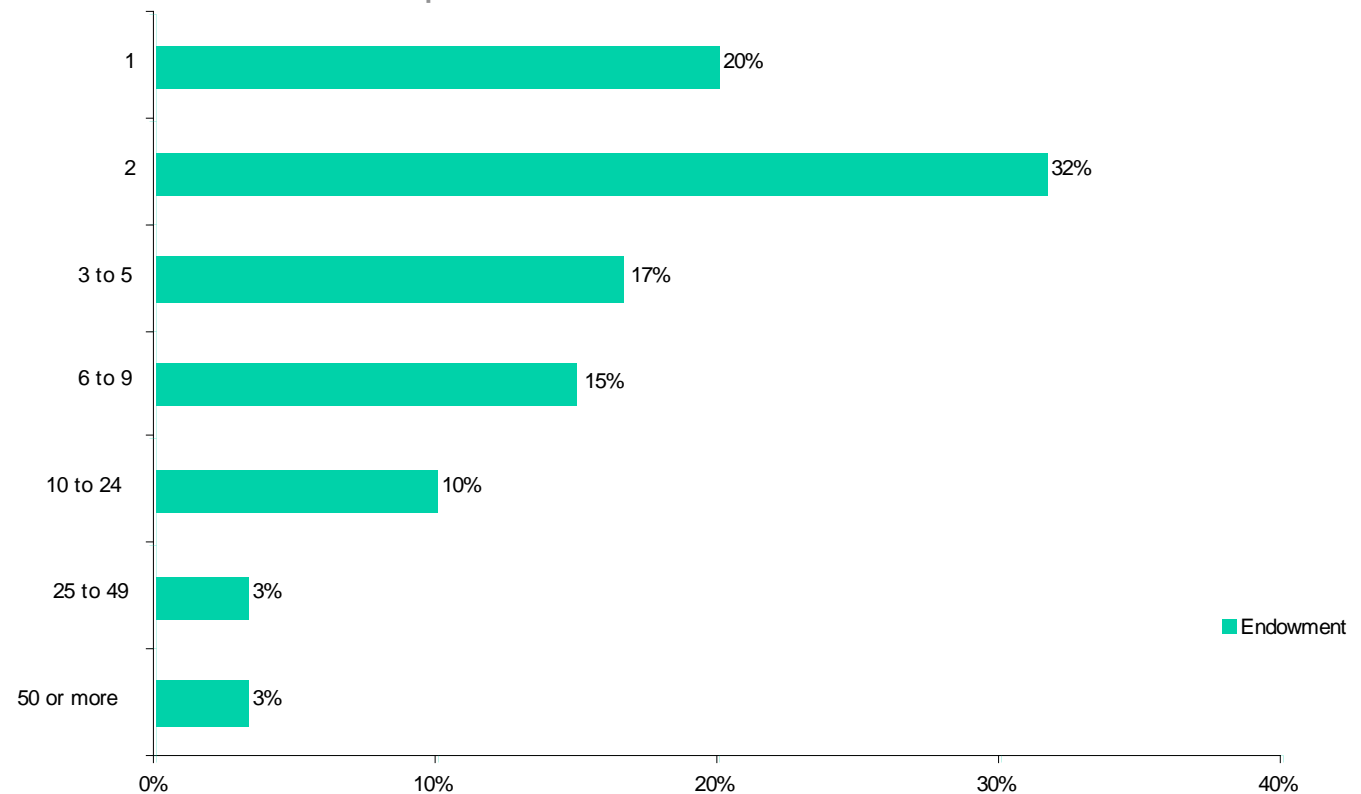
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Endowment Complaints By Proportions Vs Registered Individuals In a Firm

Almost a reflection of brokers surveyed, smaller firms received the highest number of complaints. 52% of endowment complaints were made to firms with up to 2 RIs.



Base: March 2007 – Total complaints related to Endowment (60)
 Q1 – How many Registered Individuals work for your business in total across all sites?
 Q2 – What proportion of the Endowment complaints comes from each of ...



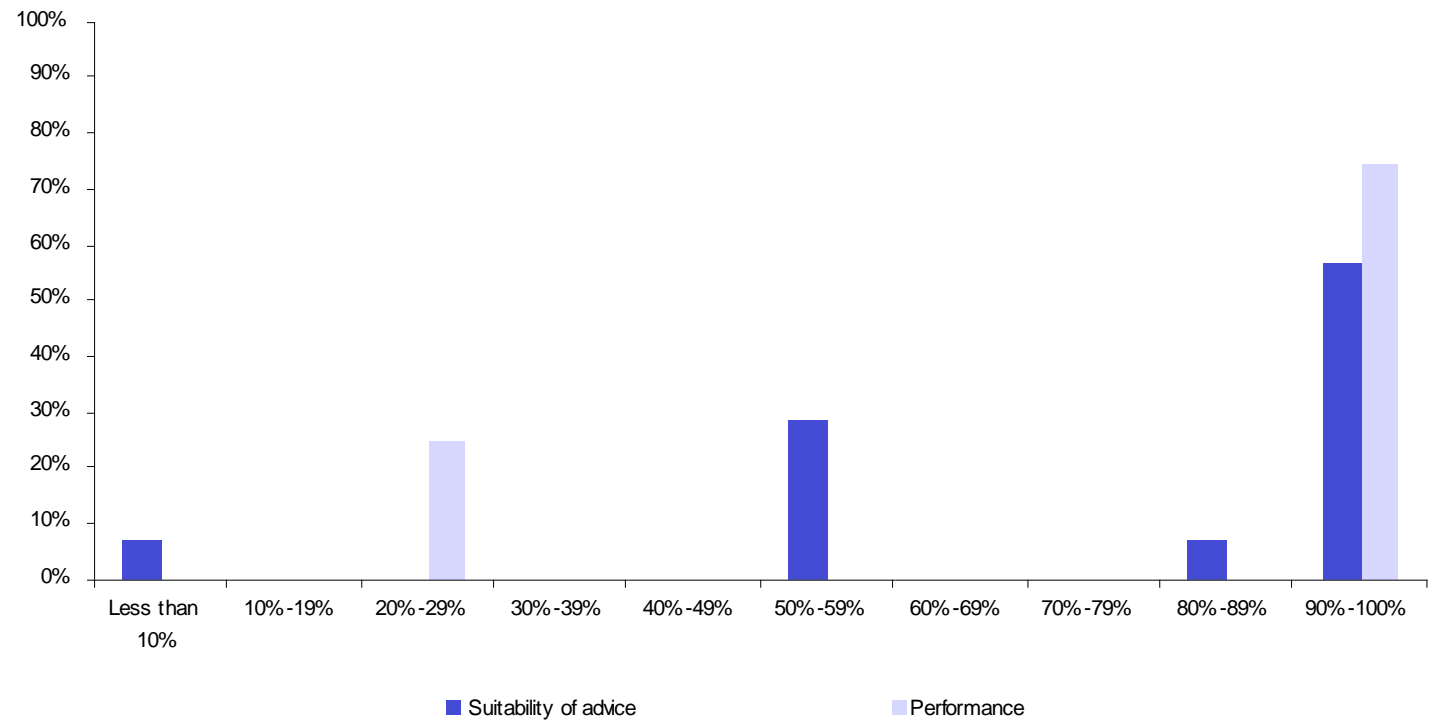
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Pensions Complaints By Proportions

Whilst the base here is low, suitability of advice seems to be the main reason for pension complaints.



Base: March 2007 – Total complaints related to Pensions (22)
Q2 – What proportion of the Pensions complaints comes from each of ...

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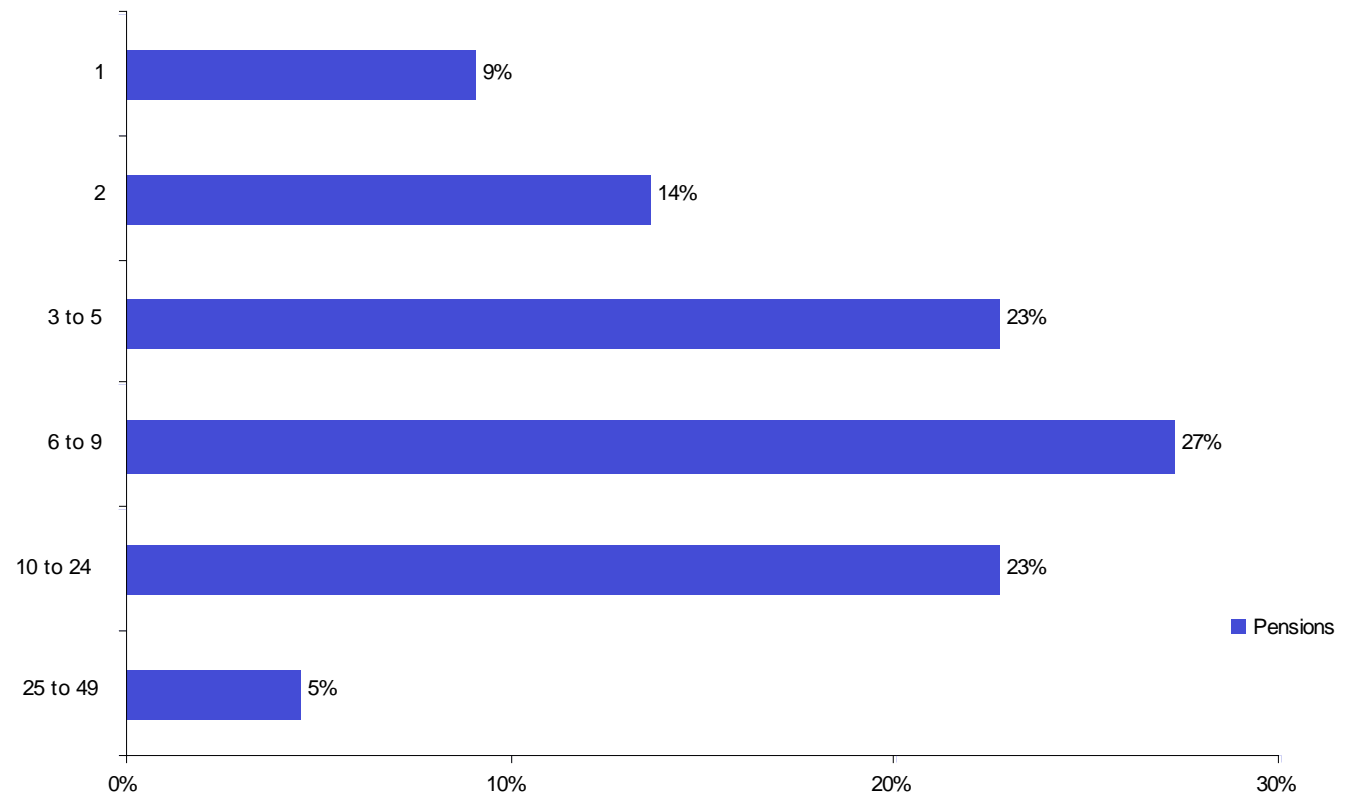
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Pensions Complaints By Proportions Vs Registered Individuals In a Firm

Larger firms here receive the complaints; those with 6-24 RIs account for 73% of all Pension complaints.



Base: March 2007 – Total complaints related to Pensions (22)
 Q1 – How many Registered Individuals work for your business in total across all sites?
 Q2 – What proportion of the Pensions complaints comes from each of ...

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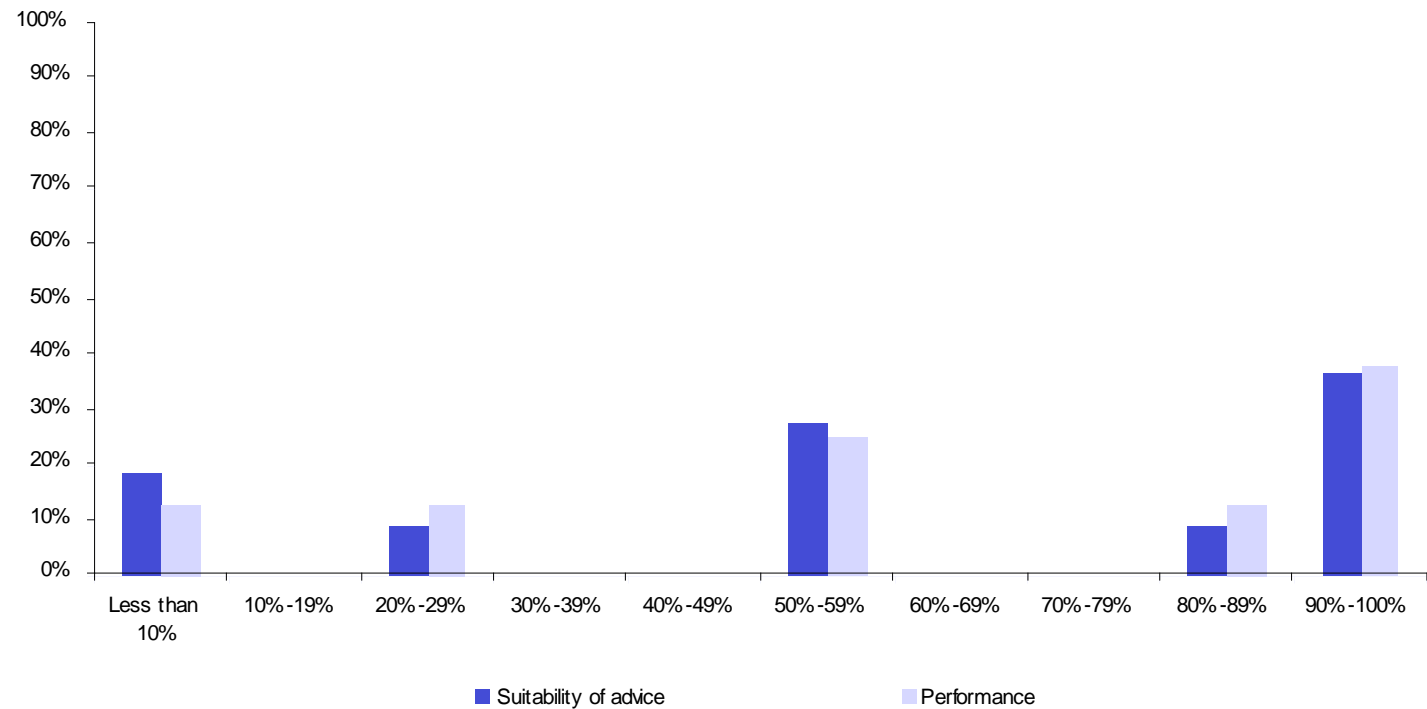
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Investments Complaints By Proportions

Suitability of advice and performance almost in equal measure were main reasons for investment complaints.



Base: March 2007 – Total complaints related to Investments (18)
Q2 – What proportion of the Investments complaints comes from each of ...



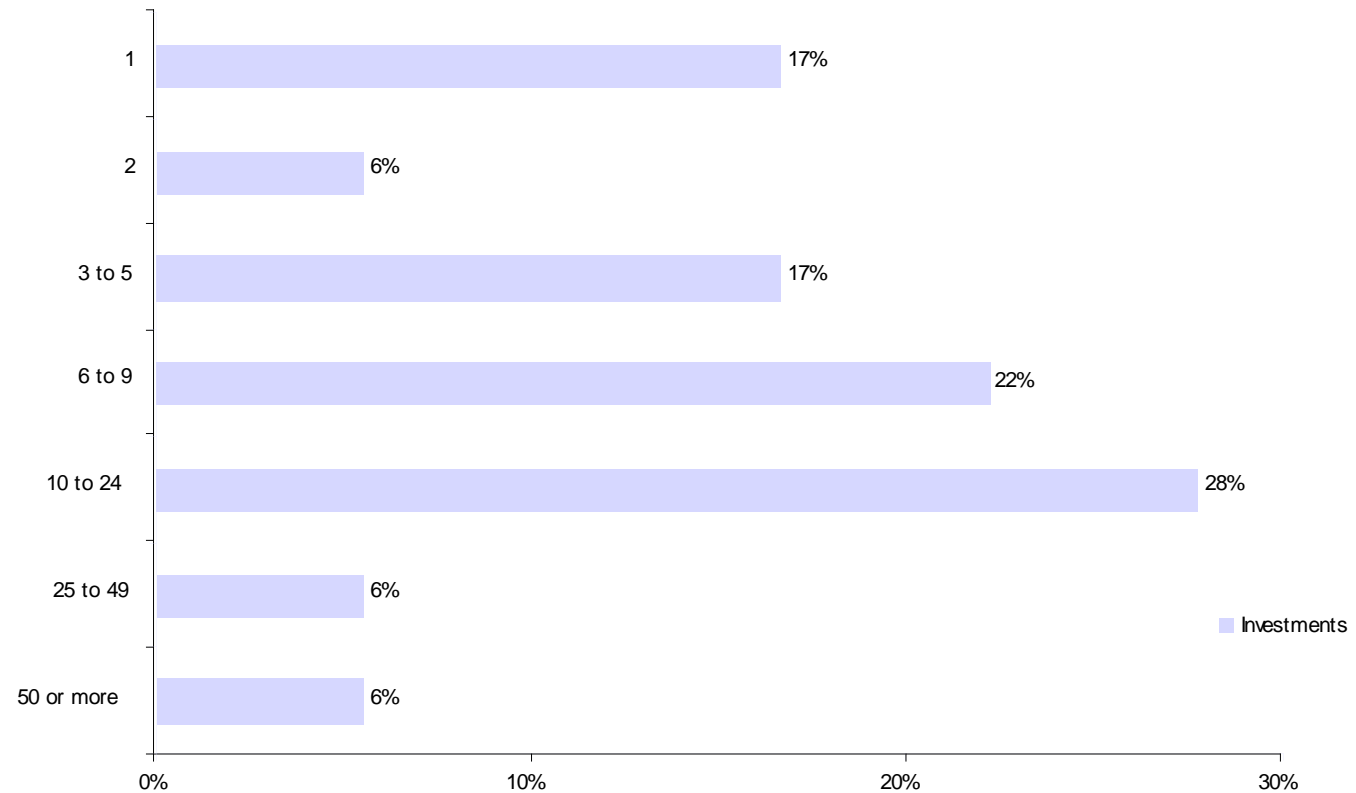
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Investments Complaints By Proportions Vs Registered Individuals In a Firm

Again, the base size here is very small at only 18 having made a complaint, however, mid sized firms of 10 to 24 people, receives about 28% of investment complaints.



Base: March 2007 – Total complaints related to Investments (18)
 Q1 – How many Registered Individuals work for your business in total across all sites?
 Q2 – What proportion of the Investments complaints comes from each of ...

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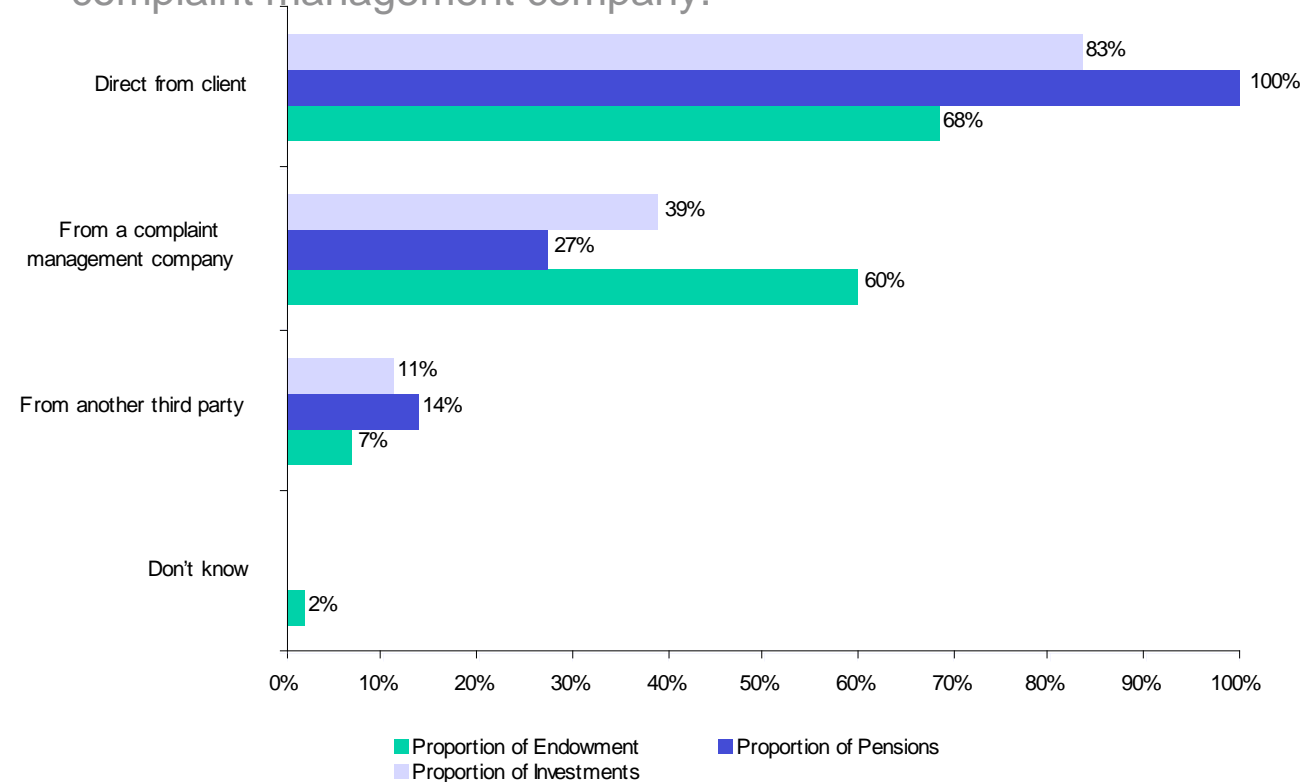
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Source of Complaints(Multiple) Vs Proportion of Product

Most of the complaints were directly from the client, however, for endowments a substantial proportion were also received from a complaint management company.



Base: March 2007 Those who received complaints in the past 12 months
 Q2 – What proportion of total complaints come from each of the following product types?
 Q3a – What is the source of your complaints? Please select all that apply (Multiple choice) (143)

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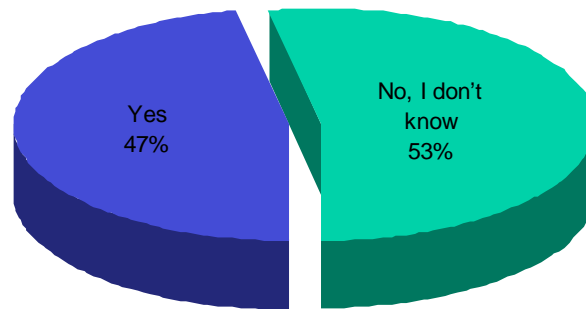


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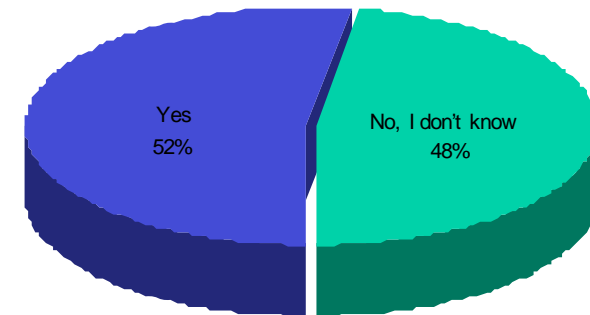
Cases Pass to FOS & Cases In Favour of The Firm

From the total source of complaints, nearly half of the cases were passed to FOS . More than half mentioned that the cases found were in favour of their firm.

Cases Pass to FOS



Cases In Favour of The Firm



Base: March 2007 – Total source of complaints (143)

Q4 – Do you know what percentage of cases you pass to FOS?

Q5 – Do you know what percentage of cases is found in favour of your firm?

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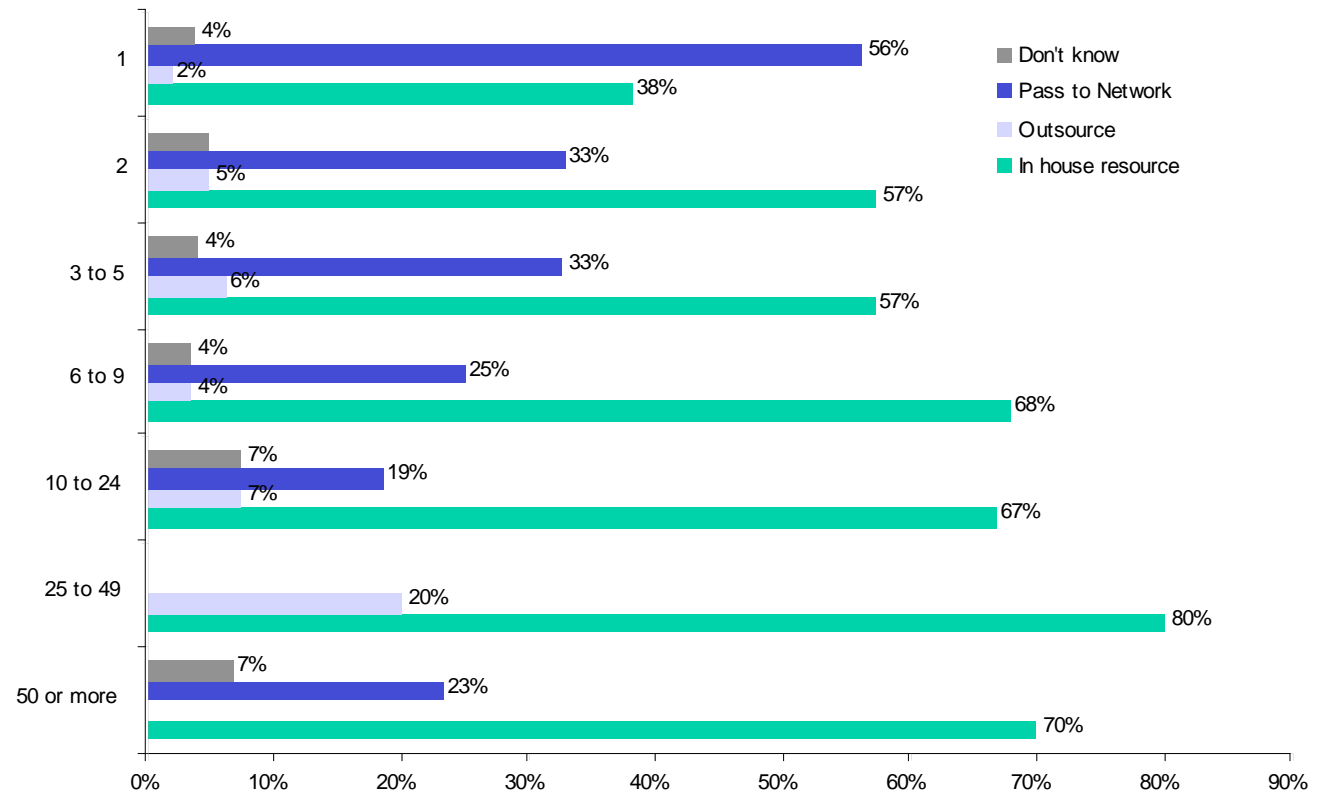
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Managing Complaints

More than half of the respondents mentioned dealing the complaints with in house resources followed by passing the complaints to networks.



Base: March 2007 – Total Respondents (309)

Q1 – How many Registered Individuals work for your business in total across all sites?

Q6 – How do you currently deal with complaints?

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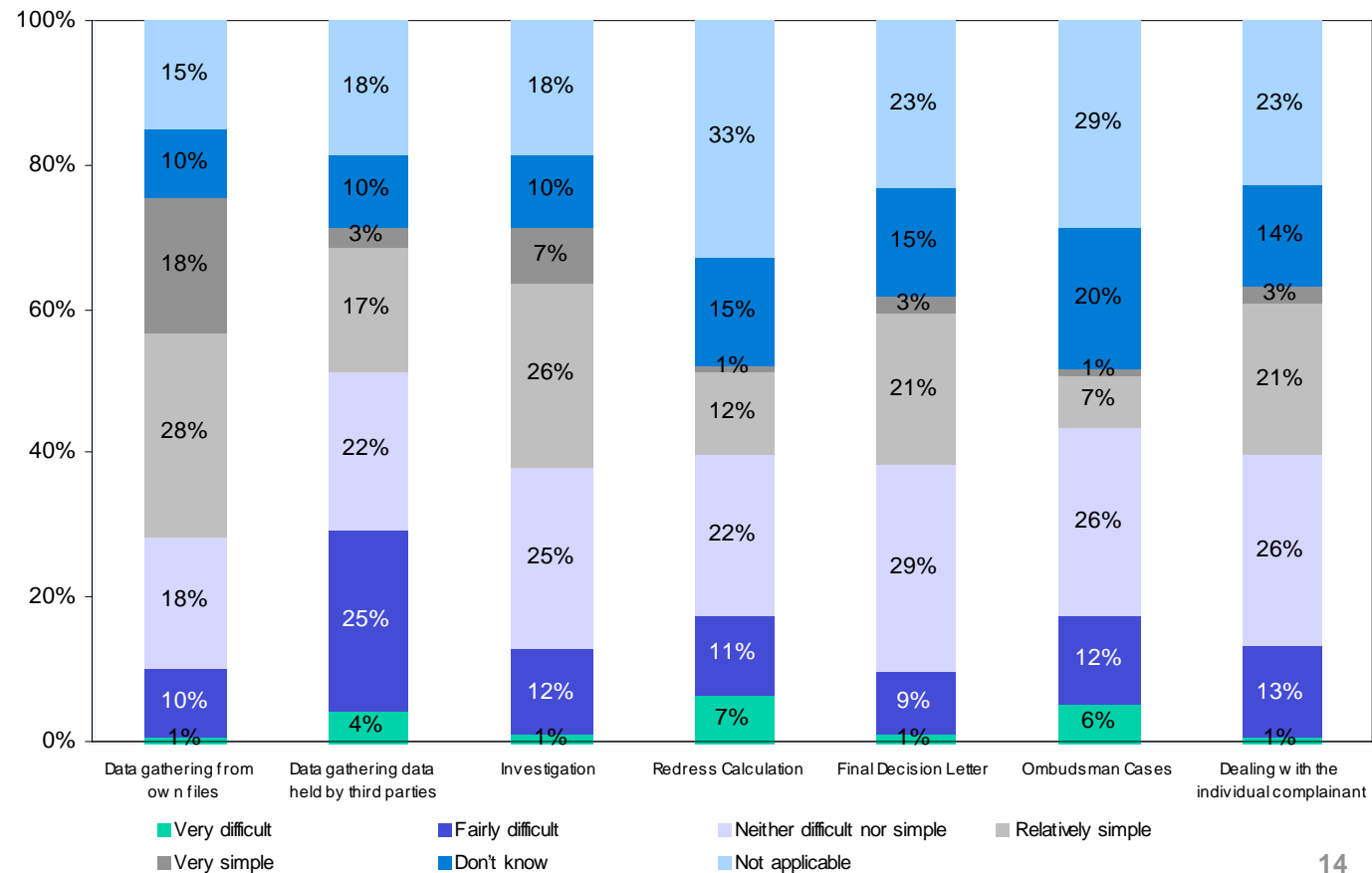
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Handling Complaints

Data gathering from own files and general investigation is perceived to be relatively simple, however, collecting or accessing data held by a third party was perceived to be fairly difficult.



Base: March 2007 – (163)

Q7 – Please rate how you find each of the following aspects of complaint handling...

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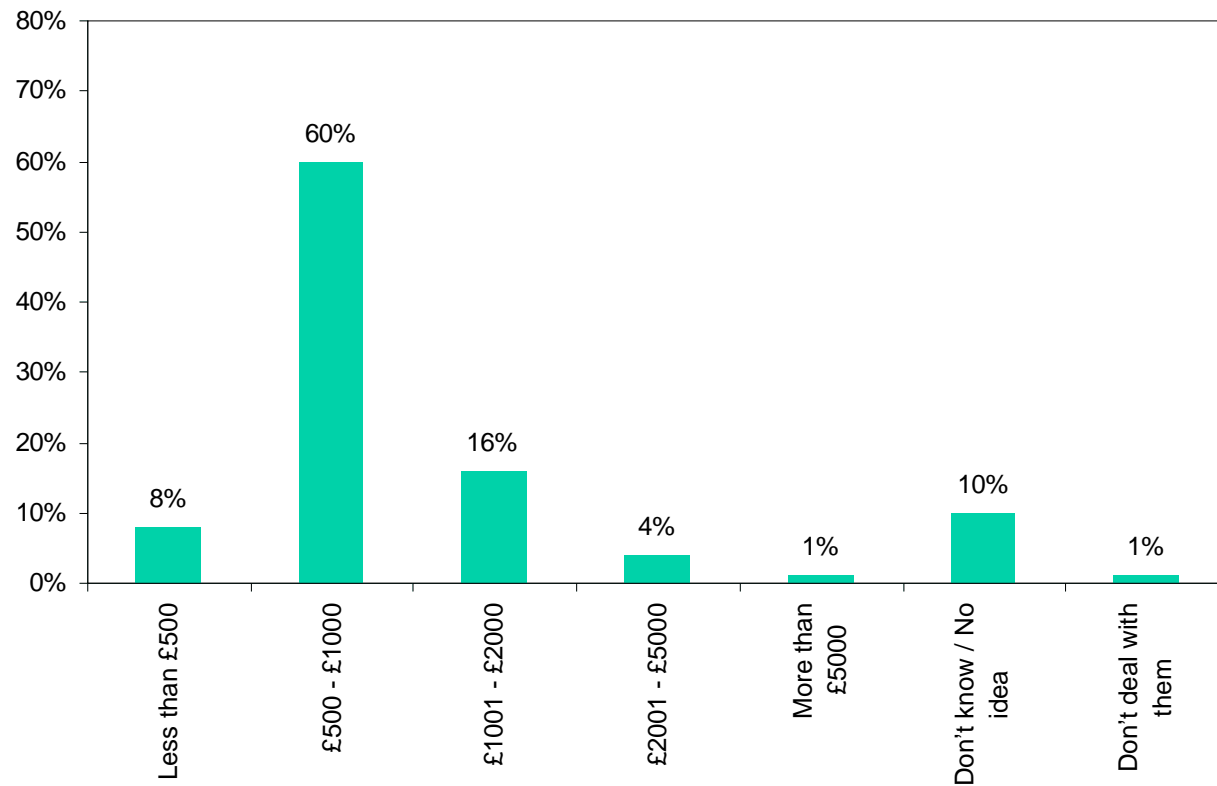
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Average Cost of Complaint

The average cost of dealing with a complaint is perceived to be £897.48.



Base: March 2007 – (139)
Q8 – How much do you think it costs to handle a complaint?