

Understanding the risk associated with transfer advice

Spring 2021



Corporate Governance; close scrutiny by the Financial Conduct Authority; and the changing PI insurance market are all putting pressure on firms to better understand the potential financial exposure and risk associated with historic pension transfer advice.

OAC has over 25 years of experience of carrying out redress calculations and is recognised as an expert within the pensions redress industry. By combining our familiarity with the complexities of loss assessment with a broader understanding of the pensions industry, we are able to provide insight about the potential risk associated with a book of transfer advice.

This insight may be used by clients alongside separate assessment of the suitability of advice in order to give a deeper understanding of their exposure to the risk.

Services that OAC can provide:

- Training to help clients understand the factors that can affect the magnitude of redress, and how risk may develop over time.
- Review of a particular book of business using summary data in order to identify key features which may increase or reduce the potential risk. This would include for example:
 - analysis of the book by date of transfer out
 - analysis of the book by age at date of transfer out,
 - consideration of the generosity of ceding scheme.

It should be noted that this review would not incorporate the accurate calculation of redress for any individual case.

- Providing accurate calculations of current redress for specific cases within the book which have been identified as representing particular risk.

OAC take a consultative approach to each project. This means that we are happy to adapt our output to suit our clients. For example, we can tailor our review to focus on particular aspects of the book (for example, cases not covered by PI, or those where the advice is felt to be less robust).

For more information

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