

# Retail Distribution Review (RDR)

Going beyond a tick-box culture



T&C and HR compliance  
for FCA regulated firms

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2013 has already been a busy year for Wealth Management regulation. RDR arrived at the beginning of the year and the new FCA officially came into being on 1 April. Together they represent a radical shake up of the requirements placed on firms to manage, assess and record their advisors' competence, conduct and performance to required professional standards.

Many firms have responded to this by focusing on the delivery and monitoring of CPD, ensuring that they meet the minimum standards of threshold qualifications and CPD hours in a kind of 'tick-box' exercise.

The new FCA has clearly signalled that this alone will not be enough. They are looking for commitment in all areas of the business - its objectives, business and risk models and HR / T&C policies. The aim is for firms to achieve a truly embedded compliance-based culture. This should be focused on delivering the highest standards across the areas of individual advisor performance, risk, suitability and quality of client advice, conduct and competence.

Too many firms are letting the minimum CPD requirements drive their T&C / conduct policy and process - rather than the other way round.

## Instead firms must:

- › gain top down commitment and full staff buy-in to an embedded compliance-based culture;
- › implement and manage processes to ensure control and the effective delivery of T&C / conduct policy;
- › focus on 'what good looks like' - defining clear KPIs in the areas of conduct, compliance behaviours, knowledge, TCF / suitability and general performance;
- › set clear and objective benchmarks by which to measure these KPIs - using a combination of due date and metric data;
- › identify problems, risks and shortfalls in standards and delivery as soon as they occur, dealing with them promptly, maintaining records and outcomes;



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- › define CPD and development plans for all advisors (this should be driven by both minimum RDR requirements and competence, knowledge and conduct issues identified from the real-time assessment of KPIs);
- › enforce the use of record management systems to control assessment, performance and CPD (a T&C / conduct record-keeping system with appropriate access for both advisors and supervisors).

HRCOMPLYSOFT'S new R-A-G module allows you to take control of all these processes and ensure that you plan, track and deliver the required levels of

## Competence, Conduct and Performance

In this way you can meet the FCA's expectations whilst maintaining appropriate access and controls and the required records and audit trails.

### HRCOMPLYSOFT enables you to:

- set up relevant KPIs across the three areas;
- perform constant benchmarking tests against due date and numeric target data;
- identify shortfalls – as soon as they occur – by R-A-G alerts on the dashboard overview screen;
- take prompt and appropriate remediation action, setting new performance targets and CPD needs;
- monitor completion of these and keep records for easy reporting and audit trail management;
- track your CPD – automatically updating advisor logs, adding to training plans, managing progress and performance scoring;
- generate CISI and other professional body / SPS returns;
- link training objectives to e-learning platforms, enabling you to set and monitor knowledge testing.



## HRCOMPLYSOFT – SIMPLE, COST EFFECTIVE CONTROL OF YOUR FCA AND RDR REQUIREMENTS

Please contact Neil Herbert for further information on 020 3176 7859

Or book a demo of our software

HRCOMPLYSOFT Demo



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