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## **Ian McKenna: FCA review is a regulation wake-up call for robo firms**

**Statement from Ian McKenna, F&TRC Managing Director and Founder of DigitalWealthInsights.com:**

"This week's multi firm review from the FCA is a warning to robo advisers that they must expect to meet the same high standards as traditional advice firms in making sure their services are suitable for customers.

"Since 2011 the FCA has produced reams of documents making it clear what they expect in terms of suitability checks. This information has always been available to robo-advice firms, but it appears at least some of them have been failing to take it into account.

"It is widely recognised internationally that the UK has the toughest advice suitability standards in the world and if you can meet UK standards you can expect your proposition to be reusable anywhere. The regulator has always been clear that they will hold robos to the same high standard as they apply to human advisors - there is no soft option for robo firms.

"Some automated advice propositions seem to be labelling themselves as 'non-advice' because they don't want to meet the higher regulatory burden. The regulator is now making it clear that if it looks like advice and it smells like advice they are going to call it advice. You can't expect to have lower standards just by saying you are non-advised.

"Robos have had a level of access and support from the FCA that traditional advice firms can only dream of, in this context it's perfectly reasonable for the regulator to expect these firms to comply with all the rules, not just the ones they like.

"It looks like the honeymoon is over for the road post and they are due a dose of regulatory reality."

**-ENDS-**

## PRESS RELEASE

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**For further information, contact:**

**Matthew Morris, Carr Consulting & Communications**

[matthew@carrcandc.co.uk](mailto:matthew@carrcandc.co.uk)

**M: 07717 420693**

**Kevin Carr, Carr Consulting & Communications**

[kevin@carrcandc.co.uk](mailto:kevin@carrcandc.co.uk)

**M: 07887 838811**

**Ian McKenna, F&TRC**

[Ian.mckenna@ftrc.co.uk](mailto:Ian.mckenna@ftrc.co.uk)

**T: 020 3713 4567**

### Notes to editors

#### About F&TRC

Established in 1995, the Finance & Technology Research Centre (F&TRC) is a specialist research consultancy.

The company has four key areas of activity:

- Facilitating industry collaboration in the life assurance and long term savings industries via a range of forums which bring together leading players from manufacturing, distribution and support services to identify where working together can achieve better outcomes for consumers and the industry
- Research and benchmarking through the delivery of software and ratings to help financial advisers compare the quality of financial products, available at [www.advisersoftware.com](http://www.advisersoftware.com)
- Insight reports which focus on key strategic issues such as the future of financial advice and how organisations can enhance the quality of their services to consumers
- Bespoke consultancy on any of the above