

## **Many IFAs plan move to restricted advice post-RDR**

23 February 2011 by Simon Danaher

Source: [international-adviser.com](http://international-adviser.com)

### **Nearly 10% of IFAs are planning to move to a restricted advice model after the UK's Retail Distribution Review is implemented in January 2013.**

A survey of 500 IFAs conducted by independent financial research company Defaqto, found that one in 10 IFAs dealing in personal pensions are looking to move into restricted advice as part of their preparations for the RDR.

Defaqto said, with much focus being placed on the issues of independence and the number of IFAs which may or may not leave the industry, this issue has perhaps been overlooked.

Matt Ward, Defaqto's wealth management consultant, said: "The RDR debate has been dominated by questions relating to how many IFAs will remain independent and what proportion will leave the sector altogether. However, a forgotten aspect has been how many IFAs will comply with the RDR by moving to a restricted advice model.

"The results of our survey show that the penny is now dropping with advisers in terms of the need to engage with restricted advice propositions. Importantly, they also indicate that the initial negativity around the term 'restricted' is perhaps starting to subside as IFAs become aware of the realities presented by each option."

He added that Defaqto expects to see the number of IFAs considering the restricted approach will increase further during 2011 that larger organisations will consider running with a dual approach, whole of market and restricted.

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