

Lack of clarity and delays set to hold back RDR

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Industry figures predict the FSA's continued lack of clarity over issues such as platform fees and legacy commission will force it to delay elements of the RDR.

In its platform policy statement, published this week, [the FSA said](#) a ban on both cash rebates and payments between fund managers and platforms is "desirable" but more research is needed. The new platform rules, due to be introduced alongside the RDR, have been delayed with no new implementation date set.

The FSA is also [launching a guidance consultation](#) on the treatment of legacy commission to begin later this year. In March, it wrote to trade bodies to clarify that legacy commission, additional commission on pre-2013 business triggered by post-RDR actions, will be banned but that trail commission brokered before 2013 can continue. This has created a number of problems over the definition of legacy business which the FSA was initially hoping to solve without needing to consult.

Zurich UK Life principal of government and industry affairs Matthew Connell says: "The lack of a deadline for new platform rules throws into doubt RDR implementation from the beginning of 2013. It raises questions about whether adviser-charging and remuneration rules have to be put back."

Connell says sticking with the current timetable for adviser-charging risks creating an uneven playing field for different parts of the market and may mean providers have to withdraw initial "post-RDR" products once the platform rules are implemented.

Threesixty head of business consultancy Phil Billingham says: "What was looking like a cliff-edge date encompassing all of the reforms on January 1, 2013 is going to become more like a staggered series of ledges.

"Unfortunately, it does seem that these problems have occurred because the FSA had an insufficient understanding of the marketplace, which was wholly avoidable."

Aifa policy director Andrew Strange says: "The RDR is a big project. If providers are not ready with adviser-charging but the industry is qualified, then surely the FSA should stick with the qualification deadline but be more pragmatic about adviser-charging. If you only have half the pieces of the jigsaw you cannot put it together."

Transact managing director Ian Taylor says: "Many people have every sympathy with the goals of the RDR but until the operational detail is grasped and understood, it looks like we will keep moving sideways."

Will the delay to platform rules and legacy commission consultation lead to an RDR delay? Vote now on our [online poll](#).