

PRESS RELEASE: One in twelve Wealth Managers won't meet FCA Consumer Duty board report deadline and fines set to increase, says new study

- *Key reasons include insufficient evidence of Board engagement and unmet needs of vulnerable customers*
- *Wealth Management Industry Faces Challenges with FCA Consumer Duty Deadline and Increased Fines*

London, 30th May 2024 – New research from Ortec Finance, the leading global provider of risk and return management solutions for professional investors, reveals concerning trends in the wealth management industry regarding compliance with upcoming regulations and expectations of increased fines.

A significant number of wealth managers and financial advisors are worried about meeting the Financial Conduct Authority (FCA) Consumer Duty Board report deadline. The study, which surveyed 50 UK wealth managers and financial advisors, found that one in twelve (8%) respondents fear their company will not meet the 31 July 2024 deadline. The primary reasons include an inability to provide sufficient evidence of Board engagement with Consumer Duty and incomplete reviews of their approach to vulnerable customers, including assessing whether customer support meets these clients' needs. Other reasons cited are inadequate reviews of internal governance processes and policies, incomplete staff training, and insufficient evidence of identifying potential consumer harm.

Tessa Kuijl, Managing Director Global Wealth Solutions at Ortec Finance, commented, “The FCA’s Consumer Duty Board report deadline is fast approaching, and our research highlights that some wealth management and financial advisor firms still have work to do to meet the deadline. It’s concerning that so many wealth managers and financial advisors doubt their ability to meet the deadline.”

In addition to these compliance challenges, the study also found that wealth managers and financial advisors expect an increase in industry fines for non-compliance over the next three years. Eight in ten (78%) of those surveyed anticipate higher fines, while nearly three in four (74%) foresee increased investment in technology to help address regulatory demands. Specifically, 35% expect a dramatic increase in technology investment.

The main reasons for this technological investment are to deliver better client service, develop a better understanding of a wider range of asset classes, improve investment advice, and reduce costs. Addressing the growing focus on regulation is also a significant driver for this increased investment.

Tessa Kuijl added, “As wealth managers and advisors foresee a rise in fines due to heightened compliance, many are turning to technology to better navigate these regulatory requirements. Investing in the right tools and systems is crucial for protecting both the firms and their clients.”

Ortec Finance provides wealth managers and financial advisors with scalable solutions that enable them to manage clients more efficiently and deliver more value to those clients. Its OPAL Planning tool supports banks, advisors and wealth management firms to translate client’s financial goals into an optimal investment strategy – providing forward-looking insights into whether clients are on-track regarding their investment objectives. Together with a fully integrated cash flow planning tool for a holistic view of the client situation, the OPAL Planning tool addresses both income and investment risk. Find out more:

<https://www.ortecfinance.com/en/solutions/goals-based-wealth-platform>

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Notes to editors:

*Independent research company PureProfile interviewed 50 UK wealth managers and financial advisors. The survey was conducted during April 2024.

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About Ortec Finance

[Ortec Finance](#) is the leading provider of technology and solutions for risk and return management. It is Ortec Finance’s purpose to enable people to manage the complexity of investment decisions. This is accomplished via the delivery of leading technologies and solutions for investment decision-making to financial and real estate institutions around the world.

Ortec Finance’s strength lies in an effective combination of advanced models, innovative technology, and in-depth market knowledge. This combination of skills and expertise supports investment professionals in achieving a better risk-return ratio and thus better results.

Headquartered in Rotterdam, The Netherlands, Ortec Finance has offices in Amsterdam, London, Zurich, New York, Toronto, Singapore, and Melbourne. Ortec Finance helps 600+ clients manage their \$15 trillion assets under management.