

Financial Conduct Authority October 3, 2018

# FCA adviser search branded 'danger to public'

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**T**he addition of an adviser search function to the Financial Conduct Authority's (FCA) register has been met with criticism over concerns the inclusion of unauthorised firms will mislead the public.



Last week, the regulator launched the search function allowing consumers to locate financial advice firms in their area based on a postcode criteria and a selection of four advice categories - mortgages, pensions, investments and debts.



In addition to authorised firms and appointed representatives, the

search results also feature unauthorised and clone firms with a warning flagged in red reading "We strongly suggest you avoid dealing with this firm".

The FCA has been criticised for including these companies in the search function, with claims that the accompanying warning is too small and could mislead users who do not look at the page carefully.

Baroness Ros Altmann, former pensions minister, said she feels the unauthorised firms are not flagged clearly enough and their inclusion poses a danger to the public if found to be misleading with the potential to cause loss.

She said: "If someone uses the directory it is because they are already unsure about which firms are in their area.

"I think the FCA means well and clearly a lot of work has gone into the process, but it is a real shame that this particular element could undermine the FCA's work to provide a better service for consumers - in the interest of public safety and transparency it does not need to be included."

Darren Cooke, director of Red Circle Financial Planning, said he would like to see only authorised firms feature in the search results and with further qualifications cited for each company.

He said: "The inclusion of clone or unauthorised firms is woefully confusing and inaccurate - frankly as it stands at the moment, the directory is a step back rather than forwards."

Mr Cooke said he also questions the search criteria used in the function, as when he searched with his local postcode neither his authorised firm nor others in the area featured in the results - but unauthorised firms based in different cities were listed.

He added: "The launch of the directory is better, but not perfect by any stretch - there is a long way to go."

When the criticism of the register's search for an adviser function was put to the FCA, a spokesman for the regulator said the changes to the register were made with the aim of making it easier to use and understand.

He said: "Changes made in July included making clearer when requirements,

including suspensions, apply to an entry and also improvements to the search facility.

"This month we introduced a new facility under the title 'find a financial adviser near me' to make available a simpler presentation of some commonly searched information"

The *Financial Adviser* understands it is not currently possible for the FCA to filter out firms that are no longer authorised from the adviser search results because the data is taken directly from the regulator's register.