MoneyMarketing

Reluctance to study to be a GFA

By Nicola York

Over a fifth of advisers say they would not be prepared to study for qualifications to become a general financial adviser.

In a YouGov/Money Marketing survey, 22 per cent say they are not prepared to study for the Advanced Financial Planning Certificate.

Thirty-five per cent think Aifa is doing an excellent job in representing advisers in the RDR while 24 per cent think the PFS and the Chartered Insurance Institute are doing an excellent job. Thirty-seven per cent think the PFS/CII is not doing a good job while 20 per cent do not think Aifa is doing a good job.

Chandos Rose managing director Philip Rose says: "I think AFPC is a problem when you look at the demographics. If you have been doing the job for 20 years, then I understand why advisers would not want to start taking qualifications."

Poll reports, p32-33

Mid-cap style of investing has been passed over with large-cap demand

JO Hambro shuts American growth

Investment

By Chris Salih

JO Hambro Capital Management fund manager Nick Roe-Ely is set to leave the company following its decision to close his £13m American growth fund.

Roe-Ely, a mid-cap specialist, joined Hambro from Tilney in June 2005, with the fund launching in December.

A lack of investment in the US has led to the company deciding to wind up the fund which has been second-quartile in the past 12 months in the IMA North American sector.

Marketing director Sven Kuhlbrodt says: "It is likely that Nick will leave. He has been a star manager for a number of years but his style has not been in favour for some time as most of the demand for US equities has come from the large-cap arena.

"We will be offering free switching in a bid to help shareholders as much as possible."

Clive Beagles is returning to JO Hambro Capital Management after taking a six-month sabbatical.

Beagles, who managed the UK equity income fund, has taken time off on health grounds.

He will work as co-manager alongside James Lowen and will return to a fund that has seen market volatility and the loss of some multi-manager mandates, shrinking from £533m to £182m in six months.

Kuhlbrodt says: "We are glad that Clive is returning but James has done a great job in his absence. James has managed the fund at a time when volatility has been a big issue, with £1.1bn being withdrawn from the IMA UK equity income sector in January alone."

Roe-Ely: £13m fund closing

PRODUCT MATTERS

Peter Chadborn

Several providers have recently become new entrants to the business protection market in an attempt to expand their market share.

It is interesting to see how the established players respond to these moves. Hopefully, product innovation and the development of policies to appeal to a wider market will mean a move away from the much debated price war.

Unum is a main player in group protection and has launched a dual benefit group income protection product aimed at small and medium enterprises. For smaller businesses, the problem of employee absence through sickness will often mean there is a need to provide benefits for the employee and the employer and this is what makes this product attractive.

In addition to the employee benefit, monthly business benefit is paid to the employer to manage issues such as temporary staff replacement. Policies can have a deferred period of as short as four or eight weeks as opposed to the standard 13 or 26 weeks which prevail in the wider market. This will be particularly useful to smaller businesses which have greater cashflow restrictions.

I like the provision of an automatic lump sum to employees who remain incapacitated from one of a number of serious illnesses on expiry of the benefit term.

This feature, combined with support from vocational rehabilitation consultants should attract this product to IFAs wanting to add value to their advice process.

Peter Chadborn is principal of CBK

Escrow call for FOS case charges

By Helen Pow

The IFA Defence Union is calling on the FOS to allow advisers to set up escrow accounts so case fees are returned if the FOS loses its appeal in the Pickering case.

An escrow account, which costs around £50 to set up, would ensure the FOS receives the fee if its appeal is successful but not if it fails.

IFADU chairman Evan Owen says: "There is no point in advisers saying we are not going to pay and there is no point in them paying the money because if the FOS loses they will not get it back."

FOS spokesman Martyn James says: "The legal position in relation to case fees remains unchanged. It is not expected that the court decision would be retrospective in terms of case fees already charged."

Skipton takes over Torquil Clark

Distribution

By Nicola York

Skipton Building Society Group has bought an 86 per cent shareholding in Torquil Clark in a bid to strengthen its financial advice offering.

Skipton now owns four financial advice companies with a total of 191 advisers, with the other three being Skipton Financial Services, Pearson Jones and Parnell Fisher Child.

Torquil Clark will continue to be run as an independent company and will retain its brand but will now report to Skipton's main board of directors. The other 14 per cent of the company will be owned by the existing management team.

The firm employs 120 staff, including 17 advisers and has £610m of funds under management. It operates from offices in Wolverhampton and the Lake District.

Skipton group corporate development director David Cutter says: "The company is well respected by the industry and customers, matching the reputation of our existing companies, and the potential for growing this business is substantial."

Torquil Clark managing director John Chapman says: "The backing of such a secure and respected institution will give us the ability to expand the business while the continuity of management within the company, and the retention of the brand, gives comfort to staff and clients."

Societies ponder swoop for Derbyshire

Mortgages

By Tanya Powley

Rival building societies are understood to be circling Derbyshire Building Society for a possible takeover.

It is thought that Yorkshire Building Society is one of the main contenders, with Newcastle and Leeds Building Society also in the frame.

A source close to Derbyshire says: "It is notoriously difficult to make mergers and acquisitions happen in the building society market. Derbyshire has had conversations with three obvious contenders but it can be up to an 18-month process to make it happen."

Derbyshire confirmed this week that it is to cut up to 50 jobs and close three of its 50 branches.

The society has seen profits for last year nearly halved from £16.4m to £8.7m.

The society was put on review for a possible downgrade by rating agency Moody's which says Derbyshire has relatively high exposure to specialised mortgage markets. An update is expected in the next few weeks.

Derbyshire's intermediary arm Salt has withdrawn from the sub-prime market.

A spokesman for Derbyshire says: "We have not solicited any approaches. We continue to remain committed to being independent."

Yorkshire, Newcastle and Leeds Building Societies all deny making an approach.

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