

Temple Bar



Harriet Harman MP
House of Commons
London
SW1A 0AA

Independent Financial Advice Ltd.

Date: 16th October 2009

Dear Mrs Harman

Re: MPs Expenses and Parallels with IFA's

I was struck when I heard your interview on Radio 4 about the parallels in MPs expenses and the plight of financial advisers. As Commons leader you have now warned parliament that Sir Thomas Legg's review of MPs' expenses must be based on the:

"rules and standards that obtained at the time". "To do anything else would be arbitrary," you have said!

Will you also apply this standard to the FSA? You see at the hands of the FSA we, as independent advisers have been subjected to years of injustice and retrospective application of rules. Even as we speak we are now are being asked to re-qualify in order to retain our livelihoods. This is contrary to natural justice and according to lawyer Peter Hamilton is also against the law:

"The Financial Services and Markets Act does not permit the FSA to cancel an authorisation simply because the FSA has changed its views on what the appropriate qualifications should be....It is one thing to impose new rules for new entrants to the IFA profession, it is quite another thing to disqualify someone who is already qualified."

Peter Hamilton

<http://www.4pumpcourt.com/>

Peter Hamilton has given permission for the use of his legal opinion.

Under the FSA the financial adviser is not judged on the suitability of the recommendation and the explanation of risk "at the time of the sale". The FSA/FOS apply retrospective redefinitions of regulatory requirements and impose rules and standards in place today, but not at the time of the sale. The FSA together with the FOS apply hindsight and invert the burden of proof, have power to fine the IFA up to £100,000 and all without any right of appeal - so as MPs you think you are being subjected to injustice?

- Morality vs legality
- Applying different standards
- Feel persecuted

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However, as MPs I do sympathise with your plight in view of our shared experience but now more than before double standard must not be allowed. Can the independent sector please have the same rights as MPs? When this matter is over perhaps those MPs that survive the storm can look to our situation with a better understanding of what is right and what is wrong?

Best regards

Simon Mansell BA (Hons) Law
(Managing Director)