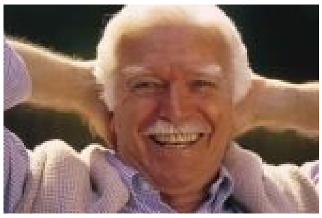
The MLP ‘Acquisition Package’ for Retiring IFAs



HELPING YOU MAKE THE RIGHT CHOICE

Independent
Financial Advisers

SUMMER 2009

Today’s IFA Market and the Retail Distribution Review (RDR) 2012

IFA firms are normally valued as a multiple of renewal income plus a factor for goodwill built up through strong client relationships. However, sky high professional indemnity premiums and the events surrounding pension, FSAVC, endowment and split capital trust miss-selling accusations have given rise to an ever increasing claim culture with claims companies offering no win, no fee deals. It is not as if the current Financial Ombudsman Service operates under the status of an "Alternative Dispute Resolution" body, as it should do. All this, in turn places any IFA who is looking at his exit strategy at a great risk from complaints after retirement.

The Retail Distribution Review which will be implemented in 2012 is another reason why IFAs will have to re-consider their position. Commissions will be a thing of the past. So how will firms survive the RDR. In truth many will decide to leave the industry and take another course. It is for these reasons that business values have fallen and are likely to stay low. Purchasers do not want to take on any uncertain and Unknown potential liabilities whilst renewal commission payments will have to be justified under RDR.

Business value versus risk

Your business may have taken many years to build and therefore you would want to maximize the potential for the acquisition of your client base whilst also reducing the risk of compensation payments you may be hit with in your retirement.

The MLP Acquisition Package

Designed to provide you with:

- A fair price for your renewals
- A contractual arrangement which reduces the potential compensation claims against you
- Expert complaints handling procedure as standard within the ‘Acquisition Package’
- Phased retirement option e.g. choice of a) continuing to be registered to write business for a period of time and then retire at your chosen date or b) retire immediately

Contact Paolo Standerwick in confidence for more detailed information on **0208 2961799** or email **paolo@mlptwickenham.co.uk**

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