



## Bankhall Remote File Review Service – Terms of Reference

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Please refer to our website at [www.remotecompliance.com](http://www.remotecompliance.com) for further details of the file review service.

### How will Bankhall review my files?

Bankhall review advice and documentation on a best practice/worst case scenario basis taking into consideration TCF Customer outcomes 3 & 4. There is no tick box or 'administration' style of review completed and unless otherwise instructed each one is holistic, considers the suitability of the advice first before then moving onto clarity of information for the client, finally offering suggestions on how to potentially improve future cases. This approach should help prepare you for every eventuality and is designed to provide guidance far beyond a minimum set of regulatory rules.

We are typically unable to review to a specific firms' procedures owing to the number of firms supported by this service. Hence, the default of a regulatory approach.

When submitting a case for review, please ensure that all elements of the advice which is to be reviewed are identified, e.g. if the Suitability Report relates to pension and protection advice, but only the pension advice is to be reviewed, that this is clear from the products selected on submission.

Your firm remains responsible for the advice and our review is based solely on the documents submitted. Any feedback provided should be taken as guidance for future cases, if it is as a result of the omission of key documentation.

If you wish to re-submit a file for review, with more information that might change the outcome of a review, then please note any additional time spent will be charged according to your specific arrangements.

### Minimum documents required

The more documents that are submitted, the more complete our review can be. We have produced a specific guide that covers this area in detail.

Please note that there are additional document requirements for mortgages (see below).

### Mortgage File Reviews

We mandate sight of the application form to ensure consistency of information between this document and the factfind; reviews will not be completed without a copy of the Application Form. We assume that all copies of corroborating information (bank statements, wage slips, P60s, etc.), fully support the remainder of the file.

### RDR Impact

We recommend that the full disclosure documentation is submitted for advice commencing post-RDR, but have not mandated this as a requirement. This means we will complete our review without sight of disclosure documents, but you should be aware that our feedback will be limited to the advice but not including the full remuneration strategy. We should still have sight of the means of payment as this will typically be detailed in the Suitability Report.

Due to the increased level of documentation reviewed post-RDR, there can be no comparison of output from the Remote Compliance team pre and post RDR.

### What will I receive?

Once the review is complete, a comprehensive report is uploaded to the case, with comments throughout also suggesting any potential action. Bankhall is not responsible for your advice, nor do we provide formal approval of your recommendations, you remain responsible to the FCA for ensuring that your firm remains compliant.

We suggest that if you do not act on our feedback (or there are other reasons why it may not be appropriate), then please record an explanation on your files.

Reasonable telephone or email support is available in relation to our reviews, although excessive contact may be charged accordingly.

### **Service Level Agreements (SLA)**

Our typical response times are:

Pre Sale: 5 working days (excluding the date of receipt). Post Sale: 1 month

Please note that the file must be complete for the SLA to begin. The date of submission of an incomplete file is not taken into account when measuring our response times. Altering or adding to the file will reset the SLAs.

### **Disclosure**

We do not check the compliance of documents prescribed by the Regulator in line with the regulatory requirements governing the content or layout of such documents (e.g. SCDD, Service & Payment Agreements [SAPA], Client Agreement). Formal checks for these documents are available from the Compliance Support Unit via [csu@sbg.co.uk](mailto:csu@sbg.co.uk). This may be available as part of your firm's entitlement, or is available to purchase.

We will monitor any dates of issue in line with the sales process, but in order to offer a full review we should be supplied with a full set of disclosure. This might include an SCDD/CIDD, SAPA and Client Agreements.

### **Adviser Charges**

We don't routinely assess the reasonableness of fees/charges because all firms have different limits based on their own commercial judgement. However, we might comment on levels exceptionally different to other firms we monitor; or in the context where amounts/charging methods appear to be out of line with a client's interests.

### **Client Agreement Servicing**

The file review service does not include an assessment of whether an adviser/firm is meeting its agreed ongoing obligations with the client. However, we will review any advice given as part of an ongoing servicing proposition, provided it is made clear this is what is required.

### **Permissions**

We don't check the Regulator's Register for confirmation of the relevant permissions and assume that your systems and controls are robust and you have the relevant permissions to have written the business.

Likewise we will not check other required permissions/authorisation, e.g. the need for a Consumer Credit Act licence.

### **Adviser Competency**

Information provided to the firm in file reviews might indicate competency issues for an adviser. The responsibility remains solely with the firm to investigate further and notify the Regulator if necessary.

We will assume that the firm has established that the adviser holds the relevant qualifications for the advice provided.

### **Non Advised Sales/Direct Offer**

The function of our team is to review the suitability of advice provided. If you require advice on scripts or processes non advice or direct offers this is supported by the Compliance Support Unit via [csu@sbg.co.uk](mailto:csu@sbg.co.uk). This may be available as part of your firm's entitlement, or is available to purchase.

Simplified advice falls outside the scope of the Remote File Review Service.

### **Pre Sale Reviews**

Our definition of a Pre Sale review is when specific recommendation(s) have not yet been presented to the client(s), also no application forms should be completed. If you have completed an application in error, do not hold onto the forms awaiting our review. These should be sent to the provider.

Owing to timescales on mortgage business, we do not recommend that these are sent for a pre-sale review. We cannot be held responsible if your client 'misses out' on a specific product.

### **Template Reports**

We do not grant 'approval' of any templates of Suitability Reports. The Bankhall Technical Team produces the Suitability Letter Generator which can be used as the starting point for the production of a Suitability Report. This may be available as part of your firm's entitlement, or is available to purchase. For more information, contact the Technical team on 0845 300 5326.

### **Management Information**

This may be available on request but please note that the firm remains responsible for aggregating to fulfil all demands placed by the Regulator.

### **Protection ICOBs or COBs**

We review protection files under the COBS rules unless we have had clear notification that a firm wishes otherwise. The majority of our customers write protection business using the same set of regulations as investment business.

### **Centralised Investment Propositions/Panel**

As part of the file review Bankhall will not comment on the due diligence carried out in establishing a Centralised Proposition or firm's own panel. This is centrally held and not part of an individual client file.

We are also unable to 'look under the bonnet' to assess and approve that funds recommended will meet a client's specific risk profile. This area is very subjective and measures available across the industry can often categorise funds differently. We will however consider whether the fund proposition looks reasonable, but have to rely on the firm's systems and controls being robust and up to date.

For example, if the client's attitude to risk has been assessed as 3 on a scale of 1 (lowest) to 10 (highest), but 60% of the funds selected are emerging markets then we will make comment because the 'reasonable' test has not been met.

Our feedback may mean that we are unintentionally commenting on a process that has been set by the firm. Certain procedures or template wording can detract from the Suitability Report being client specific. The firm's proposition may also be impacting on the quality of advice to an individual. It falls to the firm to consider whether processes need to change.

### **Research**

For firms that wish to submit research for review we suggest that this provides a clear indication of why the recommended provider has been chosen. We will not assess the validity of centralised or externally provided research.

### **TIF/TIFF Image Files**

Please note that whilst we can accept these types of files, they are much less friendly to work with compared to other file types. Therefore, please note that each review will take longer as a result and will be charged accordingly. Our preferred file types for scanned documents are PDFs.

### **Contracted Entitlement**

It remains a firm's responsibility to ensure that it utilises any contracted entitlement to use the Remote File Review service. An update on remaining entitlement will be provided on request and if possible reminders will be issued. Bankhall are not responsible for any entitlement which is lost as a result of insufficient cases being submitted for review

### **Bankhall Support Services Limited**

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