

FSA's structured investment product advice suitability assessment template

There are functionalities in the Excel version that are not available in this PDF version (e.g. dropdown menus).

File-specific information

FRN	Firm name
<input type="text"/>	<input type="text"/>
Adviser name	Appointed representative (if applicable)
<input type="text"/>	<input type="text"/>
Review date	Reviewer name
<input type="text"/>	<input type="text"/>
Product	Plan manager
<input type="text"/>	<input type="text"/>
Suitability report date	
<input type="text"/>	

Customer details

Joint / single policy holder	Single		Joint	
Are the policyholders married or in a civil partnership?	Yes	No	NA	
Customer name	Customer 1		Customer 2	
Customer date of birth	<input type="text"/>		<input type="text"/>	
Customer's age at the time of advice	<input type="text"/>		<input type="text"/>	
Attitude to risk in fact find	<input type="text"/>		<input type="text"/>	
Attitude to risk in suitability report	<input type="text"/>		<input type="text"/>	
Comments on attitude to risk	<input type="text"/>			

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	Customer 1	Customer 2	
Customer's employment status	Employed	Employed	
	Self-employed	Self-employed	
	Retired	Retired	
	Not working	Not working	
	Unclear	Unclear	
Customer's annual income (£)			
Customer's current tax status			
Expected / actual retirement age			
Expected / actual retired tax status			
Is capital security / capital protection important to the customer?	Yes	No	Unclear
	If income is required, what level of annual income is needed from this product?		
	What customer objectives were stated in the Know Your Customer document / fact find and / or suitability report?		
Saving for a specific purpose	Priority	Yes	No
Supplementing income in retirement	Priority	Yes	No
General lump sum investment for growth	Priority	Yes	No
General lump sum investment for income	Priority	Yes	No
School fees planning	Priority	Yes	No
Other: state in comments box	Priority	Yes	No
File does not contain any objectives		Yes	No
Comments on customer needs analysis			
Source of investment			

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Note down the total amount held in different components of the customer's existing saving and investment portfolio:

	Total (£)	Notes
Cash (including cash ISAs)		
Stocks and shares (including equity ISAs and investment bonds)		
Structured deposits		
Structured investment products (existing and those recommended at the same time)		
Other: state in notes		
Total		

Comments on existing portfolio

Product details

Investment amount (£)	Term (in years)	Performance cap (%)

Notes on performance cap

Income per annum (%)	Wrapper

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Early kick-out terms

No early kick-out	Kick-out if growth exceeds set amount
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Notes on early kick-out

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Does the product allow early switch into cash?

Yes, but at market rates	Yes, allows switch into cash without capital loss	No	Unclear
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Index 1

Index 2

Index 3

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Comments on indices

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Diversifications of indices

Not diversified	Diversified and best performer applies	Diversified and average applies	Diversified and worst performer applies
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Is the product geared

Yes	No
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Capital protection at maturity (%)

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Notes on capital protection

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If the product is a SCARP, what is the trigger point for capital loss?

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Counter-party	Name	Credit rating	Location of counterparty	Notes on counterparty
1				
2				
3				
4				
5				

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Initial commission %

Location of plan manager

Comments on the product

Unsuitable outcomes

The customer has been recommended a product that does not match their investment timescale or their financial circumstances (debts and emergency cash needs).

Q1.1	Does the customer have an adequate emergency fund?	<table border="1"> <tbody> <tr><td>Yes: sufficient</td></tr> <tr><td>No: insufficient</td></tr> <tr><td>No emergency fund</td></tr> <tr><td>Unclear</td></tr> <tr><td>Not an issue, explain why</td></tr> </tbody> </table>	Yes: sufficient	No: insufficient	No emergency fund	Unclear	Not an issue, explain why
Yes: sufficient							
No: insufficient							
No emergency fund							
Unclear							
Not an issue, explain why							
Q1.2	Customer's timescale for investment as recorded on the file.	<input type="text"/>					
Q1.3	Does the customer have a potential need to access funds during the investment term?	<table border="1"> <tbody> <tr><td>Yes</td></tr> <tr><td>No</td></tr> <tr><td>Unclear</td></tr> </tbody> </table>	Yes	No	Unclear		
Yes							
No							
Unclear							
Q1.4	If the customer is investing for a specific term (e.g. for school fees planning) and the product has a different term or has early kick-out terms, is there a good reason to use it?	<table border="1"> <tbody> <tr><td>Yes</td></tr> <tr><td>No</td></tr> <tr><td>Unclear</td></tr> <tr><td>Not an issue, explain why</td></tr> <tr><td>NA</td></tr> </tbody> </table>	Yes	No	Unclear	Not an issue, explain why	NA
Yes							
No							
Unclear							
Not an issue, explain why							
NA							
Q1.5	Does the recommendation of a structured product appear reasonable in light of the customer's timescale?	<table border="1"> <tbody> <tr><td>Yes</td></tr> <tr><td>No</td></tr> <tr><td>Unclear</td></tr> <tr><td>Not an issue, explain why</td></tr> </tbody> </table>	Yes	No	Unclear	Not an issue, explain why	
Yes							
No							
Unclear							
Not an issue, explain why							
Q1.6	Does the customer have existing debts?	<table border="1"> <tbody> <tr><td>Yes</td></tr> <tr><td>Unclear</td></tr> <tr><td>No</td></tr> </tbody> </table>	Yes	Unclear	No		
Yes							
Unclear							
No							

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Q1.7 Do these debts have a repayment schedule or are there any early repayment penalties?

Yes
No
Unclear
Not an issue, explain why
NA

Comments on this outcome

Outcome 1
Suitable
Unclear
Unsuitable

The customer has been exposed to an inappropriate level of risk.

Total proportion of customer's savings and investments in structured products

Q2.1 Where the proportion of the customer's savings and investments held in structured products is above 25%, is there a good reason for this?

Yes
No
Unclear
NA
Not an issue, explain why

Proportion of customer's savings and investments accounted for by the recommended product

Q2.2 Where the proportion of the customer's savings and investments held in the recommended product is greater than 10%, is there a good reason for this?

Yes
No
Unclear
NA
Not an issue, explain why

Q2.3 Are there any other factors which give rise to concern over the suitability of this product in terms of exposing the customer to an inappropriate level of risk?

Yes
No
Unclear

If "yes", is the product unsuitable given:

- The risk profile of the overall portfolio?
- The product details outlined in the file summary?
- The customer's financial knowledge and experience?

Yes	No
Yes	No
Yes	No

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- The customer's risk / reward expectations?
- The availability of alternative products which would better meet the customer's objectives (e.g. deposit account plus tracker fund, or a purchased life annuity)?
- The lack of dividends on this stock market-linked investment?
- Any cap on maximum returns?
- Other factors?

Yes	No
Yes	No
Yes	No
Yes	No
Yes	No

If "yes", explain your reasons

Comments on this outcome

Outcome 2

Suitable
Unclear
Unsuitable

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The advice does not take account of the customer's tax and income needs.

Q3.1 If the investment is outside an ISA or other tax-efficient wrapper, is there a good reason why the product is not purchased within a tax-efficient wrapper?

Yes
No
Unclear
NA

Comments on wrapper

Q3.2 If income from the recommended product reduces the customer's entitlement (or potential future entitlement during the product term) to age-related tax allowances or means-tested state benefits, is there a good reason to proceed with the recommendation?

Yes
No
Unclear
NA

Comments on this outcome

Outcome 3
Suitable
Unclear
Unsuitable

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Other concerns

Q4.1 Detail any other unsuitable outcomes identified.

Outcome 4

Suitable

Unclear

Unsuitable

Q4.2 Detail any material failings not covered above.

Q4.3 Comment on the quality of any suitability report / letter or other relevant customer communication on file (in particular with regards to disclosure of product risks including counterparty risks).

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Initial rating

Explain why you have selected this rating

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Suitable
Unclear
Unsuitable

Final rating

If the initial rating is “unclear” because of incomplete information in the file, you should obtain the missing information from the adviser and re-assess.

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Suitable
Unsuitable

Disclosure rating

Rate the quality of disclosure.

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Adequate
Learning points for advisor
Misleading