Establishing a connected oversight model between IFAs and Wealth Managers

A relationship built around shared customer outcomes

The relationship between Independent Financial Advisers (IFAs) and Wealth Managers is fundamental to the delivery of good customer outcomes. IFAs assess customer needs and recommend solutions. Wealth Managers provide investment solutions and, depending on their operating model, may undertake product manufacturing, discretionary investment management and/or portfolio services.

The Challenge

Oversight between IFAs and Wealth Managers remains hindered by fragmented systems and manual processes. Due diligence questionnaires, Consumer Duty data and governance documentation are still largely exchanged via email and outdated technology. The challenge is establishing continuous visibility throughout the relationship.

The Regulatory Direction

There is no single FCA rule requiring a prescribed due diligence framework. However, regulatory expectations, particularly the Consumer Duty, increasingly emphasise information sharing and evidence. Each firm in a distribution chain needs sufficient information to discharge its own responsibilities. IFAs require information from Wealth Managers to support assessments of target market and suitability. Conversely, Wealth Managers may need information from distributors to understand how their propositions are used and whether the intended target market and distribution strategy remain appropriate.



The regulatory framework creates a strong case for timely, proportionate and repeatable information exchange.

Fig. 1 - IFA information requirements

The case for a connected model - an industry information model can reduce unnecessary duplication while preserving each firm's responsibility for its own governance decisions.

The connected oversight model and its benefits

The shift is from repeated annual questionnaires to periodic assurance combined with event-driven monitoring. Annual assessments should confirm and assure rather than rediscover twelve months of change. Validated information on regulatory permissions, governance, operational resilience and Consumer Duty arrangements should be maintained and monitored rather than repeatedly collected through separate questionnaires.

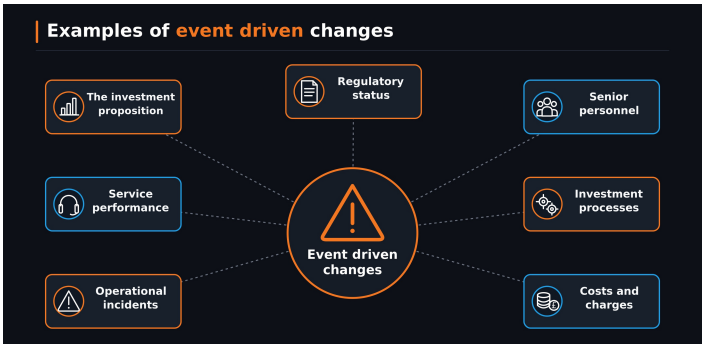
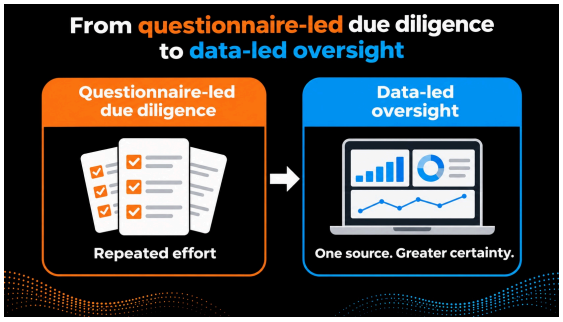


Fig. 2 - Examples of event-driven changes



The objective is not to make questionnaires easier to complete, but to reduce repeated collection of information that firms can maintain, monitor and share appropriately.

Capture once. Validate. Maintain.
Monitor changes. Share appropriately. Reuse.

Fig. 3 – Transitioning to a data-led oversight model

Benefits for Wealth Managers

A controlled, up-to-date information profile can reduce repeated questionnaires and duplicated effort. Providing consistent, current and accessible oversight information can make Wealth Managers easier for advisers to assess and oversee, supporting stronger relationships. **Simplifying oversight can become part of the Wealth Manager's service proposition.**

Benefits for IFAs

With around 90% of financial adviser firms having five or fewer advisers, efficient and scalable oversight is essential. A connected oversight model enables IFAs to achieve **better insight with less administrative effort.** This also improves visibility of Wealth Manager relationships and helps IFAs identify those requiring review and maintain evidence supporting governance decisions.





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Conclusion

The industry does not need more questionnaires. It needs a more efficient way to manage the relationships that already exist while preserving each firm's independent responsibility for its own governance decisions and supporting good customer outcomes. Consumer Duty, product governance and wider regulatory expectations reinforce the need for current information, ongoing monitoring and evidence throughout the IFA–Wealth Manager relationship.

The shift is simple: from repeatedly collecting information to continuously understanding it.

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