



Advisers forecast a drop in retirement related earnings post-RDR

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New research from Sun Life Financial of Canada reveals nearly two thirds of IFAs (60%) believe upfront earnings will decline following the Retail Distribution Review (RDR).

When questioned about earnings generated from pensions and retirement related advice, almost one in three IFAs (31%) believe both upfront and ongoing earnings will be affected in a negative way. Indeed, only 6% of IFAs were optimistic that the RDR will have a positive affect on their earnings.

The research shows further evidence of the concern in the market surrounding the effects that RDR is expected to have on the IFA industry.

When asked to consider how advisers anticipated structuring their annuity advice, the findings also painted a picture of change. Almost half (46%) of advisers anticipate segmenting their client base. For these advisers, they will look to segment their customers, creating a streamlined process for OMO clients and a bespoke process for those with larger investment funds.

Additionally, one in six (16%) IFAs anticipated increased usage of flexible retirement solutions, as they seek to develop more innovative solutions for their clients at-retirement needs.

Mark Stopard, Head Marketing at Sun Life Financial of Canada, said: “Our research highlights the continuing anxiety IFAs feel over the effect that the RDR will have on their revenue streams.

“It is encouraging that the majority of advisers are already clear on their options for retirement advice. They are taking the sophisticated approach of

segmenting their customer base, whilst a growing number are looking to consider flexible retirement solutions to those customers who require a more innovative and inflation proof approach to managing their retirement income”.

For more information on i2Live, Sun Life Financial of Canada’s flexible retirement solution, please visit www.sloc.co.uk

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Notes to editors:

*All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 245 IFAs. Fieldwork was undertaken by YouGov in May 2010. The survey was carried out online. The figures have not been weighted.

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Sun Life Financial of Canada in the UK is focused on providing flexible and innovative product solutions for customers in and approaching retirement. We are dedicated to building excellent customer service by offering the highest levels of customer care and quality products. We have a heritage in the UK dating back over 100 years to 1893 and serve the needs of customers direct or through financial advisers nationwide.

As at 31 December 2009, Sun Life Financial of Canada has £11.59 billion assets under management in the UK with over 860,000 plans in force.

For more information, please visit www.sloc.co.uk

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