



PRESS RELEASE

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TOWRY LAW CALLS FOR FSA TO IMPOSE RADICAL CHANGES TO PROTECT THOSE RECEIVING FINANCIAL ADVICE

More than £3.2 billion per year paid in “initial commissions”

Towry Law, one of the UK’s leading financial planning and wealth management companies, has today called upon the FSA to impose changes upon the financial advisory industry, to end the current practices that lead to inappropriate advice.

Andrew Fisher, Chief Executive of Towry Law said:

“It’s almost five years since the Sandler report first exposed the various ways in which consumers were being financially disadvantaged by financial advisers and product providers.

As recently as last month, after numerous consultative exercises designed to improve matters, the Financial Services Authority (FSA) has acknowledged that too many firms continue to *unfairly* treat customers.

The industry has shown it cannot be trusted to reform quickly enough and it is now time for the FSA to move from its previous consultative approach and step in and impose change, instead.

There are five principal changes Towry Law is seeking to be imposed, to clean up the industry.

The most pressing relates to the £3.2 billion per year paid in commissions – which in many cases amount to little more than bribery from product providers in order to attract new business.

The five major changes are:

1. **Fees not commissions** – the abolition of the payment of all initial and trail commissions to financial advisers;
2. **Education not ignorance** – the imposition of higher minimum educational standards within the industry and firms to make clear the true status of their advisers, many of whom are simply self employed agents;
3. **Integrity not stealth** – the outlawing of “soft commissions” given by product providers to financial advisers;
4. **Holistic not limited**- a requirement that financial advisers demonstrate their ability to offer holistic advice based upon the financial objectives and requirements of the client;

5. **Independence not tied** – more stringent tests before financial advisers can use the 'independent' label, including not accepting financial or non-financial support from, and not being significantly owned by, product providers.”

The attached document provides further details on the ways in which the financial services industry looks after its own interests at the expense of customers, and explains the proposed remedial measures in more detail.

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For further information contact:

Towry Law

Andrew Fisher, Chief Executive
Patrick Connolly, Marketing & PR Manager

Tel: 01344 828126

Tel: 01344 828187

Hogarth Partnership

Chris Matthews
Barnaby Fry
Harriet Pask

Tel: 020 7357 9477

Notes to editors:

Information on Towry Law

In May 2006, the merger of JS&P and Towry Law resulted in a wealth management and financial planning organisation focused on the delivery of excellence to clients, with the size and scale to offer comprehensive services on a national level.

The company vision is to become the premier provider of wealth management services in the UK. This will be achieved by maintaining the company ethos of building long-term relationships with clients and providing the very best level of service. We are open and transparent and intent on treating our clients fairly and becoming their trusted Wealth Advisers.

JS&P Towry Law is privately owned. The principal shareholders are Palamon Capital Partners, one of Europe's leading private equity firms, and JS&P Towry Law employees.

In March 2007 Towry Law announced its acquisition of Baker Tilly Financial Services Ltd. (BTFS), the financial advisory division within mid-tier accountancy firm Baker Tilly. BTFS has a nationwide presence and a large team of Wealth Advisers, all of whom will trade under the Towry Law brand.