



20 September 2007

Towry Law resigns from AIFA and delivers wake-up call to Industry

Towry Law has resigned from the Association of Independent Financial Advisers (AIFA) citing fundamental disagreements with the organisation's stance on the FSA's retail distribution review discussion paper (RDR) and the future of the IFA industry.

The RDR paper proposed a number of recommendations for "improving the professionalism of the industry", notably changing from a commission bias to a fee-based structure for professional financial planning and advisory services. AIFA has since called for a study into whether commissions influence sales.

Andrew Fisher, CEO, Towry Law, said:

"I believe that the RDR's recommendations are spot-on in terms of enhancing the reputation of the IFA industry and taking it into its next phase of evolution.

"AIFA's response is backward looking and demonstrates an organisation struggling to come to terms with an industry that is seeking to change. We deplore their insistence on maintaining the status quo which means IFAs continuing to earn more for doing less, with minimal qualifications."

Towry Law has published a Campaign Document detailing the major industry changes that they consider should be introduced. These can be summarised as:

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.

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For further information contact:

Towry Law

Andrew Fisher, Chief Executive

Tel: 01344 828 126

Patrick Connolly, Marketing & PR Manager

Tel: 01344 828 187

Hogarth Partnership

Tel: 020 7357 9477

Barnaby Fry

Harriet Forrest

Harriet Pask

towrylaw@hogarthpr.co.uk

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.

Towry Law is privately owned. The principal shareholders are Palamon Capital Partners, one of Europe's leading private equity firms, and 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 team of Wealth Advisers, who now trade under the Towry Law brand. In July 2007 Towry Law assumed control of the UK activities of MLP Private Finance, an independent financial adviser that focused on providing specialist financial planning and wealth management advice to professionals.

www.towrylaw.com