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Lord Turner attacks independent financial advisers [1]

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FSA [3] proposals could halve the IFA industry, leaving only the rich able to afford investment advice

Lord Turner of Makebelieve is at it again. His Financial Services Authority (FSA) is introducing new rules for Independent Financial Advisors (IFAs) that will probably drive half of the 20,000 or so IFAs out of business by 2012. The requirements of the FSA's new Retail Distribution Review [4] (RDR) will make life impossible for the smaller IFAs, many of whom are on the breadline now.

Ironically, the FSA is supposed to protect the consumer from biased financial advice and yet the RDR will drive all but the wealthy into the arms of the same big banks who are responsible for most consumer complaints. 59% of these complaints are about banks as against 3% complaining about IFAs. Once again the FSA is seeking to destroy the UK financial services sector rather than improve it.

The FSA is failing effectively to regulate the big banks and driving more consumer business into their arms. Not, of course, that advice from your friendly banker is ever biased.

Hat-tip to Simon Mansell who has the whole chapter and verse. He can be contacted through his website here [5].

You can also sign a petition[6]deploring the FSA proposals at the Downing Street website.

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