R06 — FINANCIAL PLANNING PRACTICE

CASE STUDIES – OCTOBER 2025

Case Study 1

Jeremy and Anna, both aged 65, are married with two children, Ellen and Tim. Jeremy and Anna have five grandchildren. The family are all in good health. Jeremy plans to reduce his working hours to a three-day week starting in January 2026 with his current employer and intends to retire fully in June 2028. Jeremy's State Pension will begin in June 2026, while Anna's will start in September 2026. They are both expecting to receive the full State Pension.

Jeremy is employed as a production manager. He receives a gross salary of £70,000 per annum which will reduce to £42,000 per annum once he starts his new three-day week in January. He is a member of his employer's workplace pension scheme and contributes 8% of his gross salary to the scheme. His employer contributes 3% of his gross salary to the scheme. Jeremy's pension fund has a current value of £380,000 and is invested in a range of adventurous managed funds. Jeremy is also a member of his employer's death-in-service scheme which will pay out three times his basic salary on death whilst in service. Jeremy's pension and death-in-service have up-to-date nominations in favour of Anna.

Anna is employed as a staff manager at a local community centre. She receives a gross salary of £40,000 per annum and intends to continue to work full-time until June 2028. She is a member of her employer's workplace pension scheme and contributes 5% of her gross salary to the scheme. Her employer contributes 3% of her gross salary to the scheme. Anna's pension fund has a current value of £210,000 and is invested in a UK equity tracker fund. Anna's employer does not offer any further benefits. Anna's pension has an up-to-date nomination in favour of Jeremy.

Jeremy and Anna have an interest-only mortgage with an outstanding balance of £90,000 on their home, which is currently valued at £400,000. They have been paying occasional lump sums towards the outstanding mortgage balance over the lifetime of the mortgage but are now wishing to repay it in full before Jeremy reduces his working hours in January. They have no financial protection in place to repay the mortgage in the event of either death.

Jeremy and Anna have a portfolio of ISAs and open-ended investment companies (OEICs) which are invested in a range of UK and global equity funds. Jeremy also holds an onshore investment bond which was set up just over ten years ago with an initial investment of £80,000. No withdrawals have been made from this bond. Jeremy and Anna wish to review their investment portfolio to ensure that they are able to generate additional income to cover the reduction in Jeremy's earnings from next January. Jeremy and Anna have used this year's ISA allowance.

Jeremy and Anna made a loan of £20,000 to their daughter, Ellen, a few years ago. They are considering the option of writing off this loan and instead treating it as a gift to Ellen.

Jeremy and Anna have mirror Wills leaving their estate on second death split equally between their two children.

Jeremy and Anna have a high attitude to risk and neither of them has any interest in Environmental, Social and Governance (ESG) investments. They have never sought financial advice in the past but now wish to do so, given their upcoming change in circumstances.

Jeremy and Anna have the following assets:

Assets	**Ownership**	**Value (£)**
House	Joint	400,000
Current account	Joint	15,000
Deposit account – Instant access	Joint	120,000
OEICs – UK & Global Equity funds	Joint	170,000
Stocks & shares ISA – Global Equity funds	Anna	210,000
Stocks & shares ISA – UK Equity funds	Jeremy	180,000
Onshore Investment Bond – Cautious Managed fund	Jeremy	120,000

Jeremy and Anna's financial aims are to:

- ensure they have sufficient income to allow Jeremy to reduce his working hours to a three-day week in January 2026;
- repay their outstanding mortgage;
- generate a tax-efficient and sustainable income throughout retirement.

Case Study 2

Paul and Sangita are both aged 34 and are unmarried. They do not intend to marry. They have two children, aged 7 and 5. Paul and Sangita are both in good health.

Sangita is employed as a marketing manager and earns a salary of £125,000 gross per annum. Sangita is a member of her employer's workplace pension scheme and contributes 5% of her gross salary to the scheme. Her employer contributes 5% of her gross salary to the scheme. Sangita's pension fund has a current value of £65,000 and is invested in the default UK cautious managed fund. The pension fund has an up-to-date nomination in favour of Paul. Sangita is also a member of her employer's death-in-service scheme which will pay out four times her basic salary on death whilst in service.

Paul is employed part-time as a software designer and earns a salary of £35,000 gross per annum. Paul opted out of his employer's workplace pension scheme as he did not believe the contributions were affordable on his part-time salary. His employer does not offer any further benefits.

Paul and Sangita have a repayment mortgage with an outstanding balance of £250,000 on their home which is currently valued at £300,000. The mortgage is protected in full by a decreasing term assurance policy which was set up when they took out the mortgage. They have no other protection policies in place.

Paul and Sangita have a limited range of assets but are keen to build up their savings and investments for the future. Neither of them has used their ISA allowances for the current tax year.

Paul and Sangita are concerned that they do not have sufficient financial protection for either themselves or their children in the event of death or disability. They believe this is a priority as they are heavily reliant on Sangita's income to support the family.

Paul and Sangita have an interest in Environmental, Social and Governance (ESG) investments, but this is not a primary concern for them. They are inexperienced investors but consider themselves to have an adventurous attitude to risk.

Paul and Sangita do not have Wills or Lasting Powers of Attorney.

Paul and Sangita have the following assets:

Assets	Ownership	Value (£)
House	Joint	300,000
Current account	Paul	1,500
Current account	Sangita	3,000
Deposit account – Instant access	Paul	50,000
Cash ISA – Instant access	Sangita	20,000
Stocks & shares ISA – Global Index-Tracker fund	Paul	30,000

Their financial aims are to:

- ensure that sufficient financial protection is in place to support the family in the event of either death or disability;
- improve the tax-efficiency of their current financial arrangements;
- set up an appropriate investment strategy to build up their retirement savings.

Useful tips as you prepare for the R06 exam

1. **Schedule sufficient revision time** to use your notes and learning and support materials to refresh your learning and consider how what you have learned applies to the case studies.

2. **Familiarise** yourself with the format and the navigation options navigation of an onscreen written exam:

    Familiarisation Test

    Although the familiarisation test is modelled on AF1, the example is relevant for every candidate preparing to sit on-screen written exams by remote invigilation. Whilst there might be slight differences in layout, it will make you familiar with navigation and use of the platform.

    Familiarisation Test

    If you will be taking your exam by remote invigilation you will also have access to a familiarisation test, allowing you to explore the invigilation platform and process (which is different to MCQ exams such as units R01-5). We strongly recommend that you schedule and take a familiarisation test before the day of your exam. You will be given the option to take a familiarisation test when you receive your exam login details in an email a week before your exam.

    Taking the familiarisation test will introduce you to the check-in process including a system check, a photo ID check, a room scan, taking a user photo, entering your login details and answering test questions. It can also indicate current system issues with your equipment with time to resolve these before your exam.

    The *Assessment Information - Before the exam* area of the CII website has further practical information and support.

3. **Prepare exam technique** using the support of the Exam Guides on the R06 unit page https://shop.ciigroup.org/financial-planning-practice-r06--r06.html which include examiner guidance and time-saving tips such as abbreviations.