Personal Finance Society

Standards. Professionalism. Trust.

ARMED FORCES COVENANT

FORCES MoneyPlan

Financial Guidance for Service Personnel and Veterans

Handbook for Financial Advisers

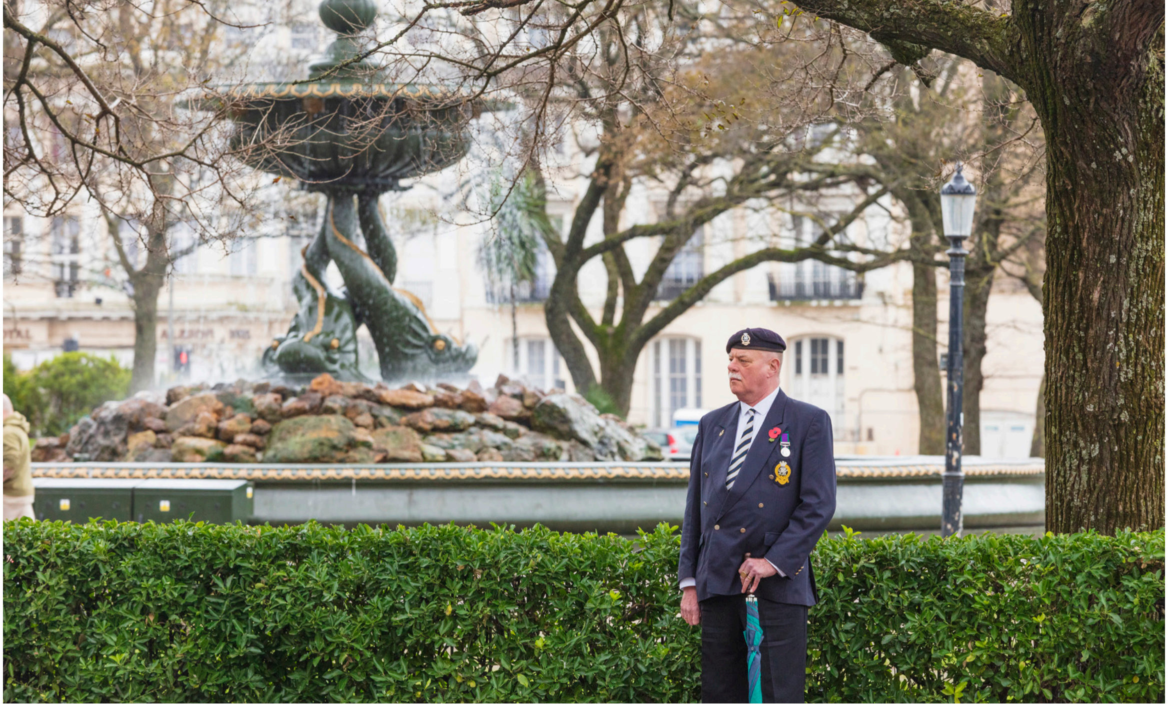
1. Welcome About this initiative

Thank you for volunteering to provide generic financial guidance for service personnel and veterans; a pro bono initiative known as 'Forces MoneyPlan'. We appreciate the unique and valuable contribution your expertise will bring.

→ BACKGROUND

Following greater active engagement of our armed forces in recent years, many involved have been in receipt of substantial sums of money as a result of either payments from the Armed Forces Compensation Scheme or insurance-based payouts. In many cases, the amounts involved are of a level that the individual has never had to contemplate or manage in the past, placing them in a position of vulnerability; ranging from inappropriate advice that doesn't have their best long-term interests at its centre, sub-optimal advice that does not maximise financial benefits, through to more blatant fraudulent activity and financial scams.

This pro bono initiative was established by The Personal Finance Society to enable armed forces personnel and veterans, whether in receipt of related compensation payments or not, to benefit from free financial guidance from a fully qualified and regulated financial adviser and member of the Personal Finance Society and the Society of Mortgage Professionals. This may or may not lead to the delivery of fee-based regulated financial advice with a personal recommendation as to a course of action and/or product transaction.



➔ PARTICIPANTS

Personal Finance Society (PFS)
The PFS is the largest professional body for the financial advisory profession in the UK. The Society is part of the CII Group and therefore shares the CII mission and Royal Charter to secure and justify public confidence and trust in its members and the sector more broadly.

In 2020 Forces MoneyPlan welcomed members of the Society of Mortgage Professionals, a professional body dedicated to those working within the mortgage arena. The Society is also part of the CII group and therefore also aligns itself with the CII's mission and Royal Charter.

On Course Foundation
Forces MoneyPlan was established in July 2017 with the support and help of the On Course Foundation. This leading charity helps armed forces veterans who suffer from physical and mental injuries, by introducing them to golf and how the golf industry can provide employment such as golf course management, green keeping, marketing etc.

Blesma
In July 2018 Forces MoneyPlan was extended to Blesma, a military charity for limbless veterans which was founded in the aftermath of the First World War. Blesma helps all serving and ex-service personnel who have lost the use of limbs or eyes to rebuild their lives by providing rehabilitation activities and welfare support.

Forces Pension Society
In November 2018 Forces MoneyPlan expanded to include members of the Forces Pension Society (regardless of their health or injuries) which is an independent, not-for-profit organisation that acts as the pension watchdog for the whole military community.

Cobseo
In 2019 Forces MoneyPlan was accepted as an affiliate member of Cobseo (the Confederation of Service Charities). This affiliation will help us spread the reach of this initiative.

Veterans' Gateway
In September 2019, Forces MoneyPlan was accepted onto this facility which was administered by the Royal British Legion. This service was retired in September 2024 and replaced with:

UK Government Veteran Provider Directory
This is an online advice facility putting veterans and their families in touch with organisations best placed to help with the information, advice and support they need from – healthcare and housing to employability, finances, personal relationships and more.

➔ THE PRO BONO OFFERING

Armed forces personnel and veterans referred into this initiative will benefit from your expertise in respect of the following:

1. A consultation with a financial adviser who is a member of the Personal Finance Society/Society of Mortgage Professionals
2. The completion of a basic fact-find to help inform 3 below
3. The receipt of an *Options and Priorities* report
4. Signposting to a regulated financial adviser via the PFS
5. 'YourMoney' adviser register should the forces client require such a service but not wish to engage with their original pro bono adviser

➔ THE CLIENT JOURNEY

STEP 1 /

The client will be able to request a consultation by leaving contact details via website, phone or post. These are monitored/supported by the PFS who will match the client to a local adviser (wherever possible). Where there is no local adviser, the nearest adviser geographically will be allocated. A link to the webpage is also available to our armed forces partners and all armed forces personnel and veterans via the UK Gov.uk Veteran Provider directory

STEP 2 /

The adviser will contact the client, make reference to Forces MoneyPlan and arrange a mutually convenient date and time for a free, no obligation, confidential financial guidance consultation either face-to-face, online or telephone. The client will not be charged travel or other expenses as the initial pro bono session in its entirety should be free. (Experience has shown that in some cases the initial telephone call may be all that is needed to satisfy the client's financial query).

STEP 3 /

- The client will be issued with a Forces MoneyPlan *Statement of Engagement* (template available online or by request) by e-mail or letter by the pro bono adviser within 24 hours of initial contact making clear the following:
- The nature of the consultation (length of meeting, what to expect, any preparation needed, guidance not a personal recommendation etc).
- That the consultation is free.
- That the consultation will result in an *Options and Priorities* report to be sent to the client (hard copy or e-mail) within seven days of the meeting.
- That the client is under no obligation whatsoever to continue dealings with the pro bono adviser after the initial free consultation, unless they choose to do so, at which point the pro bono adviser will make clear all and any subsequent charges involved in writing and *before* any are incurred. Alternatively should the client wish to speak with another financial adviser they can source a regulated adviser via the 'Your Money' adviser register

STEP 4 /

The client receives a free consultation delivering only generic financial guidance (as defined on page 5). During the consultation (or before if previously arranged) the adviser will action a basic *Fact Find* (a Forces MoneyPlan template is available online or by request) to inform discussions.

STEP 5 /

The client will receive an *Options and Priorities* report in a prescribed format together with a *Feedback* form (both templates available online or by request) built around five sections:

1. Generic principles/rules of thumb underpinning financial wellbeing
2. Things to consider following your meeting
3. Further sources of reliable information
4. Things to be aware of
5. Next steps (including the role and value of independent financial advice regulated by the Financial Conduct Authority)

Both the report and any accompanying letter will confirm that the pro bono adviser will have no further proactive contact with the client unless the client (and adviser) wishes otherwise. The report format also contains information on the value and likely cost of regulated financial advice as well as how the client can find an alternative adviser if they are not entirely comfortable with the pro bono adviser or the pro bono adviser doesn't want to offer any guidance/ advice/personal recommendation going forward. At this point it will be up to the client to take any further action in respect of their financial needs.

STEP 6 /

The client is asked to send back a completed feedback form direct to the PFS (available online or by request)

2. Roles, responsibilities and expectations of participating financial advisers

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→ BASIC REQUIREMENTS

Personal Finance Society
A participating financial adviser must be a practising member or an affiliated member of the Society, have a minimum of a level 4 qualification in Financial Services – Diploma in Personal Financial Planning (DipPFS) – and have an up-to-date *Statement of Professional Standing* issued by the Personal Finance Society.

Society of Mortgage Professionals
A participating financial adviser must be a practising member or an affiliated member of the Society, have a minimum of a level 4 mortgage qualification - CeMAP or Cert CII (MP).

→ ENGAGEMENT AND RESIGNATION

Participating financial advisers are able to sign up to the scheme through an agreed on-boarding process run by the PFS. The PFS have built a panel of participating advisers within each of the Society's 26 regions.

Should you become a participating adviser and then decide to resign your services, we request you fulfil any agreed consultations where possible and advise the PFS at the earliest opportunity. Could you also advise us of a change in contact details.

→ INDUCTION

All participating advisers will need to complete a slide based bespoke CPD induction training session created by the Personal Finance Society, designed to provide specialist knowledge that might be required when dealing with armed forces personnel or veterans and those in receipt of compensation payments. Completion will be required *before* any pro bono client consultations take place.

→ DEFINITION OF 'GENERIC FINANCIAL GUIDANCE'

Generic financial advice is defined as impartial, unregulated guidance that helps individuals identify and understand their financial needs and priorities based on their circumstances. It aims to help people make informed decisions about their options and to show them how to plan their finances. It is not about giving recommendations about specific products or services. It's crucial that financial advisers involved in this initiative adhere strictly to the Personal Financial Society's interpretation of generic guidance.

As such, this initiative seeks to provide financial information, rules of thumb and guidance in respect of possible options the individual may wish to consider (i.e. what they 'could' do), based on an understanding of his/her current circumstances, needs and priorities. It also provides guidance on how to go on to access regulated financial advice if a personal recommendation is required (i.e. what they 'should do').

→ WHAT HAPPENS IF THE CLIENT SUBSEQUENTLY NEEDS REGULATED FINANCIAL ADVICE

Although the guidance presented is not regulated financial advice, it is possible it may lead the client to seek specific regulated financial advice. It is important that the client is under no pressure whatsoever during the pro bono consultation to subsequently take chargeable regulated financial advice. Indeed, the report is designed to act as a break point, placing control in the hands of the client.

Section 5 of the report includes the following paragraphs:

> 'What you have received is information and guidance (generic advice). If you wish to receive advice in the form of a personal recommendation as to what course of action you should take based on a more detailed analysis of your personal circumstances, needs and wishes, you should consider taking regulated financial advice. Or you may simply find it helpful to speak to a regulated financial adviser if you are not sure what you need to do or are feeling confused about the options available to you including any aspect of this report.
>
> Please note there will be a charge for any subsequent financial advice you ask for, although these charges will be fully explained *before* any cost is incurred by you so you can decide whether to proceed or not. This advice can be provided by me (the financial adviser with whom you have had your free consultation meeting) or another financial adviser/firm should you prefer. If you wish to identify another financial adviser/firm you will be able to find one through the Personal Finance Society, the Professional Body for Financial Advisers, via their website **www.thepfs.org/yourmoney/** and using your post code.'

→ CASE MANAGEMENT

Keeping a record of meetings, serves to protect both you and the client. It provides a comprehensive record of the services offered, makes clear any further actions that you or the client needs to take and provides evidence in the event of a complaint being made against you.

At, or after, the meeting you need to record the following:

- a brief overview of the client and type of information and generic guidance given – to form the basis of section 2 within the report
- any referral for further specific advice
- details of any follow up needed and who by
- any deadlines (with dates)
- whether the client left the consultation satisfied and confident from the meeting or otherwise.

→ MONITORING AND EVALUATION

It is very important for us to gather client feedback about the effectiveness of this initiative. A feedback questionnaire must be given to all clients who have used the service alongside the report when issued.

We use this to try to understand:

- the helpfulness of the advice given
- the client's overall experience of the meeting
- what the client did next

The client should be encouraged to send this form back to the Personal Finance Society as soon as is convenient.

3. Principles and policies

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→ CONFIDENTIALITY

The Personal Finance Society Forces MoneyPlan initiative is to be delivered as a confidential service.

This means:

- interviews with clients should be held in private
- clients are not required to talk about their situation in front of others
- clients must be aware of and consent to any referrals
- information about a client should not be passed on to a third party without the client's permission. However, there are exceptions to this policy, for example where there is evidence that:
  - a client or someone else is in danger
  - disclosure of information is required by law e.g. Proceeds of Crime Act 2002
  - a potential conflict of interest exists.

→ EQUAL OPPORTUNITIES

The Personal Finance Society Forces MoneyPlan initiative operates regardless of race, gender, disability, sexual orientation, nationality, religion or age. In all aspects of its work, the service and those involved in its delivery recognise the positive value of diversity, promote equality, and challenge discrimination.

→ VULNERABILITY

Inexperience in handling compensation payments, dealing with financial matters or receiving guidance and/or advice from professional financial advisers will mean that many clients who wish to take advantage of this initiative may be deemed 'vulnerable'. It is important that generic advice is delivered taking into account good practice when dealing with vulnerable clients, for example ensuring the client understands they can be accompanied to the pro bono meeting if they wish to be. Further good practice will be highlighted within the induction session.

→ OVERSEAS TERRITORIES

When Forces MoneyPlan was originally set up it was done so in respect of injured service personnel and veterans, almost all of whom could be expected to be UK-based.

Since then the scheme was extended to all serving personnel and veterans as part of our commitment to the Armed Forces Covenant and this has raised a couple of issues in respect of personnel serving abroad. We suggest that where possible any generic guidance given under the Forces MoneyPlan banner is deferred until such time as the intended recipient is back in the UK. Whilst Armed Forces personnel posted abroad are treated as Crown Servants, with salary and allowances continuing to be taxed in the UK as normal, taxation of some other income and capital gains received can be dependent upon things such as where it arises, UK tax residence status and the existence of double taxation agreements. Such complexities complicate generic guidance beyond the scope of a one-off pro bono offering.

Where an adviser is comfortable giving generic guidance on options for forces personnel abroad, we recommend where subject to compliance due diligence from a Principal in all cases they first gain regulatory approval from their Compliance team.

Members of the armed forces living overseas can contact HMRC on the Crown Servants Helpline to discuss income tax or capital gains tax queries (tel +44 135 535 9022)

→ CAPACITY

It is important that participating advisers have an understanding of the Mental Capacity Act. Whilst the initial generic advice session with not involve participating advisers in making decisions for the client, an appreciation of the principles should underpin the pro bono meeting. These will be highlighted within the induction session.

→ LEGAL ADVICE

Should a client's need for legal representation be identified, we suggest members of the Royal British Legion Solicitors Group (trblsg.co.uk) may be a good starting point.

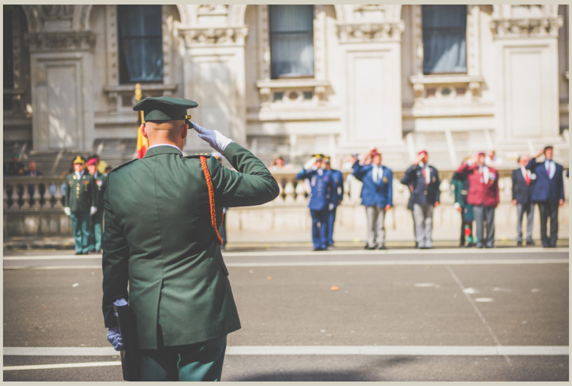
→ COMPLAINTS

We hope that anything a client is unhappy about can be sorted out locally on an informal basis but if a client would like to make a formal complaint then it will need to be handled through your existing client complaints process.

PRO BONO VOLUNTEER AGREEMENT

If you have not yet registered to participate as a volunteer, please complete this online form

REGISTRATION FORM



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