R06 — FINANCIAL PLANNING PRACTICE

CASE STUDIES – JULY 2025

Case Study 1

Adam and Lauren, both aged 64, are married and are in good health. They have three adult children and four grandchildren. Adam is planning to retire in February next year when he reaches age 65. Adam works full-time and Lauren works on a part-time basis. She plans to continue working for the next two years for her current employer.

Adam is a legal consultant and earns £150,000 per annum (gross). He is a member of his employer's qualifying workplace pension scheme and contributes 7% of his gross salary to the scheme. This is matched by his employer. Adam is a member of his employer's death-in-service scheme which will pay out three times his basic salary on death whilst in service. Adam's pension plan has a current value of £350,000 and he has recently switched the full value into a money market fund.

Adam also has a previous pension which is in his former employer's defined contribution pension scheme with a value of £85,000. This is invested in a unitised with-profit fund. This plan offers a guaranteed annuity rate at age 65 of 11% per annum on a single life, level basis.

Lauren is employed part-time as a graphic designer and earns £32,000 per annum (gross). She is a member of her employer's qualifying workplace pension scheme and contributes 5% of her gross salary to the scheme. This is matched by her employer. She is a member of her employer's death-in-service scheme which will pay out four times her basic salary on death whilst in service.

Lauren's pension plan has a current value of £120,000 and is invested in a range of global equity growth funds. Lauren has no other pension benefits and is keen to improve her retirement savings whilst she remains employed.

Adam and Lauren have a range of cash holdings which they have built up over many years from accumulated surplus income. They have used their ISA allowances for the current tax year and hold a range of funds which are all held on a low-cost investment platform. Adam also holds an OEIC which is invested in a FTSE-100 Index Tracker fund. This was purchased for £40,000 in 2007.

Adam and Lauren wish to ensure that they have sufficient income to meet their needs throughout retirement, but they also wish to leave as much of their estate as possible to their children on second death. They have asked for information about the types of trusts that they might utilise in retirement. They have up-to-date mirror Wills and Lasting Powers of Attorney in place.

Adam and Lauren are both medium to high-risk investors with neither of them having any strong interest in Environmental, Social and Governance (ESG) investing.

Adam and Lauren have the following assets:

Assets	**Ownership**	**Value (£)**
Family home	Joint	650,000
Current Account	Joint	55,000
Deposit Savings Account – Fixed-Rate (maturing May 2026)	Joint	140,000
Cash ISA – Variable Rate – Instant Access	Adam	67,000
Cash ISA – Variable Rate – Instant Access	Lauren	44,000
Stocks & shares ISA – UK and Global Equity funds	Adam	290,000
Stocks & shares ISA – Mixed Investment 20-60% shares fund	Lauren	210,000
OEIC – FTSE-100 Index Tracker fund	Adam	110,000

Their financial aims are to:

- ensure they have sufficient income in retirement;
- improve the tax-efficiency of their current financial arrangements;
- ensure as much of their estate as possible is passed to their children on second death.

Case Study 2

Sanjeev and Kamini, both aged 34, are married with one daughter, aged three. The family are all in good health. They are planning to have further children in the next few years.

Sanjeev is employed as a media consultant and earns £57,000 per annum (gross). Sanjeev is a member of his employer's qualifying workplace pension scheme and contributes 5% of his gross salary to the scheme. His employer contributes 4% of his gross salary to the scheme. He is a member of his employer's death-in-service scheme which will pay out three times his basic salary on death whilst in service. Sanjeev's pension plan has a current value of £47,000 and is invested in a global equity tracker fund.

Kamini has only recently returned to work following the birth of their daughter. She is employed as a copywriter and earns a salary of £40,000 per annum (gross). She took extended unpaid maternity leave and has returned to her job on the same terms and conditions. She is a member of her employer's qualifying workplace pension scheme and contributes 5% of her gross salary to the scheme. Her employer matches this contribution. Her pension has a current value of £28,000 and is invested in a cautious managed fund. Kamini receives no other employee benefits.

Sanjeev and Kamini have a repayment mortgage of £190,000 on their home with a variable interest rate tracker that is set at 0.5% above the Bank of England base rate. They have the option to make overpayments to the mortgage without penalty if they wish to do so. The mortgage is covered by a joint-life first-death level term assurance policy with a sum assured of £190,000. The policy term matches the term of the mortgage.

Sanjeev and Kamini have received a gift of £100,000 from Kamini's parents which is currently held in their joint deposit account. They are considering the best options for using this money and are considering either repaying part of their mortgage with these funds or setting up a long-term investment portfolio to build funds for their future retirement.

Sanjeev and Kamini are concerned that they do not have adequate financial protection and have asked for advice on this. They wish to keep the costs of any new protection policies as low as possible as Kamini is likely to take further periods of extended unpaid maternity leave.

Sanjeev and Kamini have a range of investments, held in ISAs, unit trusts and OEICs which have been purchased from gifts received from both of their families over the past few years. They are concerned that they do not have any coherent investment strategy and have no long-term financial plans in place.

Sanjeev and Kamini are both high-risk investors with no strong interest in Environmental, Social and Governance (ESG) investing, although Kamini is keen to avoid investments into areas where there may be exploitation of labour.

Sanjeev and Kamini have the following assets:

Assets	**Ownership**	**Value (£)**
Family home	Joint	270,000
Current account	Joint	15,000
Deposit account – Instant Access	Joint	125,000
Unit Trust – UK Corporate Bond fund	Sanjeev	45,000
OEIC – Global Mixed Investment fund 0-35% shares	Kamini	53,000
Stocks & shares ISA – European Equity funds	Sanjeev	42,000
Stocks & shares ISA – Asia Pacific Equity funds	Kamini	53,000

Their financial aims are to:

- ensure they have adequate protection in place to meet their family needs;
- assess the suitability of their existing savings and investments;
- put in place a suitable investment strategy for their new funds.

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.