Chartered Insurance Institute

R06 — FINANCIAL PLANNING PRACTICE

CASE STUDIES – JANUARY 2026

Case Study 1

Arish and Fiona, both aged 30, are married and have two children, aged six and four. All the family are in good health.

Arish is employed as a legal consultant and earns £120,000 per annum (gross). Fiona is employed as a magazine editor and earns £68,000 per annum (gross). Fiona is currently setting up a private consultancy practice. She hopes to be able to leave her employer and work full-time on her new venture in the next few years. Fiona has asked for your advice in setting up her new practice in a tax-efficient manner.

Arish is a member of his employer's workplace pension scheme and contributes 8% of his gross salary to the scheme. His employer contributes 5% of his gross salary to the scheme. Arish's pension fund has a current value of £140,000 and is invested in a range of adventurous UK equity funds. Arish is also a member of his employer's death-in-service scheme which will pay out four times his basic salary on death whilst in service.

Fiona 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. Fiona's pension fund has a current value of £67,000 and is invested in a UK managed equity fund. Fiona is also a member of her employer's death-in-service scheme which will pay out three times her basic salary on death whilst in service.

Arish and Fiona have a repayment mortgage with an outstanding balance of £260,000 on their home, which is currently valued at £340,000. The remaining mortgage term is 20 years and is protected by a joint life level term and critical illness policy, set up on a first event basis, for a sum assured of £280,000. They have no other protection policies in place. Arish and Fiona both have outstanding student loans of £35,000 each and are considering making lump sum repayments to reduce these.

Arish and Fiona have an interest in Environmental, Social and Governance (ESG) investments. They are both high-risk investors.

Neither Fiona nor Arish have used their ISA allowances for the current tax year. Arish is considering an investment into a new Venture Capital Trust as he has heard about the tax benefits of this type of investment. He has asked for advice on this.

Arish and Fiona have set up mirror Wills which leave all assets to the survivor on first death and to their children, in trust, on second death.

Arish and Fiona have the following assets:

Assets	**Ownership**	**Value (£)**
House	Joint	340,000
Current Account	Joint	5,000
Deposit Account – Instant access	Joint	35,000
Stocks & shares ISA – UK Equity Tracker fund	Arish	44,000
Stocks & shares ISA – UK Ethical Equity fund	Fiona	37,000

Arish and Fiona's financial aims are to:

- ensure that they have sufficient financial protection to meet their family needs;
- set up an appropriate structure for Fiona's new consultancy practice;
- improve the tax-efficiency of their financial arrangements.

Case Study 2

Jon and Elaine, both aged 64, are married. They each have two adult children from their previous marriages. Jon divorced his previous wife 10 years ago and Elaine's first husband died five years ago. Jon and Elaine are in good health. They are planning to retire next year.

Jon is a product consultant and earns £80,000 per annum (gross). Jon is a member of his employer's qualifying workplace pension scheme and contributes 5% of his gross salary to the scheme. This is matched by his employer. His pension plan has a current value of £620,000 and is invested in a range of equity and fixed-interest funds. Jon is a member of his employer's death-in-service scheme which will pay out four times his basic salary on death whilst in service.

Elaine is a marketing manager and earns £38,000 per annum (gross). Elaine is a member of her employer's qualifying workplace pension scheme and contributes 5% of her gross salary to the scheme. Her employer contributes 4% of her gross salary to the scheme. Her pension plan has a current value of £108,000 and is invested in a cautious lifestyle fund. Elaine is a member of her employer's death-in-service scheme which will pay out three times her basic salary on death whilst in service.

Jon has a personal income protection insurance policy which he set up many years ago. This policy ends on his 67th birthday in December 2028. They have no other financial protection policies.

Jon and Elaine hold stocks and shares ISAs which are invested in a range of investment funds from different investment houses. Elaine also holds a global equity unit trust which she inherited from her late husband. This has performed very well since she inherited it. She is unsure if this investment is suitable for her. Jon and Elaine are keen to improve the tax-efficiency of their investments and to simplify the ongoing administration as they approach retirement.

Jon and Elaine are keen to ensure that the surviving spouse is financially supported during their lifetime and that on second death, their children from their previous marriages will receive their respective assets. They have asked for advice in this respect. They do not have up-to-date Wills at present, but they have recently set up lasting powers of attorney which name each other and their respective children as joint attorneys.

Jon and Elaine own their home which is mortgage-free. This is held as tenants in common. Jon is considering the merits of gifting a sum of £200,000 split equally between his two children when he retires.

Jon and Elaine are medium risk investors with no particular interest in Environmental, Social and Governance (ESG) investing. Jon and Elaine have no debts or other liabilities.

Jon and Elaine have the following assets:

Assets	**Ownership**	**Value (£)**
House	Joint	600,000
Current Account	Elaine	3,000
Unit Trust – Global Equity fund	Elaine	205,000
NS&I Premium Bonds	Elaine	50,000
Stocks & shares ISA – Mixed Investment 20-60% shares funds	Elaine	310,000
Current Account	Jon	10,000
Deposit Account – Fixed Rate (to July 2027)	Jon	200,000
Stocks & shares ISA – UK Equity/Corporate Bond funds	Jon	400,000

Their financial aims are to:

- improve the tax-efficiency of their financial arrangements as they approach retirement;
- put in place suitable arrangements to ensure that their children from their previous marriages receive their individual assets on second death;
- review the affordability for Jon of making gifts to his children when he retires.

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.