

12th November 2013

Personal Touch To Subsidise Members Regulatory Fees

Personal Touch Financial Services today contacted its member firms giving advance notice of its intention to subsidise their regulatory fees for 2014, following increases in regulatory costs announced by the FCA.

In September Personal Touch announced a freeze of its own network member fees and more recently the introduction of twice-weekly commission payments; both measures designed to reward members for their hard work and commitment.

David Carrington, marketing director for Personal Touch, explains:

“We have seen significant increases in our regulatory costs, which together with our PI premiums brings our total regulatory charges to over £1.6m. Obviously we treat these costs as disbursements to members and need to pass them on. But given our commitment to support members and equally reward them for their particularly hard work and loyalty in the past year, the board have taken the decision to subsidise some of the fee increase for 2014 using additional revenue generated by stronger mortgage volumes and other cost and efficiency savings we are achieving across the business”.

Personal Touch will be subsidising its 2014 members' regulatory costs by approximately 12% (£200k) of the total regulatory bill as well as absorbing the increase for the second half of 2013. The overall effect of the increased support is to keep the total increase in cost of membership (assuming identical business levels and mix) to under 5% for the vast majority of firms.

In its letters to members Personal Touch also announced that despite difficult market conditions for many, the network had been successful in renewing its PI insurance on the same terms and through the same brokers as the previous year.

David Carrington continues:

“Securing competitive PI cover is an important reassurance for members in a tough market and is a reflection on the quality of advice that we provide. Simultaneously, we are also introducing direct supervision at no additional charge and have introduced a fee waiver for new advisers recruited into our member firms. Taken together with our regulatory fee subsidy we believe this admirably demonstrates our commitment to be transparent and support members and equally show our thanks to those who have worked so hard this year, particularly enabling the positive growth in mortgage business above target.”

ENDS

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Notes To Editors

Personal Touch Financial Services is a privately-owned professional adviser network. Established in 1994, the Company is authorised and regulated by the Financial Conduct Authority (FCA). Personal Touch Financial Services provides business, technical and regulatory support to a community of highly-qualified member firms, with a focus on the mortgage and protection sector.

Personal Touch is committed to running a consumer-focused organisation with professional standards and service quality at the core of this.

In its investment and pensions operation, Personal Touch operates a broad-based, restricted advice proposition with professionally qualified advisers supported by dedicated bespoke technology, compliance and business development resources. Adviser members benefit from the additional support

Press Release



of a robust PI policy giving legal protection which can otherwise cost firms considerable additional expenditure.

Distributing a diverse range of products from a comprehensive panel of major and specialist lenders, the company has four main areas of business:

- Protection
- Mortgages
- Investments and pensions
- General Insurance

Other more specialist business areas include:

- Private medical insurance
- Equity release and loans