

## Transparency: goneaways and unclaimed assets

With the financial services sector increasingly in the spotlight around the issue of transparency, it is timely that the FCA recently announced the findings of their review of closed life books.

[www.fca.org.uk/your-fca/documents/thematic-reviews/tr16-02](http://www.fca.org.uk/your-fca/documents/thematic-reviews/tr16-02)

This review has sent shockwaves through the industry and has far wider implications than those affecting the closed life book holders. And there is a strong possibility that many of the findings around transparency on costs, charges and unclaimed assets will be replicated in the current FCA review into asset managers.

The problem of unclaimed assets is not new. Some may consider it is not a problem at all given the limited transparency around it. The FCA closed life book review identified between £10 and £20 billion of unclaimed assets. However the numbers are vague and in some camps there is a reluctance to even look into the issue to try and quantify it. This lack of transparency is prevalent throughout the financial services sector, and many firms have no regular process in place to deal with the situation.

Unclaimed assets should be with the customer but for a variety of reasons customer contact has been lost and the asset holder does not know where the customer is. There is much debate at the moment around treating customers fairly. Whilst a major focus is on charges, it is only right that the ultimate outcome of the customer receiving the assets they have purchased is delivered and at the intended time. In 2010 the Pensions Regulator issued guidelines around customer address data and how to prevent goneaway customer situations.

<http://www.thepensionsregulator.gov.uk/guidance/guidance-record-keeping.aspx>

The FCA closed life book review went much further in issuing expectations on proactively identifying goneaway customers and taking remedial action on an ongoing basis. Somewhat surprisingly the FCA did not issue a requirement for annual reporting of unclaimed asset volumes and values but there is a strong chance that this will become a requirement in near future.

The problem of disconnect between customer and asset is difficult, if not impossible to totally avoid.

Last year approximately six million people moved home. Only one million registered their change of address with the Post Office forwarding service. As the remaining five million did not attempt to have their post redirected it is likely that writing to their financial service providers was not high on their list of priorities. Around 500,000

people die in the UK every year. Last year 250,000 people married and 100,000 divorced. All these events give rise to address and name changes. For those diligent customers who did notify their providers of a change in address or circumstances there is still a strong possibility that their details may not have been fully updated across all policies held as few providers have successfully adopted a single customer view.

Whilst disconnect is inevitable it can be rectified. The Pensions Regulator, the Tax Incentivised Savings Association, British Standards Institute and now the FCA have all given clear guidance on what they expect by way of data quality and steps to be taken to ensure data accuracy, minimising the volume and value of unclaimed assets.

In December 2015 the Dormant Assets Commission was launched. This new commission is looking to expand on the Dormant Accounts Scheme and to take control of unclaimed assets and distribute them to good causes, potentially via the National Lottery.

[www.gov.uk/government/news/dormant-assets-worth-up-to-1-billion-set-to-revolutionise-charity-funding](http://www.gov.uk/government/news/dormant-assets-worth-up-to-1-billion-set-to-revolutionise-charity-funding)

Few customers would consider it fair treatment to have an asset that is due to them passed over as an unclaimed asset without all steps having been taken to re-engage with them.

Costs and charges may be something hard for the consumer to fully grasp, but the concept of a company sitting on an asset that should be with the customer because they have lost contact is something the consumer will understand and see as totally unjust. The financial services sector is already suffering from a poor public image and lack of consumer trust. Failure to address the transparency issue as it relates to unclaimed assets can only exacerbate the situation. Will this be the next public scandal?

David Rich

**Accurate Data Services** is a specialist people tracing business, focused on dealing with unclaimed assets, tracing goneaway customers and providing email/telephone appending.

Contact us on **01603 813366**

or **info@accuratedata.co.uk**

Visit our website at **www.accuratedata.co.uk**