

# FCA proposes simplified investment advice regime

## AT A GLANCE

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### What's new?

- The FCA proposed a simplified 'core investment advice' regime in [CP22-24](#) on 30 November 2022.
- As part of its Consumer Investments Strategy, it is seeking to increase mass-market consumer investment exposure, particularly for those with large quantities of cash but who also have an appetite for investment risk.
- The proposals will see reduced compliance burdens for firms who offer advice on stocks and shares (S&S) ISAs.

### What does this mean?

- Access to full investment advice has become more challenging for the mass-market since the RDR in 2012.
- The FCA's proposals will allow firms to offer advice on S&S ISAs up to the annual contribution limit, within a streamlined regime including:
  - reduced qualification requirements
  - reframed suitability requirements
  - a limited range of mainstream investment solutions, excluding high-risk investments
  - greater flexibility in charging structures, including installments.

### What do firms need to do?

- At this stage the FCA is only consulting on the possible approach.
- Clearly firms with either existing distribution models - whether face-to-face or automated - should consider how this regime would interact with existing services, and whether this could be an alternative or additional service offering.
- The interaction between regimes, in particular marketing, filtering and transition, will require careful consideration.
- For firms manufacturing product, this could also be an opportunity for improved mass-market access.

### Next steps

Firms should consider the potential commercial opportunity from these proposals, as well as the interaction between the new 'core regime' and existing regimes. The FCA welcomes comments until 28 February 2023, and expects the regime to come into force by March 2024.

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