Case study – S166 redress support

Client: Compliance consultant

Project Length: 9 months

**Other stakeholders:** IFA, PI insurer/lawyers, FCA

Client Wins

> 400+ cases completed on time

> Known costs from the start and not exceeded

> Client had good visibility on the likely outcomes

Background

- An IFA subject to a S166 skilled person review with 400+ cases needing a redress calculation
- We partnered with the skilled person to design and deliver the project to produce 400 redress calculations and required consumer communications.

Engagement

- We worked with the client to map the process for the project. For this, we agreed that the client would undertake all the data gathering ensuring they collected all that was needed through designing pro-formas for their use.
- We expanded the team to deliver the project.
- Put in place regular communications with the client to make sure the project ran smoothly. Were available to work with the advisers of the IFA to help them be comfortable with the approach and figures we were producing.
- Produced 400+ redress calculations and for this project, offer letters to go the consumer.
- Project completed in line with expectations on both budget and time scale.

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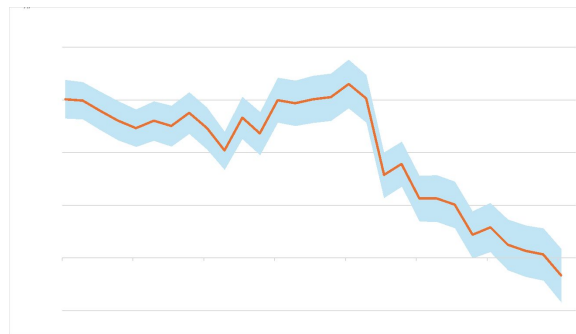
Case study – M&A support

Who for?: IFAs, their advisers, PI insurers

What for?: CP23/24, M&A, insurance underwriting

What do you get?: A full actuarial report detailing the results

Summary

> Actuarial assessment of the DB redress liabilities

> Optional qualitative overlay

> Actuarial report compliant with professional standards

What we need

- Date of transfer, CETV paid, critical yield from TVAS, ceding scheme's NRA, marriage details, name of ceding scheme

- If you are the adviser, you should have access to an up-to-date asset value. Otherwise, we will discuss an approach with you.

What we do

- We use the data outlined above to calculate an estimate of the redress liability.

- Sunrise takes account of the DISP App 4 rules and assumptions as well as the underlying TVAS assumptions that were in force at the time of the transfer advice. Our approach has been tested – see chart.

- Assets taken into account based on actual MV or project in line with indices.

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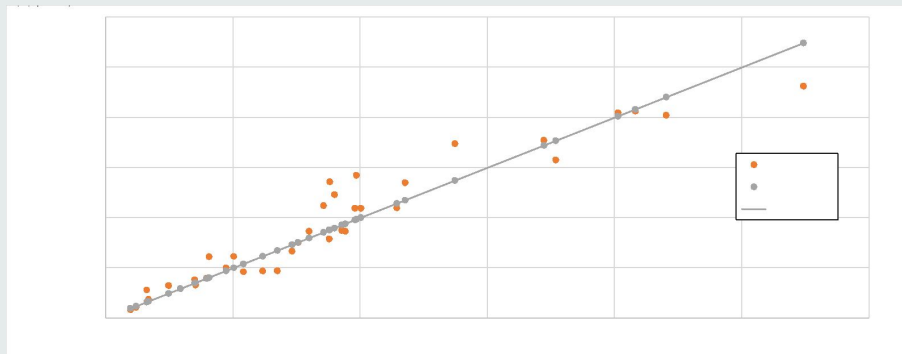
Case study – loan interest redress

Client: Loan provider

Project Length: 3 months

Other stakeholders: Consumers, FCA

Client Wins

> Quick validation of their results

> External actuarial 'sign off' to give all comfort the remediation was correct

> All affected consumers received redress

Background

• Our client had miscalculated the interest due on a loan book and was looking to rectify the situation.

• They had used internal resources to produce a model to do so. They were looking for a partner to provide quality assurance on this work and to give the FCA comfort that appropriate redress had been calculated and paid.

Engagement

• On instruction we acquired the data used by the client and assessed the quality.

• Based on our assessment, we built the appropriate model to calculate the redress and to validate the client's model.

• We reported our findings in a formal actuarial report giving the client that quality assurance they wanted.

• The report was shared with the FCA.

• We carried out quality assurance on the final individual payments to each consumer.

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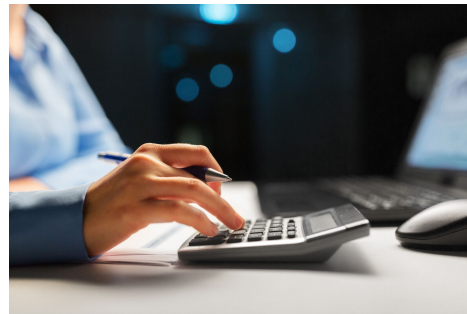
Case study – expert witness

Client: IFA firm

Project Length: 6 months

Other stakeholders: Instructing solicitor, other side's expert

Client Wins

> A good understanding of the redress rules gained

> Sufficient evidence to challenge the other expert's figures

> Acceptable settlement reached

Background

- Our client was in litigation regarding potential pension redress liabilities. The case was primarily regarding whether the advice given was appropriate. Part of the case covered the extent of the potential redress liabilities.

- The other expert had produced a report setting out their findings on the size of the potential redress liabilities. Our instruction was to check these and provide commentary on areas of subjectivity within the rules concerning redress calculations.

Engagement

- On being appointed, we discussed the details of our instruction making sure that we were focussing on areas that added value to the client and were within our areas of expertise.

- We obtained the same data the other expert had used and independently ran calculations on a subset of the data.

- We discussed our findings with instructing counsel in that we identified significant errors in the other expert's figures.

- We produced our expert adviser report setting out our findings and covering the areas of subjectivity within the redress rules.

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