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# COMPLIANCE ASSESSMENT

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*Making Sense of Financial Advice*



**Compliance Document**  
*February 2026*

**EVALUATION COPY**

This assessment is provided to support the distributing firm's compliance review process. It does not constitute compliance sign-off. The distributing firm retains full regulatory responsibility.

## Part One: Executive Summary

This assessment evaluates "Making Sense of Financial Advice" (Revised Version), an educational guide designed for distribution by FCA-authorized firms to retail prospects. The assessment examines every section of the guide, including the six strategic inserts, against the applicable regulatory framework.

### 1.1 Document Classification

The guide constitutes a financial promotion under Section 21 of the Financial Services and Markets Act 2000 (FSMA) as it invites readers to consider seeking regulated financial advice. When distributed by an FCA-authorized firm to retail prospects, this is entirely lawful. The authorized firm is permitted to communicate its own financial promotions directly to retail prospects, provided the content meets the requirements of COBS 4 and the firm's internal approval processes have been followed.

The document does not: recommend specific products or providers; provide personal financial advice; make guarantees or promises about outcomes; use pressure tactics or urgency language; or present itself as a substitute for regulated advice.

### 1.2 Overall Assessment

**OVERALL ASSESSMENT: Suitable for distribution by FCA-authorized firms following firm-specific customisation and internal approval.**

## Part Two: Applicable Regulatory Framework

This section sets out the regulatory framework against which the document has been assessed.

### 2.1 Primary Legislation: FSMA 2000

#### Section 21: Financial Promotion Restriction

Section 21 of FSMA establishes the financial promotion restriction. It provides that a person must not, in the course of business, communicate an invitation or inducement to engage in investment activity unless: (a) the person is an authorised person, or (b) the content of the communication is approved by an authorised person.

The guide falls within this restriction as it invites readers to consider engaging with financial advisers regarding regulated investment activity. However, when distributed by an FCA-authorized firm, the firm is itself the authorised person communicating the promotion. This is the normal and entirely lawful way that financial promotions reach retail prospects.

### 2.2 FCA Handbook: Conduct of Business Sourcebook (COBS)

#### COBS 4.2.1R: Fair, Clear and Not Misleading

COBS 4.2.1R requires that a firm must ensure that a communication or a financial promotion is fair, clear and not misleading. This primary rule applies to all content in the guide and has been tested against each section.

#### COBS 4.5: Communicating with Retail Clients

COBS 4.5.2R sets out requirements for information addressed to retail clients. Information must: (1) include the name of the firm; (2) be accurate and not emphasise potential benefits without also giving a fair and prominent indication of relevant risks; (3) be sufficient for, and presented in a way likely to be understood by, the average member of the group to whom it is directed; and (4) not disguise, diminish or obscure important items, statements or warnings.

#### COBS 4.5.8R: Tax Treatment

Where information refers to a particular tax treatment, the firm must ensure it prominently states that the tax treatment depends on individual circumstances and may be subject to change in future. The guide includes this disclaimer.

#### COBS 4.6: Past Performance

COBS 4.6 governs communications containing indications of past performance. The guide references Vanguard research on adviser value but does not cite specific past performance of investments. The reference relates to the value of advice generally rather than the performance of specific investment products. Appropriate caveats are included.

#### COBS 4.7: Direct Offer Financial Promotions

Not applicable. The guide does not constitute a direct offer financial promotion as it does not specify a particular investment product, provide pricing information, or contain an application form.

### 2.3 FCA Consumer Duty (PRIN 2A)

#### Principle 12

PRIN 2.1 establishes Principle 12: "A firm must act to deliver good outcomes for retail customers." This principle came into force on 31st July 2023. The Consumer Duty applies to interactions with retail prospects as well as existing clients.

## Cross-Cutting Rules (PRIN 2A.2)

The cross-cutting rules require firms to: (a) Act in good faith towards retail customers (PRIN 2A.2.1R); (b) Avoid causing foreseeable harm to retail customers (PRIN 2A.2.5R); (c) Enable and support retail customers to pursue their financial objectives (PRIN 2A.2.10R).

## Consumer Understanding Outcome (PRIN 2A.5)

PRIN 2A.5 requires firms to support consumer understanding by ensuring communications are tailored to the characteristics of the target market, meet the information needs of retail customers, are likely to be understood by those customers, and support good outcomes. Firms must not exploit customers' behavioural biases or lack of knowledge. PRIN 2A.6 (Consumer Support) is not directly applicable to this guide, as it concerns post-sale support rather than pre-engagement education.

## 2.4 FCA Perimeter Guidance: PERG 8

### The Invitation or Inducement Test (PERG 8.3)

The guide constitutes a financial promotion because it is an invitation or inducement to engage in investment activity. Specifically, it invites readers to consider seeking regulated financial advice, which relates to advising on investments under Article 53 of the Regulated Activities Order 2001 (SI 2001/544). The guide does not itself provide advice; it provides educational information whilst positioning the distributing firm as a potential provider of regulated advice.

### Distinction Between Information and Advice

The guide is correctly positioned as educational and informational content. It does not cross the boundary into a personal recommendation under RAO Article 53. The guide explicitly states it does not constitute advice and cannot do so without knowledge of the reader's circumstances. This positioning is maintained throughout the document.

## 2.5 COBS 4.10: Approving Financial Promotions

COBS 4.10 governs the approval of financial promotions. The Financial Services and Markets Act 2023 (FSMA 2023) amended Section 21 of FSMA 2000 to establish a new regulatory gateway for the approval of financial promotions. Since PS23/13 came into force on 7th February 2024, this gateway requires firms to hold specific FCA permission if they wish to approve financial promotions for communication by unauthorised persons.

### Application to This Document

This guide is designed for distribution by FCA-authorized firms to their own retail clients and prospects. In this scenario, the authorised firm is communicating its own financial promotion directly, not approving a promotion for an unauthorised person to communicate. The gateway requirement under PS23/13 therefore does not apply to the primary distribution method. The distributing firm remains responsible for ensuring the content meets its internal approval procedures before distribution.

## 2.6 Financial Promotion Order 2005 (SI 2005/1529)

The Financial Promotion Order defines controlled activities and controlled investments. The guide relates to the controlled activity of advising on investments (Schedule 1, Part I) and the controlled investments of shares, units in collective investment schemes, and rights under personal pension schemes (Schedule 1, Part II). No exemptions under the FPO are relied upon because distribution is by authorised firms communicating their own promotions.

# Part Three: Section-by-Section Analysis

This section examines each part of the guide against the applicable regulatory requirements.

## 3.1 Introduction

### COMPLIANT

The introduction meets COBS 4.5.2R(3) by presenting information in a way likely to be understood by the average retail prospect. The conversational tone and relatable scenarios directly address the target market: affluent professionals aged 45 to 65 considering financial advice.

The statement "It won't tell you what to do with your money. That would be advice, and we haven't met" clearly distinguishes between the educational nature of the guide and the provision of regulated advice.

## 3.2 What Does Financial Advice Actually Cover?

### COMPLIANT

This section provides an accurate description of the scope of financial advice services. The explanation of pensions, investments, tax planning, protection, estate planning, and cash flow modelling reflects the reality of full-scope financial planning. No misleading claims about what advice involves.

"The purpose isn't to sell you products. The purpose is to provide clarity" aligns with the Consumer Duty focus on delivering good outcomes.

### 3.3 Does Any of This Actually Matter?

#### COMPLIANT

##### Vanguard Research Reference

The citation of Vanguard research stating advisers can add value equivalent to up to around three percentage points in net returns is appropriately qualified. The guide: (a) attributes the research to its source; (b) clarifies the value comes from planning and behavioural coaching rather than investment outperformance; (c) notes this applies to advisers following best practice.

Under COBS 4.6, this reference does not constitute past performance information in the regulatory sense because it relates to the value of advice as a service rather than the performance of specific investment products.

### 3.4 The Financial Planning Process

#### COMPLIANT

This section accurately describes the five stages of a typical financial planning engagement. The statement "Nothing proceeds without your say so" supports consumer understanding of client control over the advice process.

### 3.5 Independent and Restricted Advice

#### COMPLIANT

"Neither type is inherently better than the other" provides balance and avoids misleading readers. The distinction between independent and restricted advice is accurately stated. The requirements governing independent and restricted advice disclosure originate from the Retail Distribution Review framework and are reflected in the applicable provisions of COBS 6.

### 3.6 How Are Advisers Regulated?

#### COMPLIANT

All references to the FCA, the Financial Services Register, the Financial Ombudsman Service, and the Financial Services Compensation Scheme have been verified against current regulatory sources. The information is factually accurate as at February 2026.

### 3.7 How Are Advisers Paid?

#### COMPLIANT

This section provides an accurate overview of adviser charging structures without making specific claims about fee levels. The emphasis on transparency reflects COBS 6.1A requirements.

### 3.8 First Meeting Expectations

#### COMPLIANT

"Most people leave a first meeting with greater clarity about their situation, sometimes reassurance that they're on the right track, sometimes a clearer sense of what needs attention. Deciding not to proceed is a perfectly valid outcome." The outcomes described ("greater clarity," "reassurance," "clearer sense") are appropriately modest and achievable.

"Any adviser who pushes for immediate commitment isn't behaving properly" aligns with the Consumer Duty requirement to avoid foreseeable harm and equips retail prospects to recognise inappropriate sales tactics.

### 3.9 Questions to Ask

#### COMPLIANT

"Remember, you're allowed to interview the adviser. These questions help you decide whether the relationship makes sense" equips readers without implying obligation. The suggested questions cover appropriate topics and support informed decision-making.

### 3.10 Next Steps

#### COMPLIANT

The closing section maintains the educational tone and provides clear, non-pressured guidance on how to take the next step. Contact details for the distributing firm are appropriately positioned.

### 3.11 Important Information and Disclaimers

#### COMPLIANT

All required disclaimers are present and appropriately prominent. The section includes: a statement that the guide does not constitute personal advice; past performance warnings; tax treatment caveats; FSCS and FOS references; and a clear statement that the distributing firm is responsible for the content.

## Part Four: Strategic Inserts: Compliance Review

The guide contains six strategic inserts designed to reduce reader hesitation without adding pressure. Each has been individually assessed against COBS 4.2.1R (fair, clear, not misleading) and Consumer Duty cross-cutting rules.

### 4.1 Insert One: Decision Context

Location: Introduction section

*"This guide is particularly useful if you're approaching a financial decision, such as retirement, a pension consolidation, or a change in circumstances, and want to understand whether speaking to an adviser would actually be worthwhile."*

This insert helps readers self-qualify without creating pressure. The phrase "actually be worthwhile" is appropriately hedged. Combined with "Either outcome is fine," it demonstrates good faith under PRIN 2A.2.1R.

**COMPLIANT**

### 4.2 Insert Two: Bridge to Action

Location: After "Does Any of This Actually Matter?" section

*"For most people, the real question isn't whether financial advice adds value in theory, but whether a conversation would help clarify their own position."*

This insert reframes the abstract research into personal relevance without making guarantees. "Help clarify" is appropriately modest. No compliance concerns.

**COMPLIANT**

### 4.3 Insert Three: Client Outcome

Location: Within the Financial Planning Process section

*"The aim of this stage isn't just information gathering. By the end of it, you should have a much clearer picture of where you actually stand and which questions are worth answering first."*

This insert sets realistic expectations about the Discovery stage. "Much clearer picture" is a reasonable outcome to promise. The phrase "which questions are worth answering first" helpfully positions the adviser as someone who helps prioritise rather than someone who has all the answers.

**COMPLIANT**

### 4.4 Insert Four: Post-Fees

Location: After "How Are Advisers Paid?" section

*"If you're uncertain whether the cost of advice would be justified in your circumstances, a first conversation can help you work that out."*

This insert addresses legitimate fee hesitation by positioning the first meeting as diagnostic. It does not promise value or create pressure. It merely acknowledges uncertainty and offers a path to resolve it. This supports consumer understanding under PRIN 2A.5.

**COMPLIANT**

### 4.5 Insert Five: First Meeting Outcome

Location: Within the First Meeting Expectations section

*"Most people leave a first meeting with greater clarity about their situation, sometimes reassurance that they're on the right track, sometimes a clearer sense of what needs attention. Deciding not to proceed is a perfectly valid outcome."*

This is the strongest insert from a Consumer Duty perspective. By explicitly legitimising "deciding not to proceed," it demonstrates good faith (PRIN 2A.2.1R) and avoids foreseeable harm from pressure (PRIN 2A.2.5R).

**COMPLIANT**

### 4.6 Insert Six: Timing Nudge

Location: Next Steps section

*"If reading this has clarified your questions rather than answered them, that's often a sensible point to speak to an adviser."*

This insert is a soft, non-pressured reframe. It acknowledges honestly that the guide is educational (not advice) and positions remaining questions as a natural trigger for conversation. "Often a sensible point" is appropriately hedged. No urgency, no guarantee.

**COMPLIANT**

### 4.7 Overall Assessment of Inserts

All six inserts maintain the document's educational tone and comply with COBS 4.2.1R (fair, clear, not misleading), PRIN 2A.2.1R (good faith), PRIN 2A.2.5R (avoid

foreseeable harm), and PRIN 2A.5 (consumer understanding).

None of the inserts: create artificial urgency; make promises or guarantees; pressure the reader; or obscure important information.

## Part Five: Data and Source Verification

All data points and claims in the guide have been verified against primary sources. The Vanguard research reference has been confirmed against the published study. FSCS limits, FCA registration requirements, and regulatory references have been verified as accurate at February 2026.

Distributing firms should verify that all figures remain current at the time of distribution.

## Part Six: Consumer Duty Compliance Analysis

The Consumer Duty (PRIN 2A) came into force on 31st July 2023. This section analyses how the guide supports compliance with the cross-cutting rules and consumer understanding outcome.

### 6.1 Acting in Good Faith (PRIN 2A.2.1R)

The FCA describes acting in good faith as a standard of conduct characterised by honesty, fair and open dealing, and consistency with reasonable expectations.

The guide demonstrates good faith through: honest presentation of what financial advice involves (including limitations); transparent discussion of adviser charging; balanced presentation of independent versus restricted advice; acknowledgment that advice may not be appropriate for everyone; and practical guidance helping retail prospects identify unprofessional behaviour.

**Good Faith Assessment: COMPLIANT**

### 6.2 Avoiding Foreseeable Harm (PRIN 2A.2.5R)

The content helps avoid foreseeable harm to retail prospects through: setting realistic expectations about advice outcomes; explaining consumer protections (FSCS, FOS); warning against high-pressure sales tactics; encouraging verification via FCA Register before engaging; including appropriate risk warnings; and explicitly legitimising "deciding not to proceed" (First Meeting Outcome insert).

**Foreseeable Harm Assessment: COMPLIANT**

### 6.3 Enabling Financial Objectives (PRIN 2A.2.10R)

The content supports this rule by: providing educational content enabling informed engagement decisions; equipping readers with questions to evaluate potential advisers; explaining the advice process for more effective initial engagement; and normalising the practice of asking probing questions.

**Financial Objectives Assessment: COMPLIANT**

### 6.4 Consumer Understanding (PRIN 2A.5)

The content supports understanding amongst retail prospects through: conversational, accessible language appropriate for the target market; avoidance of jargon with explanations where technical terms appear; relatable scenarios and practical examples; logical structure progressing from basics to action; and appropriate length (approximately 3,200 words, ten-minute read).

**Consumer Understanding Assessment: COMPLIANT**

## Part Seven: Recommendations for Distributing Firms

### 7.1 Required Actions Before Distribution

#### 1. Complete Firm-Specific Information

Replace all placeholders with your firm's details: [FIRM NAME], [TELEPHONE], [EMAIL], [WEBSITE], [Brief firm description]. Include FCA registration number in contact details or Regulatory Information section.

#### 2. Remove Evaluation Markings

Remove all 'EVALUATION COPY' watermarks, header/footer notices, and the Evaluation Copy Notice from the final page.

#### 3. Verify Regulatory Information

Confirm FSCS limits remain accurate at time of distribution. Current limits verified as at February 2026: Investment advice £85,000 per eligible person per firm; Deposits £120,000 per eligible person per authorised firm (effective 1st December 2025).

#### 4. Update Document Date

Ensure the document date reflects distribution date rather than February 2026.

## 5. Obtain Internal Sign-Off

The document must be signed off through your firm's financial promotion approval process before distribution to retail prospects. This is a requirement under Section 21 FSMA for authorised persons communicating their own promotions.

## 7.2 Distribution Channels

The document is suitable for distribution to retail prospects through: pre-meeting email to prospective clients; website download (with appropriate data capture); physical handout at events or initial meetings; referral partner distribution; and professional network sharing with appropriate framing.

## 7.3 Optional Customisation

You may customise whilst maintaining compliance: add firm branding (maintaining prominence of risk warnings); include brief firm description in Next Steps; adjust contact methods to your preferences. Material content changes would require fresh compliance review.

## 7.4 Conditions for Approval

Document distributed only by FCA-authorized firms. No material amendments without fresh compliance review. Distributing firm accepts responsibility for suitability. Document reviewed for currency at least annually.

## 7.5 Annual Review Requirement

As an evergreen educational guide, this document requires less frequent review than market commentary. Review annually or following material changes to the regulatory framework, FSCS limits, or adviser charging rules.

Recommend review each February.

# Part Eight: Compliance Sign-Off Summary

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## SUITABLE FOR DISTRIBUTION

Subject to the conditions outlined in Section 7.1

### Assessment Prepared By:

AL Miller | Financial Communication Specialist

**Assessment Date:** February 2026

**Document Assessed:** Making Sense of Financial Advice: Revised Version (Evaluation)

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**CLEAR THINKING FOR COMPLEX FINANCIAL  
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