



## FPA short form SOA imminent

Victoria Papandrea

Following extensive consumer testing and research, the FPA is ready to roll out its short form statement of advice (SOA) to industry.

"We're just finalising the consumer testing report and we've got the SOA down to 10 pages. So now it's just about plugging it in and getting it out there to the market within the next few weeks," FPA chief executive Jo-Anne Bloch told *IFA*.

"What we've done is we've proved that we can take a long document and make it into a short document that is compliant, user-friendly and that consumers actually understand."

The shorter SOA had been designed using normal size font, it cut out a lot of the duplication and words people did not like and used language and a format the FPA had now consumer tested, Bloch said.

"We haven't tried to cram the information in; we've used colour, layout, the sorts of things that we

should be doing. The SOA had quite a sophisticated strategy and people still understood it, which was really good," she said.

It would be up to each licensee to determine how the short form SOA would work for them, she said.

"Advisers can use it as it is, they can add or subtract to it and they can tailor it to their particular business model and their particular needs."

The FPA research found consumers, who had all previously read an SOA, liked the short form document because they were less likely to skip information.

"The shorter document meant that they actually sat down and read it cover to cover and they were more inclined to actually understand

how it reflected the advice that was given," Bloch said.

"They also gave us some really good feedback on language and jargons. They said don't use acronyms at all; use tables, diagrams and steps to make it really simple."

Bloch said she believed the

financial planning industry was embracing the move towards a shorter SOA.

"We've had such fabulous feedback and I'd be really surprised if everyone didn't jump on board," she said.

"Everyone knows they've got to get over the hump and they want to do that."

The FPA supports moves by BT, National Australia Bank, Axa and others that have recently rolled out solutions to assist financial planners in cutting down the administration burden of generating complex SOAs.

For example, BT Financial Group added new online advice software, Midwinter's back 2 basis, to its wrap platform to help advisers cut costs and slash the time taken to generate SOAs.

Research findings released by Investment Trends earlier this month indicated a third of advisers found the single biggest technology and systems challenge facing their business was SOA production. □



JO-ANNE BLOCH:  
fabulous feedback