



## Residual Balances – Statement of Recommended Practice | October 2014

Currently there is a large industry issue as small residual amounts of units or cash (from dividends, rebates, tax credits) can be added to a customer's account following the initial transfer and administration issues are caused when sending those residual amounts to the Acquiring. These issues are mainly in relation to poor notification processes, making it difficult to identify why the Acquiring party has been sent the units or cash, delays in sending the amounts and in applying them to the customers account. An added issue is that this work is all manual and there is currently no automated market practice.

A Working Group was formed to address the transfer of residual amounts which, with no recognised process has led to client complaints and in general a poor customer outcome.

The Working Group and TeX SLA & Operational Advisory Council have agreed the following recommended practice for ISA & GIA, excluding Pensions:

- Original Transfer Reference & Account Number should be included on all correspondence/spreadsheets when communicating on Residual Balances.
- The use of spreadsheets as a way of notification to agreed contact points was agreed as best practice until market practice automation is implemented.
- Minimum account sweep – 3 months.
- Residual Balance Contact Point information to be added to the TeX Register\*

We would ask all TeX members to adhere to the above recommendations.

*\*This is a new field that will be included in the next TeX Register development phase.*