



# TISA Exchange

## TeX Members Best Practice Guidance – 2024 – v2.0

### Information Request & Response

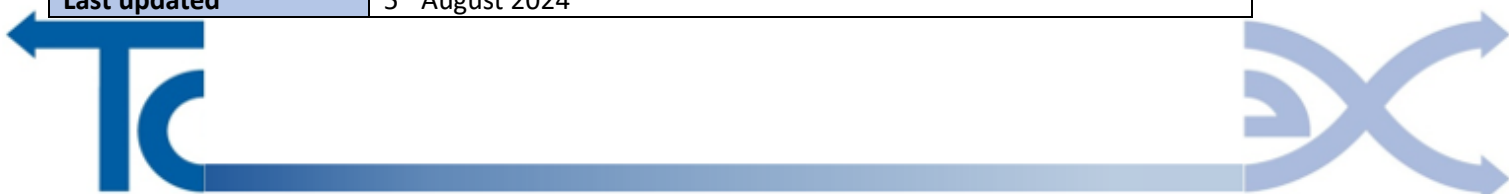
<b>Problem statement</b>	Old, <b>out-of-date, details</b> included on first request and updated details require re-submission
<b>Best Practice</b>	<ul style="list-style-type: none"> <li>• Build accuracy checks into process before submission.</li> <li>• Enforce use of TeX Register to ensure that known information is checked.</li> <li>• If uncertain about information please check (colleagues, TeX Register, customer / advisor, or original request details).</li> </ul>
<b>Consequences of not following BP</b>	Delays to customer service and inefficient process
<b>Last updated</b>	26 <sup>th</sup> July 2024

<b>Problem statement</b>	Too little <b>pre-validation</b> of data input increases rejections by ceding providers.
<b>Best Practice</b>	<ul style="list-style-type: none"> <li>• Introduce more pre-validation checks in your solution.</li> <li>• Encourage greater accuracy of data entry / data checks in the first processing of the transfer request.</li> <li>• Use TeX Register to check ceding scheme account number formats and ensure that the correct legal entity is being quoted.</li> <li>• Introduce a manual visual check before discovery requests are sent.</li> <li>• Speak with known colleagues in any organisation to alert them, where you see evidence of their system not checking data items.</li> </ul>
<b>Consequences of not following BP</b>	Data entry / capture errors are not being picked up at source; the discovery request is being sent and then rejected because of inaccurate data, which could have been caught earlier. This then delays the transfer request affecting the customer.
<b>Last updated</b>	14 <sup>th</sup> May 2024

<b>Problem statement</b>	Automated solutions are recognising <b>trailing spaces</b> as characters in names / addresses and therefore rejecting the discovery request as they cannot find a match.
<b>Best Practice</b>	<ul style="list-style-type: none"> <li>• Check your own solution and see if it can be amended to avoid this being a reason for rejection.</li> <li>• When entering data, check that there are no trailing spaces.</li> <li>• Introduce a validation to stop trailing spaces.</li> <li>• Introduce a manual visual check if the potential reason for rejection is trailing spaces (and the only reason); manually override so that discovery request can have a valid response.</li> <li>• Speak with known colleagues in any organisation to alert them, where you see evidence of their system rejecting for this reason.</li> </ul>
<b>Consequences of not following BP</b>	A transfer request is being rejected for no good reason, so delaying the overall timescales for the customer, and requiring resubmission by the acquiring provider.
<b>Last updated</b>	14 <sup>th</sup> May 2024

<b>Problem statement</b>	<b>Book costs</b> not being provided by the ceding provider on their electronic messages
<b>Best Practice</b>	<ul style="list-style-type: none"> <li>• Only request this when needed.</li> <li>• Build in provision of this information into your system / solution so that it can be provided as required.</li> <li>• Provide at the information request stage where possible. The Market Practice release due in November 2024 will allow this where available.</li> </ul>
<b>Consequence of not following BP</b>	Poor service for customers concerned about Capital Gains Tax liability and requiring this information
<b>Last updated</b>	24 <sup>th</sup> August 2024

<b>Problem statement</b>	<b>Incorrect account number</b> input
<b>Best Practice</b>	<ul style="list-style-type: none"> <li>• Have somebody allocated a clear responsibility within your organisation for ensuring that your account format detail in the TeX Register is up to date, correct, complete, and set out clearly.</li> <li>• Agree an approach to checking other provider account format details when initiating a Transfer In – either check the Register for each transfer or download a regular latest version of the Register to be used for this purpose.</li> <li>• [TeX is investigating a solution to enable provider solutions to directly access TeX Register key data via APIs]</li> <li>• Work with regular financial advisors and wealth managers to encourage more due-diligence and accuracy around account numbers and key customer data.</li> <li>• Review your quality assurance procedures to ensure that core customer details are checked back to source documents.</li> <li>• Build and use data validation routines throughout in-house and purchased solutions.</li> <li>• Include details of your data validations in the notes section of TeX Register entries so that others are aware where you have automated validation and rejections.</li> </ul>
<b>Consequences of not following BP</b>	Automatic rejection so delaying the commencement of the transfer
<b>Last updated</b>	5 <sup>th</sup> August 2024



<b>Problem statement</b>	<b>Incorrect postcode, date of birth or NINO</b>
<b>Best Practice</b>	<ul style="list-style-type: none"> <li>• Ensure that process instructions all build in visual checks back to source documents to increase probability of accurate entry.</li> <li>• Build in basic validation into internal systems and work-flow solutions.</li> <li>• Investigate use of member validation tools (such as Lexis Nexis) to help before writing to customer.</li> <li>• Work with internal control functions (Risk, Compliance and Legal) to establish risk appetite for accepting “nearly right” criteria for accepting less than 100% matching.</li> </ul>
<b>Consequence of not following BP</b>	Do we need hard matches always for core data items? Each organisation will need to determine its risk appetite.
<b>Last updated</b>	26 <sup>th</sup> August 2024

<b>Problem statement</b>	How to handle a transfer of <b>non-wrapper SIPPs</b> - where only custodian is changing?
<b>Best Practice</b>	<ul style="list-style-type: none"> <li>• General good practice is to handle these exactly as a simple GIA to GIA transfer - the monies do not leave the tax wrapper and so we do not believe this is an unauthorised withdrawal.</li> </ul>
<b>Last updated</b>	6 <sup>th</sup> August 2024

<b>Problem statement</b>	Providers rejecting a discovery request as they <b>only accept cash</b>
<b>Best Practice</b>	<ul style="list-style-type: none"> <li>• It is good practice to begin all transfers with a discovery request – it standardises the approach and provides an opportunity to ensure that the customer request matches the available product – amount expectations, as well as whether it is a full or partial transfer.</li> <li>• Wherever possible providers should provide a valid response to a discovery request. They should not reject it just because it is an “encash all” request.</li> </ul>
<b>Consequence of not following BP</b>	Delays in completing the transaction - which could be avoided – as it often then needs to be resubmitted as a manual transaction
<b>Last updated</b>	13 <sup>th</sup> September 2024

<b>Problem statement</b>	<b>Unclear rejection reasons</b> including “Other”; also, “Other” being used when the real reason is available.
<b>Best Practice</b>	<ul style="list-style-type: none"> <li>• There are other helpful responses available to use. Please use these wherever possible.</li> <li>• Build into your processes the requirement to enter a relevant and helpful reason for rejection.</li> <li>• Measure how often “Other” is used by your operational team.</li> <li>• Advise TeX if other rejection reasons are needed.</li> </ul>
<b>Consequences of not following BP</b>	This is unhelpful to other TeX members – we have an overarching goal to significantly reduce the number of rejected messages. By saying a reason there is an opportunity for the sending provider to improve their processes.
<b>Last updated</b>	18 <sup>th</sup> July 2024



<b>Problem statement</b>	Rejected items not being picked up
<b>Best Practice</b>	<ul style="list-style-type: none"> <li>• Ensure you have a process for reviewing your mailbox / post / messaging service to pick up any rejected items and re-process promptly.</li> <li>• Build rejections into your internal Continuous Improvement activities to help with reducing the number.</li> </ul>
<b>Consequence of not following BP</b>	Delays completion of the transfer for the customer
<b>Last updated</b>	8 <sup>th</sup> August 2024

<b>Problem statement</b>	Manual valuations not including correct account type
<b>Best Practice</b>	<ul style="list-style-type: none"> <li>• Review internal processes to ensure that all required information is included and correct.</li> </ul>
<b>Consequence of not following BP</b>	Potentially causing CASS problems
<b>Last updated</b>	6 <sup>th</sup> August 2024

## Request & Confirm Transfer

<b>Problem statement</b>	Companies allowing dealing during a transfer causing multiple resubmissions
<b>Best Practice</b>	<ul style="list-style-type: none"> <li>• Wherever possible receipt of a valid transfer instruction (complete and matching an existing client) will enable the ceding party to block the client's account; and take any fees before providing a valuation.</li> <li>• This should then stop the client from trading during the transfer process. The valuation then remains accurate and valid throughout the transfer.</li> <li>• Where this is not possible, we recommend communication to clients is clear that dealing during the transfer process can lead to delays.</li> </ul>
<b>Consequence of not following BP</b>	Delays to customer timelines and unnecessary complications added to the process
<b>Last updated</b>	26 <sup>th</sup> August 2024

<b>Problem statement</b>	Consistent approach to paper valuation and transfers history forms
<b>Best Practice</b>	<ul style="list-style-type: none"> <li>• Ideally, we would like to see more firms investing in automated solutions to deliver more consistent and improved customer service.</li> <li>• Wherever possible the manual solutions should mirror the approach, process, and data capture for electronic solutions.</li> <li>• Each provider should establish a standard approach (consistent with an electronic solution) to how they process manually – including what information they request.</li> </ul>
<b>Consequences of not following BP</b>	Extending approach from automated solutions, accepting that there are still some (perhaps smaller volume) players who have not yet invested in electronic solutions.
<b>Last updated</b>	3 <sup>rd</sup> August 2024



<b>Problem statement</b>	Providers requiring <b>wet signatures</b> (or client verification) on application forms, as ceding provider.
<b>Best Practice</b>	<ul style="list-style-type: none"> <li>• Within electronic transfers and the TeX legal environment, there is no requirement for wet signatures or ceding provider client approval. It creates a very poor service for customers.</li> <li>• Firms who still request wet signatures, even for subsets of the products, should challenge and change their process, getting internal support to remove this step.</li> </ul>
<b>Consequences of not following BP</b>	Adding significant delays to the overall process and creating confusion and poor customer service
<b>Last updated</b>	5 <sup>th</sup> August 2024

<b>Problem statement</b>	Companies <b>accepting assets they cannot hold</b> ; so much manual correction when its rejected
<b>Best Practice</b>	<ul style="list-style-type: none"> <li>• Review procedures to ensure that any limits on acceptable assets are understood and tested early in the process – so rejecting it (validly) as soon as possible if it is not going to be completable.</li> </ul>
<b>Consequence of not following BP</b>	Adding complexity so delaying completion and impacting customers
<b>Last updated</b>	6 <sup>th</sup> August 2024

<b>Problem statement</b>	Companies <b>refusing to do conversions</b>
<b>Best Practice</b>	<ul style="list-style-type: none"> <li>• As standard, conversions and re-registrations should be completed wherever possible and when requested.</li> <li>• There will be examples where the conversion must take place after the transfer has completed – where a retail customer is attempting to be re-registered into an institutional share class version of the same share class.</li> <li>• Check details using the Investment Association’s Common Share Class Register utility <a href="https://commonshareclassregister.org/">https://commonshareclassregister.org/</a></li> </ul>
<b>Consequence of not following BP</b>	Putting customers at risk from being out of market
<b>Last updated</b>	7 <sup>th</sup> August 2024



## Make Payment

<b>Problem statement</b>	Ceding provider not sending the cash until the last asset has settled
<b>Best Practice</b>	<ul style="list-style-type: none"> <li>If there is a delay in selling and settling one or more of the assets, communicate with the other provider to explain the situation and agree if partial settlement is preferred and practical.</li> </ul>
<b>Consequences of not following BP</b>	Delays completion of the transfer for the customer and keeps a process open for longer than necessary. Adds out-of-market exposure with potential P&L impact for the member.
<b>Last updated</b>	26 <sup>th</sup> August 2024

<b>Problem statement</b>	Providers sending stock but then not matching CREST dates
<b>Best Practice</b>	<ul style="list-style-type: none"> <li>Providers should ensure that there is sufficient resource in their operational teams to stay on top of the volume flow as well as email enquiries and information.</li> <li>If the transfer is a manual one, then dates need to be suggested / provided promptly – within 3 working days of any request wherever possible.</li> <li>Once trade and settlement are agreed, if this is not entered then the provider who is at fault is expected to backdate and amend their instruction.</li> </ul>
<b>Consequences of not following BP</b>	Delays and poor service for clients.
<b>Last updated</b>	1 <sup>st</sup> August 2024

<b>Problem statement</b>	Companies insisting on cheques
<b>Best Practice</b>	<ul style="list-style-type: none"> <li>All payments should be made electronically – this should be the standard for all providers, across all products.</li> <li>Organisations who are still insisting on cheques should consider the impact on customers against the FCA's Consumer Duty expectations.</li> </ul>
<b>Consequences of not following BP</b>	Adds time to the overall process – so delaying receipt of monies for the customer
<b>Last updated</b>	6 <sup>th</sup> August 2024



## Other

<b>Problem statement</b>	Refusing to accept <b>subsequent balance payments</b>
<b>Best Practice</b>	<ul style="list-style-type: none"> <li>• When a full transfer request is carried out any subsequent residual cash that is on the client's account with the ceding scheme must be transferred at the earliest possible point and the receiving scheme must accept this cash to fulfil the client's request for a full transfer.</li> <li>• It is reasonable to accept a minimum amount for an annuity but otherwise any amount should be accepted as the money belongs to the client.</li> <li>• Organisations should look at their internal policies on balance payments and ensure that it is consistent with Consumer Duty and CASS requirements.</li> <li>• Contact the new provider to resolve any challenges.</li> </ul>
<b>Consequences of not following BP</b>	Building Societies (sometimes not at all and sometimes minimum payment required) have internal rules about whether to accept balance payments. Especially relevant for ISAs. Possible CASS implications where firms are unable to pass the payment to the client.
<b>Last updated</b>	1 <sup>st</sup> August 2024

<b>Problem statement</b>	<b>Incorrect information in TeX Register</b>
<b>Best Practice</b>	<ul style="list-style-type: none"> <li>• Give somebody in your team responsibility for the continuing accuracy and completeness of your TeX Register entries.</li> <li>• Introduce a mandatory check of details say quarterly and ensure that this is included in QA checks too.</li> <li>• If you notice something incorrect or unclear in another member's entry, please let them (or TeX) know so that it can be corrected.</li> </ul>
<b>Consequences of not following BP</b>	Other providers likely to submit incorrect information when using the Register as the golden source.
<b>Last updated</b>	5 <sup>th</sup> August 2024

<b>Problem statement</b>	<b>Transfer history forms</b> not being received within 30 days (for manual transfers)
<b>Best Practice</b>	<ul style="list-style-type: none"> <li>• Build this into your process to send promptly.</li> <li>• Advise the acquiring provider if there is a reason for any delay so that they can manage customer expectations.</li> </ul>
<b>Consequences of not following BP</b>	Significant delays impacting the customer
<b>Last updated</b>	6 <sup>th</sup> August 2024

<b>Problem statement</b>	Companies not able to open <b>secure emails/password protected documents</b> requiring sending manually
<b>Best Practice</b>	<ul style="list-style-type: none"> <li>• Review standard process to ensure that any emails that do not require secure management are sent normally.</li> <li>• Ensure that any emails that are sent securely have instructions on how a third party can access them.</li> <li>• Ensure that internal processes for setting up encryption allow more than one person to complete this.</li> </ul>
<b>Consequences of not following BP</b>	Delays to completion of the transfer
<b>Last updated</b>	26 <sup>th</sup> August 2024



<b>Problem statement</b>	Concerns about <b>technical knowledge for SIPPs</b>
<b>Best Practice</b>	<ul style="list-style-type: none"> <li>• Recognition that the SIPP product has the potential to be one of the most complex, requiring substantial technical knowledge.</li> <li>• Sometimes those handling a customer call will need to have easy access to technical expertise; and have guidance as to the main circumstances where they should seek this out.</li> </ul>
<b>Last updated</b>	6 <sup>th</sup> August 2024

<b>Problem statement</b>	Low take up for <b>electronic re-reg solutions for SIPP</b> transfers and SIPP transfers taking too long to complete
<b>Best Practice</b>	<ul style="list-style-type: none"> <li>• Anybody processing SIPP transfers should utilise electronic solutions to speed up transfers they are involved with.</li> <li>• As a guide, each individual step should be expected to be completed within 3 Business Days, however providers should optimise integration and automation with electronic solutions to enable prompt transfers wherever possible.</li> </ul>
<b>Consequences of not following BP</b>	Those who have invested in electronic solutions are unable to get the full benefit until the rest of the industry follows.
<b>Last updated</b>	27 <sup>th</sup> August 2024

