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## **A focus on quality and sound product analysis ensures positive outcomes for clients**

Broadly speaking, brokers do a quality job when recommending suitable products for their clients across the full spectrum of investments, mortgages, protection and general insurance (GI). However, with the increasing complexities of products in the life and GI space it is getting harder to recognise the nuances that the various products available offer, and we would all like to think, as consumers, that we get value for money across the range of purchases we make on a daily basis.

As an extra layer of security in the insurance market, the FCA plays a vital role in setting down guidelines to ensure customers get what they need and importantly can afford when it comes to most products. Clearly the regulator's focus has been on those products which can be described as 'higher risk' as opposed to those that appear to be more straightforward.

Yet as critical illness and income protection products do get more complex, especially when it comes to partial payments as opposed to full, or shorter periods of payment for income protection, the task of matching the product to need and affordability becomes harder. That is not to say these products are in any way inferior, indeed in many cases they have made cover more affordable and so more people have some cover as opposed to none, but an examination of all aspects is vital.

It would not surprise anyone if the FCA started to look in a little more detail at the cover available in these areas to ensure customer expectations are being fully met. As a result, independent research tools are becoming an increasingly more valuable tool in the adviser world. These research tools allow brokers to compare the current range of products on the market, often driven by a simple set of customer questions.

One such tool, Quality Analyser (QA), will give a comprehensive analysis of products linked to a basic set of question data. This allows advisers to match a product to customer requirements before a price comparison is looked at. Theoretically, the 'best product match' can then link to price to give the customer a view on which product best fits their budget. Further research is being done to analyse products in greater depth on QA which will only enhance its value to an adviser moving forwards. Paradigm Protect members get free access to this software at present as it supports the protection sales process from a compliance perspective. There are other research tools available in the market doing similar jobs.

If, and when, the FCA takes a greater interest in protection sales, tools like these will become increasingly invaluable to advisers and clients alike. We only need to look at one aspect of CI – children's cover - to see how complex some CI products have

become. In many instances we know that Child Cover has become a significant reason for claiming and now features in the top five reasons for payouts for many providers behind the traditional core claims of heart attack, cancer and stroke.

Product differences in these areas alone can range from age covered, educational status of the child concerned and the range of illnesses covered both pre-birth and in child or early adulthood. As such, the job of an adviser has patently become significantly more complex, and these will increasingly feature in recommendations for younger couples when they are considering having children. Conversely, in some cases Child Cover is being decoupled from the main product offerings of providers to ensure customers are not paying for something they will never claim for.

Even products perceived to be simple in the household GI market need careful consideration - again ensuring that customers have the right kind of cover can be tricky. Being 'under-insured' is a huge problem in the UK with an estimated one in 20 losing out at claim stage due to levels of contents cover not being properly disclosed at application and importantly not being reviewed on a regular basis.

Many will have seen the Uinsure 'Quality Matters Most' campaign pointing out the need to be accurate when instigating cover and the perils of not doing so – again demonstrating the need for quality research to drive positive customer outcomes.

**Mike Allison is Head of Protection at Paradigm Mortgage Services**