



Institute of Money Advisers Annual Conference & AGM 2017



Built to last: quality and sustainability in money advice



Using deficit financial statements

What we will cover:

- Economic background - why client deficit budgets and financial statements might be increasing
- Regulatory framework & best practice
- Practical uses for deficit financial statements



Using deficit financial statements

Economic background and context

- acceptable living standards not met by means tested benefits
- continuing welfare reforms
- rises in council tax
- impact of Brexit
- significant Increase in food bank use



Using deficit financial statements

FCA handbook requirements for financial statements:

- accurate and realistic (CONC 8.5.1.R)
- sustainable (CONC 8.5.3 G)
- have regards to client's best interests (CONC 8.3.2 R)
- explanations for high or low expenditure (CONC 8.5.4 R)
- logically structured to encourage consistent lender responses and reduce queries and delays ([CONC 8.5.2 G](#))



Using deficit financial statements

MAS Peer Review Scheme requirements if a deficit financial statement is presented:

- evidence that the reasons have been explored and/or...
- how the deficit has been established and/or;
- that attempts have been made to address the deficit
- trigger signposting for financial capability support
- explanations to third parties receiving the statement
- explanations about how payment offers will be funded



Using deficit financial statements

Other uses for deficit financial statements:

- Requesting write offs or moratoriums from creditors
- Applying for Discretionary Housing Payments or direct deductions for benefit overpayments to be reduced
- Applying to charitable trust funds for hardship relief
- There may well be others!



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Thankyou and any questions?



Expert Advice Team

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