Making Transfers Better: Dealing With Rejections

Wednesday, Jan 29, 2025
10:00 am – 11:00 am GMT

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Agenda

1 Welcome and introductions

2 How rejections should work

3 What's actually happening

4 How to make it better

5 Update from TeX on changes to improve rejections

6 Q&A

7 Closing remarks

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Our speakers

Nigel Jacques-Pettinger

Operations Manager

Matt Smith

Product Manager

What should providers be doing?

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What good looks like

Reasonable steps to send valid instructions

Making Transfers Simpler
- Offer in-specie transfers
- Convert if required

Appropriate validation of instructions

Consumer Duty
- Reduce platform switching times
- Remove unreasonable barriers when transferring to a new product provider
- Good outcomes

Provide suitable feedback
- Category
- Description

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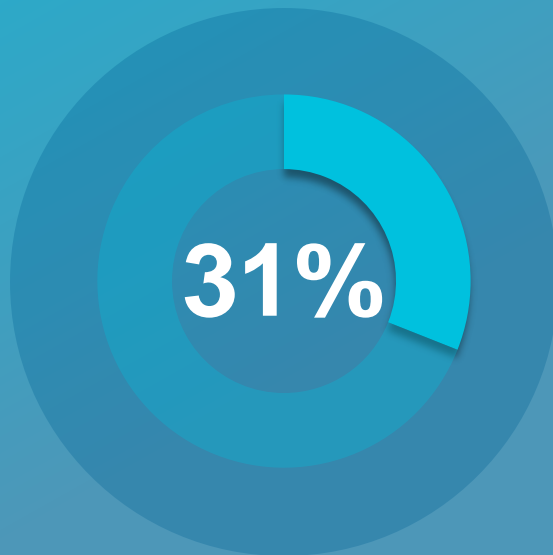# What's actually happening?

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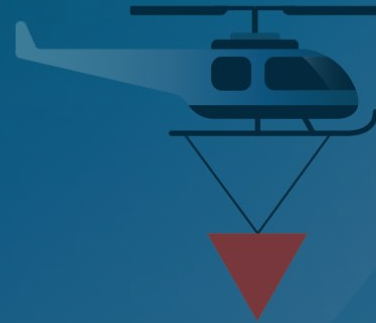
Today…

Information requests rejected

1 in 3

1. Investor Name
2. Postcode
3. Investment Account
4. NINO
5. DOB

"Other"

31%

- Unknown account details
- Preventable invalid requests
- Heavy handed rejections
- Inappropriate investor contact
- Varied support of transfers functionality

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The Good, the Bad, and the Ugly

INID – Insufficient Investor Data

"Parent or guardian surname incorrect"

DLVY – Delivery Impossible

"Unable to facilitate the conversion of LU0264739185 (SEDOL: B233HW0) into LU1276832984 (SEDOL: BYT7474) as we do not hold this on our platform. Please re-instruct, providing an alternative transfer instruction for this asset."

INID – Insufficient Investor Data

OTHR – Other

"Invalid instruction"

OTHR – Other

"Client details don't match"

OTHR – Other

"Client only holds cash, please request via Origo"

OTHR – Other

"Don't support electronic conversion instructions"

OTHR – Other

"The customer has not replied to our request for them to authorise the in-specie charges so we cannot proceed with this transfer."

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How to Improve Transfer Rejections

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Who needs to change?

Acquiring Parties
✓ Set expectations with the investor
✓ Apply validation up front (Contact support)
✓ Advisors
✓ Get clarity with E&I messages

Ceding Parties
✓ Re-evaluate rejection criteria
✓ Rejection categories
✓ Rejection description
✓ Appropriate T&Cs
✓ Delay vs Reject
✓ Regulation, standards and best practice!

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What else needs to change?

Invest appropriately in integration

Apply pressure on market participants to do what's right

Work with TeX & UKETRG

- Keep TeX register up to date with account number formats

- Raise issues at SLA & Ops

- Improvements to the standards

Review your own processes

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Update from TeX on changes to improve rejections

The transfers core infrastructure

Creation & management of TeX Register

Industry forum on transfers & re-registrations

Management of transfers messaging standards

Standard industry contract

Issue & dispute resolution

Performance MI reporting

Board & Councils that guide the future direction

Agreed SLAs & standards

What does good look like?

All industry players are active and supportive members of TeX

Outstanding customer service applies to transfers in and transfers out

Everybody uses electronic solutions wherever possible

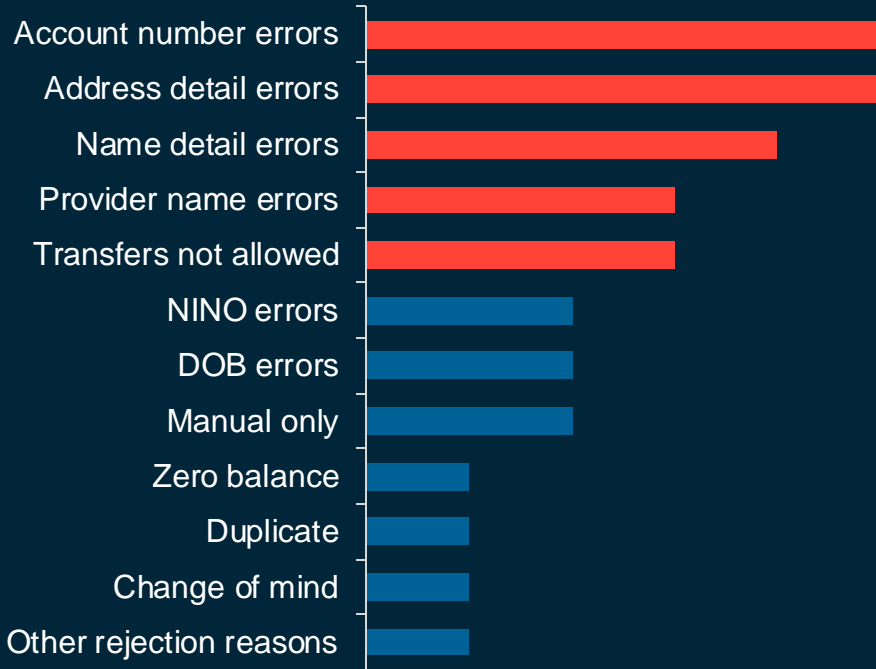Management Information supports continuous improvement activity

In-specie / re-registered transfers are the preferred option

No more negative media reports about transfers

Rejections still at 30% of requests

Account number errors
Address detail errors
Name detail errors
Provider name errors
Transfers not allowed
NINO errors
DOB errors
Manual only
Zero balance
Duplicate
Change of mind
Other rejection reasons

Why?

- Automated solutions with fixed rules
- Compliance / Risk driven policies
- Old / poor quality customer data
- Manual data entry at customer decision point
- Complex scheme rules / provider entity names and account numbers
- Providers still using manual processes

...and say it quietly...

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Things we are doing about it

Continuing to capture monthly MI to measure rejection rates

Introducing Regex format for account numbers rather than inconsistent descriptions

Providing API functionality for the TeX Register to support direct systems integration

Ongoing TeX Operations Working Group considering best practice approaches

Supporting greater use of the new messaging facility on electronic solutions

Promoting a consistent approach to resolution of rejected requests

Encouraging firms to stop using "Other" as the default reason

Investigating opportunities to standardise an approach to close matches

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Thank you for joining us today!

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