

# Tories blast 'awful' impact of RDR in cutting access to advice

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Conservative politicians have hit out at the “awful” impact of the Retail Distribution Review (RDR) programme for reducing consumer access to advice.

Speaking at a True and Fair event on Tuesday evening, Lord Howard Flight said the rules have made people worse off but “everyone seems rather proud”.

He said: “The RDR was a rather snobbish attack on IFAs, most of whom were looking after old ladies to get their retirement income.

“Most ordinary people have not got access to advice. On commission versus fees, I hate paying fees because it’s out of after tax income. I would far rather pay commission that is rolled up in the cost as long as I know how much I am paying.

“I think individuals are worse off on aggregate as a result of RDR. It’s awful that other than the professional classes advice is not available to anyone. It’s awful but everyone seems rather proud.”

FCA chief executive Martin Wheatley says he is [“concerned”](#) about the impact of the RDR while the Treasury select committee are considering a review next year.

Speaking alongside Flight, Conservative MEP for Wales Kay Swinburne said the EU discussed replicating the RDR under Mifid II rules but other nations felt it went too far.

Instead, Mifid II imposes greater transparency requirements on advisers but commission will not be banned outside the UK.

Swinburne said: “RDR when it was looked at in the cold light of day by other countries, they decided it went too far the wrong way but they didn’t want to prevent member states from doing it. If it works in the UK then we can go further next time around.

”However, I am already having constituents writing to me saying it is outrageous they don’t have access to a financial adviser. They are paying up front several thousand pounds and it’s a difficult psychological barrier.”

Earlier this month, former Treasury financial secretary Mark Hoban told *Money Marketing* the RDR was [“nothing to do” with him](#).