



The Insurance  
Institute of Sheffield  
Chartered Insurance Institute



From: Council Members for the Insurance Institute of Sheffield

To: Alan Vallance, Chief Executive, CII Group & Don MacIntyre, Interim Chief Executive, PFS.

Date: 13/02/2023

### **Re: the current state of our professional bodies**

It is with great disappointment that we find ourselves compelled to write this letter to you both. We now feel that we need to make a stand and distance ourselves from the behaviours and communications, of both boards, over recent months and weeks. It is not the professional standards we adhere to, and we see the events to be a breach of the CII public charter to uphold standards and promote confidence in the public. It simply does not link with our personal standards, and this is not what the Insurance Institute of Sheffield stands for.

For the last 15 years the Insurance Institute of Sheffield have formed a highly interdependent relationship, between our CII and PFS members on council. We run our affairs together for the benefit of all our members and we approach, and discuss matters without fear or favour. It is such a shame that the executive boards of our professional bodies cannot do the same.

Through 2020 and 2021, concerns from the membership were being raised, sometimes publicly, and in July 2021 we wrote to and subsequently met with Dr Helen Philips to engage in dialogue about the management of the CII, the state of its finances, and to raise our concerns about treatment of PFS at that time, unfortunately events have shown that this was a waste of our and Dr Philips' time.

Having read the numerous press articles in the last couple of months and listened to the member webinars hosted by you both, the Institute of Sheffield council members have met and discussed our views which can be distilled down to 2 main areas, which are the following:

- 1, A lack of trust and transparency between national executive and its membership
- 2, The public treatment of the PFS Board by the CII executive.

#### **1. A Lack of Trust and Transparency**

The following key events over the last 24 months, has brought us to the point of our trust in outcome being severely eroded:

- The sale of CII's head office at Aldermanbury
- The CII's decision not to replace Keith Richards as CEO and instead to install a 'Membership officer'
- The mismanagement of the DB Pension Scheme and its underfunding
- The mismanagement of IT infrastructure and financial losses incurred as a result
- The negative members experiences while sitting online exams
- The 3 attempts to deregister the PFS
- Ongoing tax investigation from HMRC
- The application for a loan and request for PFS to act as a guarantor
- And now, the PFS board takeover which is marred in confusion due to a lack of evidence and conflicting stories from both boards.

We do acknowledge that certain actions (the Sale of Aldermanbury, the IT infrastructure changes, and the actions taken to address the DB scheme) were taken to address the findings of the 2016 independent review which deemed the CII to be "not fit for purpose". However, the lack of transparency regarding the



management and execution of these actions and the other events above has led to mistrust within the membership and amongst ourselves; this is despite numerous requests for engagement from various quarters of the active membership over recent years.

Due to the conflicting arguments presented by both boards over recent weeks, it is impossible for anyone outside of the two groups to know where the truth lies in this debacle. What is clear is that the common factor is the CII board. It is therefore our view that it is the responsibility of the CII board to provide more clarity on the state of this great member organisation and substantiate its accusations against the PFS Board.

## 2. Public handling of the PFS Board

All the points raised above have been very public, however the CII's handling of the PFS board did not need to be.

We acknowledge that both CEOs are new to post in 2022. Upon accepting your roles, you will have been briefed on the overall situation of the group and the events listed above. During the summer of last year, with the departure of Sian Fisher, the appointment of Mr Macintyre to the PFS, and news of mediation between both organisations filtering through, it appeared that we were all putting the events of the past behind us and moving forwards. You both had full possession of the facts and approaching your roles with a spirit of 'co-operation to achieve the best outcome for the membership', how did you not reach agreement for a path forward?

The accusations levelled at the PFS board should have been dealt with in private between the two boards. The disputed 'significant governance failures' should have been brought to the attention of the PFS board and the evidence supplied with it. The individuals responsible for any governance failings should then have been dealt with accordingly. Following this course of action would have driven the reform the CII Board seeks without the need for the hostile approach it has taken. Had this failed, then the actions announced on the 21<sup>st</sup> December 2022 by the CII would have been appropriate and evidence could have been made available to the membership. This would have built trust.

At this point we fail to see how the CII Group is meeting its own standards:

*"We are a professional body dedicated to building public trust in the insurance and financial planning profession. Our strapline Standards. Professionalism. Trust. embodies our commitment to driving confidence in the power of professional standards"*

## Proposed action

We, the council for the Institute of Sheffield, agree that the only way for everyone to move forward, in a way that trust can be rebuilt and for the best outcomes for the membership to be achieved is through the following actions:

- An independent governance audit of the PFS and its board
- An independent inquiry into:
  - the financial position of the CII Group and
  - The past events and management actions taken by the CII Board members, past and present.

The enquiries must be conducted in a timely and professional manner away from the public eye and, most importantly, for the findings to be declared publicly and recommendations to be actioned.



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If you both do indeed understand how the membership is feeling, then you must see the need for these actions and understand it is the only way to gain trust in your future actions. We implore you to action these reviews without delay; it should not require an EGM.

Given that we are elected locally to represent our local membership, we intend to make a copy of this letter available to our members. We also feel it proper that you have the right to reply and any response you provide will also be made available to our members. We will therefore publish this letter on our website and send a copy to our membership on Monday 27<sup>th</sup> February 2023. If you wish your response to be included, please respond by close of business on Friday 24<sup>th</sup> of February 2023 at latest.

Our strength of feeling is such that unless there is meaningful action to address these issues some of us will consider whether this is an organisation, we want to give our time freely to represent.

We look forward to receiving your response and moving to a brighter future .

Regards

Jean Cookson  
President

Lauren Walker  
Deputy President

Sara Casson  
Treasurer

Patrick Seal  
Secretary & Vice  
President

Bill Padley  
Honorary Vice  
President for Life

Paul Exton  
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Owen Wright  
Chairman, Sheffield Life  
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Alan Sensicall  
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Laura Scott  
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Erica Dietsch  
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Yvonne Wang-Pickering  
Communications Officer

Andrew Marsh  
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Geoff Fenwick  
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Colin Matthew  
Charities  
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Tim Larden  
Council Member

Ian Stephenson  
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