

What's in store?

New FSA regulations will come into effect very soon insisting that all IFAs must back up their data records securely and regularly. Zoë Butt finds out how advisers can get ready for the regulation.

Company computers hold all vital client information, including records, invoices, contact details, emails but if the system crashes, gets hit by a virus or is damaged or stolen all the information will be instantly unavailable.

If no backup copies are obtainable, the firm will incur some large costs, whether from downtime, lost business or incurring the fees of a data retrieval firm. It is also possible that the business will cease operating for some time, perhaps even indefinitely.

Small intermediary firms are one of the sectors most at risk from data loss because they often do not have the resources to manage this important area.

Data storage providers ensure that a firm's data is safe, secure and readily available in the event of a crisis, whether it is an accidental file deletion or a problem brought on by a virus, fire or theft.

Anthony Ryb, sales and marketing director at data storage provider Depositit, thinks that it is vital that advisers understand the value of storing their data. He says, "If an IFA lost their data they could retrieve it instantly and suffer virtually no serious or damaging consequences".

There are three main types of services offered by data storage providers. Some companies visit a firm's premises on a regular basis and carry out back ups on behalf of the firm. They will then take away the CD Rom, DVD or tape containing a complete set of data and store it safely. Other companies require that firms carry out their own backups, and then they collect the backup media (Tapes, CD's or DVD's) on a regular basis and store it.

Online data storage providers allow businesses to download and install a small software program, which then automatically backs up the critical data at a scheduled time every day via the Internet and stores it securely off-site.

Data storage and back up are sometimes considered to be a low priority when allocating already stretched budgets. Priti Mehta, managing director of IT solutions provider Accutech, believes that the best option is having online data storage that is held off site because it reduces the in house cost.

Depositit's automated data backup service will cost IFA's from £60 a year. This includes four gigabytes of data storage, automated daily back up of a firm's crucial data and immediate recovery of any files at any time.

If IFAs want to sell their business in the future, they need all data to be secure and disaster recovery systems to be in place, not least because maintaining copies of data is a serious requirement within the financial services industry.