How is the attitude to risk level determined? What is this based on?

The ATR questionnaire is made up of 12 questions and each of these questions has 5 possible answers, ranging from 'strongly disagree' to 'strongly agree'. Clients' answers are scored between 0 and 4 and the appropriate ATR level is dictated by the overall score upon completion of the questionnaire.

A simple mathematical formula is used to 'normalise' the total score into a value between 0 and 100 to match a range aligned with one of the 5 ATR levels. Barrie & Hibbert (now part of Moody's Corporation) have carried out extensive research with the general population and these results create the figures needed to normalise (mean and standard deviation) the overall score. Once the normalised scores are calculated the boundaries are converted back to the raw score (between 0 and 48) and these are used in the system.