

Platform Due Diligence

SAMPLE

2025

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Background

The purpose of this document is to review the platforms available in the UK market and determine which are most suitable for the clients of DNA Wealth Management.

To do this, we will incorporate all available guidance, including:

FSA factsheet SFDFS019 (July 2011)

FCA Thematic Review TR16/1 – Assessing suitability: Research and due diligence of products and services (February 2016)

FSA Papers – Platforms PS 11/9 (in particular Annex 3) (August 2011)

Consumer Duty: Products & Services Outcome (July 2023)

We will use the term 'platform' throughout this summary, defined as a non-insured custodian of client assets that typically offers a variety of tax wrappers and investment options. Investment options may be either internally managed and externally managed.

In line with the regulator guidance, our research has focused on which platforms are suitable for which clients and, just as importantly, which clients would be considered outliers and would require an alternative solution, off platform if needed.

Areas of Consideration

Our research has included the 9 key areas of consideration as highlighted by the regulator, including:

Asset types Is there a requirement for ETFs, investment trusts, structured products or direct equities?	Platform terms & conditions In particular, what is the process if an adviser firm leaves a platform? Is there a notice period, issues with client ownership/contact or remuneration?	Charges Core charges, as well as wrapper and transaction charges. Switching charges may have an impact, depending on the investment proposition.
Range of funds and wrappers Range of tax wrappers in particular will impact how many different platforms are needed – and when off platform will be more suitable.	The platform provider This includes reputation (industry awards, client feedback etc) and financial standing (including ratings and profitability)	Accessibility What levels of access are required and does this need to be 24/7? Does the platform tie in with any DFM's we use and do clients need functionality?
Platform Functionality It is important to determine firstly what functionality our firm and its clients' need – and then whether the platform offers it.	Platform tools Do we require any platform tools – or will these be managed off platform? Risk profiling, cashflow etc.?	Support What support do we need and how best do we receive it?

Research

Main Platform Criteria

Our first stage is to consider the whole UK platform market and shortlist a number of providers based on their ability to meet a number of key criteria, linked to the needs of our primary target client market, outlined as follows:

Essential Criteria

- Access to Pension, ISA wrappers
- On-platform Structured Products
- CGT calculator
- Signature Free Onboarding
- Platform is profitable
- AKG rating of C or above
- Platform passes all cash interest on to clients

Desirable Criteria

- Access to onshore and offshore bond wrappers
- Central platform cash account
- Automatic phased drawdown
- Accepts Trusts as clients
- Accepts US-connected persons
- Pre-funded tax-relief on pension contributions

Research

Stage 1 – Feature Screening

We have used a feature comparison tool to rank all platforms based on the essential and desirable features we need, the financial strength and position of the platform, and charges that might typically apply. The following platforms ranked highly in terms of our required features:



A number of platforms did not meet our essential criteria meaning they will not be considered further. All other platforms scored less than 90% and will also be excluded from further analysis.

Specific details are included in the supporting feature comparison spreadsheet, presented alongside this summary. We have also included further information on their target markets, negative target markets and their policies on interest from cash holdings.

Research

Stage 2 – Business Analysis

Our next stage considers the financial position, profitability and financial strength of the shortlisted platforms:

Platform	Assets under Administration	Profitable	Parent Company Profit	AKG Rating	Defaqto Rating
 AVIVA	£10.0 bn	Yes	Yes	A	 EXPERT RATED
 transact take control	£15.0 bn	Yes	Yes	B	 EXPERT RATED
 Fundment	£12.5 bn	Yes	Yes	C	 EXPERT RATED
 7IM	£9.50 bn	Yes	Yes	D	 EXPERT RATED

Based on this information, we will exclude 7IM because their AKG rating does not meet our essential criteria for this part of our proposition. Detailed financial information accompanies this summary.

NB: For illustration only, information not accurate!

Research

Stage 3 – Charges Analysis

A costs and charges analysis has been carried out on platforms that pass the essential features test and are considered by us as financially viable long-term choices. The pricing table indicates platform level costs that will apply at certain price points compared to the market average and based on a blended portfolio comprising 70% Pension, 15% ISA and 15% GIA, which is broadly reflective of our on-platform assets under administration.

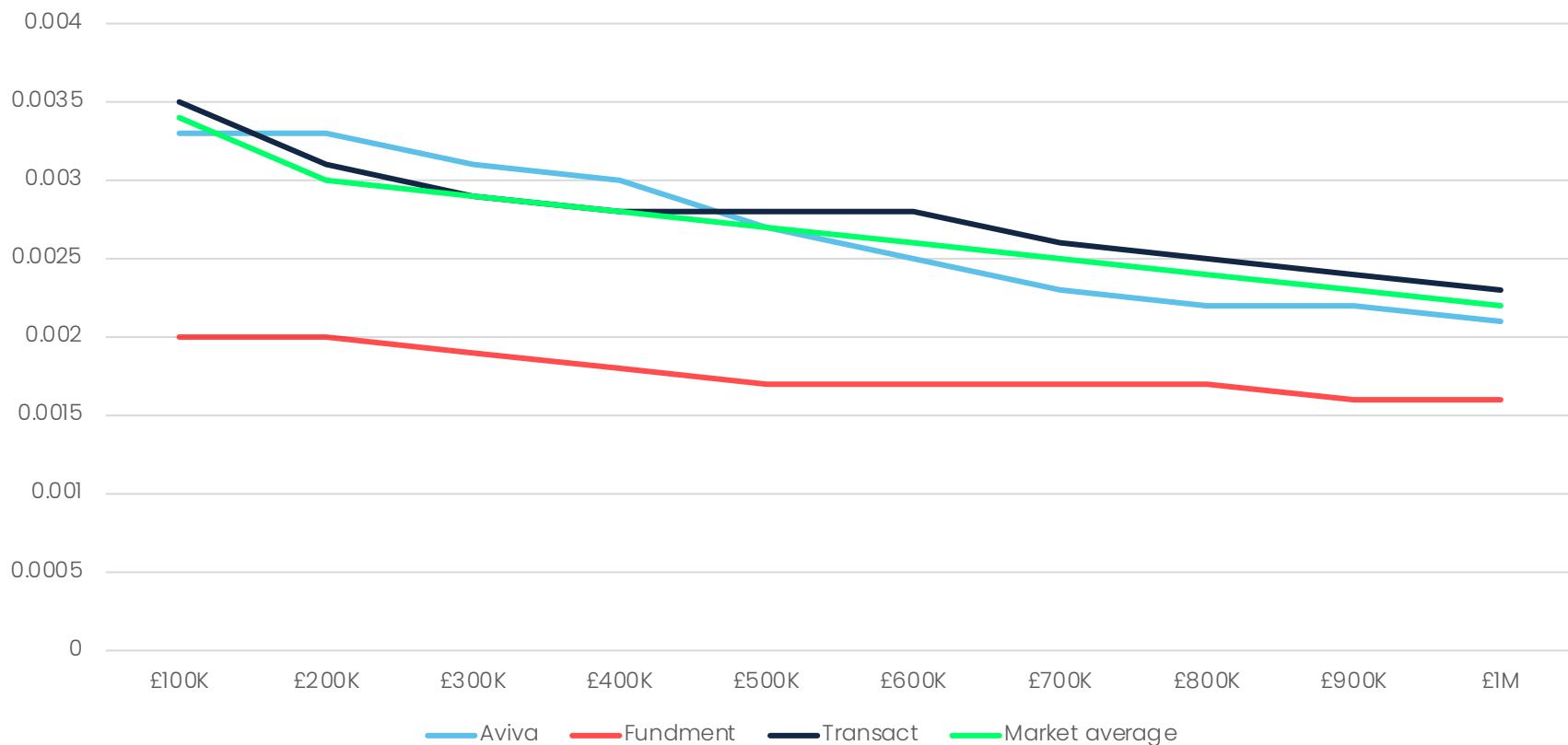
Platform	£100K	£200K	£300K	£400K	£500K	£600K	£700K	£800K	£900K	£1M
 AVIVA	0.33%	0.33%	0.31%	0.30%	0.27%	0.25%	0.23%	0.22%	0.22%	0.21%
 Fundment	0.20%	0.20%	0.19%	0.18%	0.17%	0.17%	0.17%	0.17%	0.16%	0.16%
 transact <small>take control</small>	0.35%	0.31%	0.29%	0.28%	0.28%	0.28%	0.26%	0.25%	0.24%	0.23%
Market average	0.34%	0.30%	0.29%	0.28%	0.27%	0.26%	0.25%	0.24%	0.23%	0.22%

The pricing data is charted overleaf ...

NB: For illustration only, information not accurate

Research

Stage 3 – Charges Analysis



Transact and Aviva platforms both offer charges broadly in line with the market average pricing. Fundment is the lowest-cost offering, with the price difference narrowing on the higher portfolio values.

NB: For illustration only, information not accurate

Research

Platform Selection Summary

Following our analysis of the platform market, the following platform will be recommended as our main solution:



Our chosen platforms score well in the following key considerations:

- Features – Both Transact and Fundment include all of our essential features. Fundment addresses all of our desirable criteria for our Main platform whilst Transact addresses all of our desirable criteria to service our Complex clients more effectively.
- Financial strength that meets our requirements with both platforms demonstrating profitability.
- Both platforms are based upon their own, in-house back-end technology, meaning they are not reliant on a third party for development of their platform features.
- High Defaqto ratings for service in both instances.
- Very competitive charging for our current client banks and target clients going forwards.

NB: The Main Platform analysis would be relevant for one client segment or service proposition. A second analysis would follow on from the Main Platform research, but prior to this summary.

Other Clients

As an Independent Financial Adviser (IFA) firm, we are committed to considering the whole of the market for any client. Where our choice of platforms are not suitable to a client, we have processes in place to ensure client suitability:

Clients already on other platforms

We currently manage clients with holdings on other platforms, most notably Aegon and Scottish Widows (formerly Embark). If it is suitable to remain in place, we are happy to continue to service the clients in this manner as the platforms present no evidence of foreseeable harm. We would consider the suitability of the current platform against our selected options and only recommend a change if there is a tangible improvement in value for the client, or a risk of foreseeable harm has arisen.

Where a platform is not suitable

For clients in this position, we will use our independence to consider their needs against the whole market. This might include clients with inheritance or other specialist tax planning needs, or certain Trust clients.

As a result, we are not tied to recommending clients use the platforms we have selected. The level of our ongoing service may be affected by the use of an alternative platform (or non-platform) and in these scenarios we may need to agree with the client a bespoke approach to their ongoing service.

PS13/1

In order to ensure platforms adhere to FCA rules and guidance, we have considered the following questions:

Do you or your associates receive any remuneration in respect of business issued post-RDR which could, in any sense, be construed to contravene the letter or spirit of COBS as amended by PS13/1? No

Do you receive any form of remuneration from retail product providers? No

If so, how do you ensure this remuneration does not create bias in the way you present retail investment products on your platform? No

We are happy that the platform under review does not contravene the requirements in PS13/1

When you go online, are you directed towards certain investments, especially proprietary ones? No

Are all funds presented alphabetically except for certain 'focus' funds? Yes

Are adverts disproportionately eye catching compared to the webpage? No

Does your broker point you towards certain wrappers / funds? Is their remuneration affected by the investment products you choose on the platform? No

Is the process of choosing one particular route noticeably easier than other routes? No