

# BLOG - Adam Wrench, Head of Product and Business Development at London and Colonial, asks “Is it time for a Platform of Platforms or simply a Multi-Platform approach?”

With an increased emphasis on service and value for money, the role of Platforms has taken on a far greater significance for today’s investor.

Not only have the benefits of using Platforms themselves become more important, but the correct matching of client to the most appropriate Platform is crucial. Those clients with a greater risk appetite may benefit from using one particular Platform over another, especially when the chosen Platform can provide access to all of the desired asset classes.

While technically advisers are allowed to use a single Platform, the FCA has been vocal that it may not be able to meet all of their clients’ needs and the independence of the adviser could be potentially jeopardised.

To ensure that any relationship entered into with a Platform provider is successful it is vital that the selection process is thorough. Areas which need to be considered carefully include the financial strength of the Platform chosen, costs & charges, available tax wrappers, investment vehicles offered as well as service levels.

Everything is guaranteed to change

Choosing the right Platform for each client can be a challenge. A client’s circumstances will change throughout their financial journey, as their fund size alters, and their appetite to risk varies.

Platforms will doubtlessly revise their charging structures and the fees for each individual Platform may also change, not to mention the possibilities of potential future Platform consolidation. In order for advisers to ensure they provide the best value for money for their clients these factors will need to be monitored on a regular basis, with the further challenge being how best to move clients from one Platform to another when the need to do so arises.

As such, we prefer the unbundled Multi-Platform approach to Platform investment. The unbundling of the tax wrapper allows the provider to simultaneously link in with a number of different Platforms, leaving the Platform providers to focus on what they do best, i.e. undertaking the investment administration within each of the tax wrappers.

As, in the majority of cases there will be no extra client cost incurred, it is difficult to justify not using it. The client benefits from higher levels of service, whilst the tax wrapper provider and the Platform provider can link together seamlessly, and without impacting on cost.

It has also been argued that some clients could benefit from the splitting of their assets across a number of Platforms at the same time, where there is a need for different assets classes. Further advantages exist for the adviser through the use of Multi-Platforms as it offers them a global view of all client investments across all of the Platforms employed.

If, following a client review, it then becomes apparent that a client would benefit from moving from one Platform to another, this can be implemented seamlessly as all transfers can be made between Platforms from within the same tax wrapper, thus saving on administration and transfer fees.

In today's ever changing environment it is possible that the Platform of choice may be "for Christmas not for life". Therefore, the benefits of a Multi-Platform approach for both advisers and their clients cannot be over-estimated.

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## Notes to Editors

### About London & Colonial

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