

Platform e-Signature and Document Submission Requirements

For years, financial advisers have complained that platforms and other providers need too many forms with ‘wet’ signatures. Platforms aspire to help advisers run more modern and efficient businesses, but some practices are dated. We recognise that platforms are not the worst offenders, nonetheless advisers expect more. We also recognise that faced with Coronavirus crisis, platforms moved far and fast to facilitate business in extraordinary circumstances. We applaud them for that.

But more needs to be done to reduce paper and friction in financial services. This analysis is designed to help advisers benchmark platforms for their adoption of digital processes and also to nudge platforms who lag behind peers.

What we did

NextWealth collected data from 21 platform providers on 85 distinct processes to publish the most comprehensive picture available of document submission requirements. The data in this summary is valid at 22 April 2020.

What we found

Most platforms allow advisers to update charges, set up or change income drawdown, set up regular withdrawals and manage investment portfolios online. Scanned originals are typically needed to set up a power of attorney and to provide a birth certificate, marriage certificate or death certificate. They are also usually needed for ill health forms and notification of beneficiary.

The following heat map shows the percentage of processes for which documents can be submitted with no signature, an electronic signature, a scanned signature or a paper form with signature. Where percentages don’t add to 100% it is because some processes don’t apply to that platform.

	7IM	Aegon ARC	Aegon	AJ Bell	Ascentric	Aviva	Fusion Wealth	Embank	Fidelity FundsNetwork	James Hay	Novia
No Signature	28%	79%	80%	45%	0%	2%	32%	62%	52%	0%	36%
Electronic Signature	27%	0%	0%	0%	79%	71%	49%	15%	35%	39%	0%
Scan Signature	45%	16%	16%	4%	21%	26%	15%	22%	5%	36%	58%
Paper Signature	0%	0%	0%	35%	0%	0%	2%	0%	1%	15%	2%

	Nucleus	OMW	P1 Platform	Parmenion	Praemium	Raymond James	Standard Life	Transact	True Potential	Advance (formerly Zurich)
No Signature	40%	16%	72%	47%	24%	34%	13%	45%	95%	47%
Electronic Signature	0%	0%	1%	0%	34%	0%	0%	0%	0%	0%
Scan Signature	58%	71%	18%	0%	41%	26%	81%	47%	0%	41%
Paper Signature	0%	6%	2%	49%	0%	18%	5%	0%	0%	11%

- Among the 21 platforms considered, just over half require a paper form with a wet signature for at least one process. All but one platform requires a scanned form with a client signature for at least one of the processes considered.
- Aegon ARC, Aegon (formerly Cofunds), Embark and True Potential require the fewest signatures. Advisers are able to complete processes through an online journey, without the need for a form. True Potential does not require a signature for any of the processes considered. Instead, advisers complete tasks using an online journey.
- Ascentric, Aviva and Fusion are the biggest users of electronic signatures.
- Aegon ARC, Aegon (formerly Cofunds), Ascentric, Fusion, Embark and True Potential allow advisers to complete at least three quarters of processes online without the need for a signature or through the use of an electronic signature. Aviva, FundsNetwork and Praemium allow more than half of processes to be completed online.
- 42% of processes across all platforms require a scanned original to be sent to the platform.

What should advisers do?

First Wealth recently produced the Dinosaur's Guide to Financial Planning. They called out five practices that should be extinct in our industry, including wet signatures. We agree!

Document submission rarely forms part of an adviser's platform due diligence. However, it can impact on the ability of a firm to work efficiently. Advisers can use this analysis from NextWealth to nudge platforms to evolve practices to adopt signatures or digital processes to replace forms.

Another thing advisers can do is to use BACS transfers for funding client accounts. We know it's not always easy as banks place limits on transfers. All of the platforms we looked at in this analysis accept BACS transfers, but they all say they continue to get a lot of cheques, even for ISA top ups. Banks put limits on transfers, but they can be done over a series of days. If you want to stop using paper – play your part and stop sending cheques.

NextWealth View

At NextWealth we believe the relationship is between the adviser and the customer. The adviser should be able to act as an agent on the client's behalf. For rare events, such as death, ill health or change of power of attorney, exceptions can be made. In these cases, scanned forms should be acceptable. For day to day management of a customer's account, e-signatures or an online journey should suffice.

The industry rose to the challenges posed by the Coronavirus crisis in what may have been the busiest tax year end since the advent of investment platforms. Let's keep up the momentum to offer a modern and frictionless journey for customers.

