NEXTWEALTH

Platforms within the UK

A report on UK adviser platforms

Prepared by NextWealth Ltd.

November 2022

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NextWealth Platform Report

Introduction

NextWealth monitors the rapidly evolving UK platform market, in the wider context of a shifting advice and distribution landscape.

This annual report is offered at no cost to share our key thoughts on the market and individual players. The intended audience is financial advice professionals who want to get an overview of the major trends and key players in the platform market. The report offers a look ahead as financial advice firms seek to future proof their businesses and platform decisions.

It is undoubtedly a challenging time for retail wealth management with high levels of market uncertainty. But it is also an exciting time of change and innovation.

The following are the most important key trends in the UK platform market:

Key trend	Description
Consolidation and proliferation	The consolidation story is not a straightforward one. Increasing scale is the obvious answer however the past few years has brought a proliferation of new platforms. Acquisitions have aggregated businesses but assets have not been consolidated, eroding many of the economies of scale. Platforms are appealing to PE investors seeking recurring fee income. Some players struggle to turn a profit and regulatory and tech disruption continue to push costs up, both of which will lead to further consolidation. But consolidation is not straightforward. Nimble tech-first providers are allowing financial advice firms to offer their own platform. While third party platforms will consolidate, proliferation of platforms will continue.
Technology and micro-services	Technology upgrades (re-platforming) of major players are mostly finished. Firms are now looking to microservices to bolt on tools and services as needed.
Fee pressure	Platforms face continued pressure to reduce costs whilst offering high service levels to clients and advisers. In the next five years, we expect platform fees to fall to c.15bps from a current average of 29bps. Cost is a key factor driving platform choice. Low cost providers such as Aviva are forcing others to cut prices. Large financial advice firms use buying power to push down fees.
Adviser business consolidation	The financial advice market is also consolidating with a decline in small firms and a rise of larger ones. This impacts platform distribution deals at large firms – the short list is determined centrally putting further pressure on price and changing servicing requirements. These firms are also more likely to explore some degree of vertical integration or 'insourcing.'
Insourcing	The UK market is in a phase of increased vertical integration. Large financial advice firms are becoming platform operators, insourcing the technology to offer a platform. This rise in white-label and model-b platforms (where the financial advice firm takes on some regulatory responsibilities for operating a platform) remains the domain of large firms with the appetite to take on the risk and regulatory responsibility. As advice firms continue to consolidate, the number of firms looking to insource a platform will also rise.

Missing from this list is regulatory disruption. Like death and taxes, regulatory disruption is one of life's certainties for those working in retail wealth management. Consumer Duty will put further pressure on platforms to provide data and reporting across the supply chain and to oversee value to some extent. It will continue to drive up cost but with the important goal of protecting customers.

This report provides our analysis of the above trends, profiles the major platform players, summarises approaches to document submission and digital adoption. Our opinions are based on our on-going research with financial advisers, our expertise in retail wealth management and 4,900 reviews from financial advice professionals of platforms.

We welcome your thoughts on the future of the platform market.

Heather Hopkins
Founder and MD NextWealth
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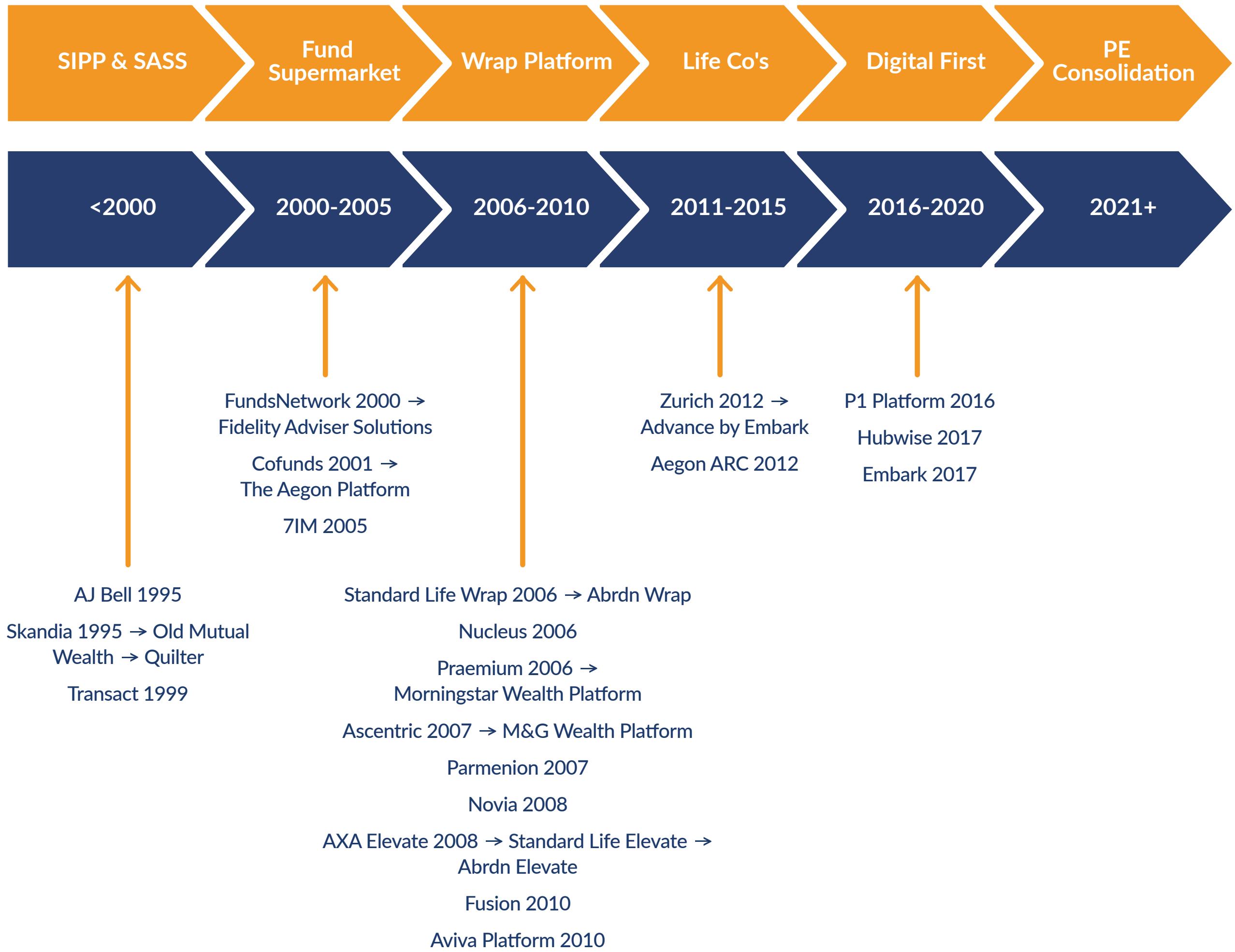
Brief history of platforms

Investment platforms are a core part of the retail investing supply chain and they deliver a wide range of services to investors and financial advice firms – from custody, to trading to performance reporting. Importantly they also typically process the payments to various parties including DFMs and financial advisers.

While the first investment platforms in the UK are more than 20 years old, their position in the supply chain was cemented with the Retail Distribution Review (RDR). Further regulatory disruption entrenched use of platforms (MiFID II and Pensions Freedoms in particular). Consolidation of financial advice businesses, the arrival of US PE and continued technology advances all point to a continued critical role for investment platforms in the UK.

The following diagram provides a summary of the focus for investment platforms since their inception and key dates for platform launches.



Consolidation and Proliferation

The consolidation story is not a straightforward one. Increasing scale is the obvious answer however the past few years has brought a proliferation of new platforms. Acquisitions have aggregated businesses but assets have not been consolidated, eroding many of the economies of scale.

Platforms are appealing to PE investors seeking recurring fee income. Some players struggle to turn a profit and regulatory and tech disruption continues to push costs up, both of which will lead to further consolidation.

But consolidation is not straightforward. Nimble tech-first providers are offering financial advice firms to offer their own platform. While third party platforms will consolidate, we may yet see a proliferation of platforms.

The image below shows the major investment platforms that support financial advice businesses in the UK. While there is much talk of consolidation, there is at the same time a proliferation of new entrants.

Private equity firms have shown a lot of interest in investment platforms. The Ownership section below shows that six investment platforms have investments from PE.

Other recent ownership changes are Ascentric (bought by M&G from Royal London in 2020) and Embark Platform and Advance by Embark, which were bought by Scottish Widows.

Many conclude that platforms are a scale game, that consolidation is inevitable with scale the only way to bring down cost. But while there is much consolidation of ownership, the underlying assets often don't combine on a single platform - note the examples of Aegon with the old Cofunds platform now branded Aegon Platform distinct from the Aegon Retirement Choice platform. Similarly, while abrdn, owner of abrdn Wrap, acquired Elevate several years ago, the platforms remain distinct.

At the same time, several new players have entered the market and others have renewed efforts to grow. White-label or 'adviser-as-platform' providers Hubwise, Seccl, Fundment and Multrees allow large financial advice firms to launch their own platform. The P1 platform, powered by Seccl, is actively taking on new advice firm clients. And even FNZ, tech giant behind abrdn's platforms, Quilter and Embark is offering a model-b option to large financial advice firms.

We will continue to see a proliferation of 'front end' platform offerings, run off a steady number of tech providers.

Ownership

Private Equity

- **Nucleus** – HPS Investment Partners & Epiris
- **Novia/ Wealthtime** – AnaCap
- **Parmenion** – Preservation Capital Partners
- **Seven Investment Management** – Caledonia Partners

Privately Owned

- **Fidelity Adviser Solutions**
- **True Potential** (with stake from Cinven & FTV Capital)

Owned by Listed Businesses

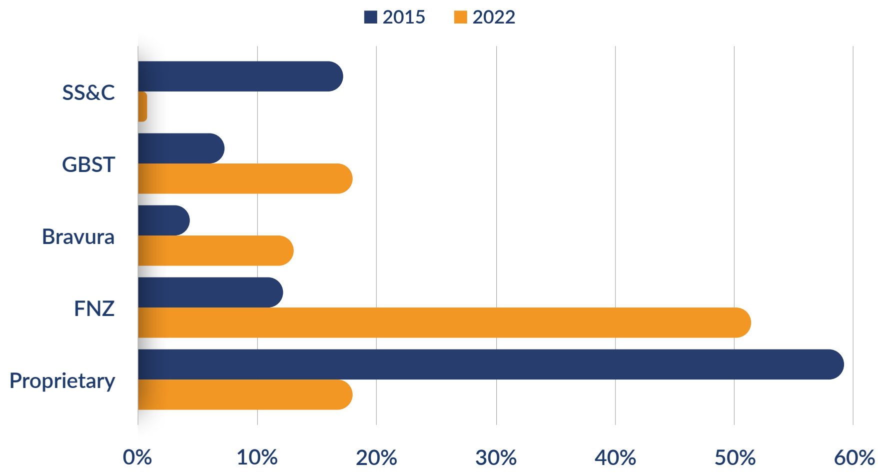
- **Abrdn Wrap and Elevate** – Abrdn
- **Aegon Platform and Aegon ARC** – Dutch parent Aegon plc
- **AJ Bell**
- **Aviva** (Owned by Aviva Wrap UK Limited and Aviva Pension Trustees UK Limited, both of which are wholly owned subsidiaries of Aviva plc.)
- **Embark Platform and Advance by Embark** (owned by Lloyds Banking Group)
- **Fusion Wealth** – Part of Benchmark, owned by Schroders
- **SS&C Hubwise** (via parent SS&C Inc.)
- **M&G Wealth** – M&G
- **Morningstar Wealth Platform** (via parent Morningstar Inc.)
- **Quilter platform** – Quilter plc
- **Raymond James** (via parent listed)
- **Transact** (via parent Integrafin Holdings)

Technology and Microservices

Technology upgrades (re-platforming) of major players are mostly finished. Firms are now looking to microservices to bolt on tools and services as needed.

- Many early UK adviser platforms launched using proprietary tech. The market shifted significantly post-RDR as firm's outsourced their underlying tech, typically to FNZ, Bravura Solutions and GBST. In 2015, more than half of UK adviser platform assets were on platforms using proprietary tech. This has since more than halved to 23%.
- Most of the major adviser platforms now outsource at least some of their underlying platform technology infrastructure.
- Looking ahead, technologically innovative platforms will use multiple technology providers. With improving data standards and government efforts to force data openness, platforms will be able to combine best in class solutions from multiple tech providers.

Estimate of assets on adviser platforms by underlying tech provider in 2015 and 2022.



The following table lists the major platform providers and their technology partners. Technology partners typically support the backend infrastructure of the platform with front and middle tier technology provided by the providers. FNZ typically offers admin and tech while GBST and Bravura Solutions provide tech only.

Platform	AUA. 2022 Q1	Tech provider
Aegon (ARC + AP)	£172.0bn	FNZ, GBST, Finocomp
abrdn	£73.5bn	FNZ
Quilter	£70.7bn	FNZ
Transact	£53.5bn	Proprietary
Fidelity Adviser Solutions	£47.7bn	Bravura Solutions
AJ Bell	£46.5bn	GBST, FNZ
Aviva	£40.3bn	FNZ
Embark	£28.8bn	FNZ
Fusion Wealth	£18.0bn	Proprietary
Raymond James	£15.3bn	Proprietary
M&G Wealth	£16.8bn	Bravura
7IM	£14.6bn	Proprietary
Parmenion	£9.4bn	Proprietary
Novia	£9.3bn	GBST
Hubwise	£3.8bn	Proprietary
Morningstar Platform	£3.3bn	Proprietary

NB, St James's Place is not included on this list. It has a proprietary platform supported by SS&C.

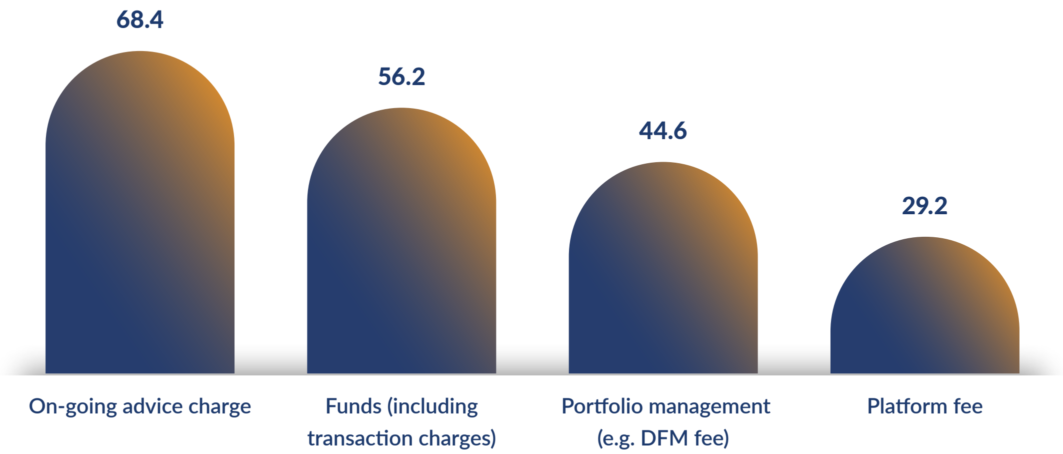
Fee Pressure

Platforms face continued pressure to reduce costs whilst offering high service levels to clients and advisers. In the next five years, we expect platform fees to fall to c.15bps from a current average of 29.2bps.

Cost is a key factor driving platform choice. Low cost providers such as Aviva are forcing others to cut prices. Large financial advice firms use buying power to push down fees.

- NextWealth estimates that the average platform cost for advised clients in 2022 was 29.2bps. The total average on-going fee was 198 bps.
- Fees are expected to contract further. Clients are not price sensitive, neither are financial advisers. Price is a key consideration among other factors. Nonetheless, regulatory focus will put further pressure on costs. In the next five years, platforms fees are expected to fall to c.15bps, fund charges will fall to c.50bps. Advice charges will probably come down too so as to stay in line with other parts of the supply chain. One often missed consideration is that vertically integrated firms tend to charge clients more. Consolidation to fewer larger firms continues and may in fact erode price competition.

Average basis point fee paid by clients



Source: NextWealth Financial Advice Business Benchmarks 2022

Adviser Business Consolidation

The financial advice market is also consolidating with a decline in small firms and a rise of larger ones. This impacts platform distribution deals – the short list is determined centrally putting further pressure on price and changing servicing requirements. These firms are also more likely to explore some degree of vertical integration or 'insourcing.'

FCA data reveal that in 2021, there were more advisers working in slightly fewer firms:

- The number of advisers grew in 2021. At year end there were 27,839 staff advising on retail investment products. That is 338 more than in 2021. Adviser numbers have been growing steadily over the past seven years.
- These advisers work in a slowly shrinking number of firms – at 5,118 directly authorised firms, down from 5,137 in 2020. There are a lot of headlines about consolidation but the numbers take a while to trickle through. Changes in status don't happen overnight. We've been tracking the data the FCA publish since 2015. The number of firms peaked in 2017 at 5,281.
- These numbers only tell part of the story. Networks count as one firm. Appointed reps don't show up in the adviser firm numbers. Our analysis suggests the number of AR (appointed rep) firms overtook the number of DA (directly authorised) firms last year. It's becoming harder for small firms to keep up with PI premiums, compliance and tech spend. We think we'll continue to see the number of DA firms shrink.

Adviser and Firms

NextWealth has developed a segmentation model of the UK financial adviser market. One of the segments we track is 'succession searchers'.

Succession Searchers

2-5 years

Advisers wanting to exit over the next 2-5 years, looking to maximise their value through the right partnership. Clients have lower than average portfolio size.

4,000 advisers

Approximately 17% of the 27,501 advisers will exit the market in the next five years according to NextWealth research.

Insourcing and Vertical Integration

The UK market is in a phase of increased vertical integration. Large financial advice firms are becoming platform operators, insourcing the technology to offer a platform.

This rise in white-label and model-b platforms (where the financial advice firm takes on some regulatory responsibilities for operating a platform) remains the domain of large firms with the appetite to take on the risk and regulatory responsibility. As advice firms continue to consolidate, the number of firms looking to insource a platform will also rise.

What is vertical integration

Vertical integration in wealth management refers to owning distribution (D2C platform or financial advisers) and another part of the supply chain. These firms typically lose money or break even on advice and make the bulk of their profit on the product (funds). They use segregated mandates or sub-advised, appointing fund managers to manage the money but employing the ACD and providing the fund wrapper themselves. These large firms typically pay a fund manager 18 to 30 bps for an active fund and charge clients the equivalent of the retail share class, 65-75 bps. The margin is significant.

The largest financial advice firms in the UK are vertically integrated including:

- **St James's Place:** c5,000 financial advisers
- **Openwork:** c900 financial advisers
- **Quilter:** c1,700 financial advisers
- **True Potential:** c1,000 financial advisers

What has this looked like over the last 10 years

Vertically integrated firms are keen acquirers of financial advice businesses. Part of the reason is that they are able to increase revenue on the book by transferring clients to the firm's own investment proposition, earning a fee not just for advice but also on products. Vertically integrated wealth managers will continue to grow by acquiring smaller firms as advisers retire. They also have better marketing resource and so are able to acquire more new clients.

We think that the UK market is in a cycle of increased vertical integration. This stands in contrast to the Australian market, for example. We expect the shift to vertical integration to continue for at least the next 5 years.

Impact on platforms

Some large financial advice firms are following in the lead of the vertically integrated giants. Others are looking to control the client experience without owning the value chain. A growing number of these firms are launching platforms or entering into strategic partnerships with a select few platforms. This will help bring down cost and allow for deeper integrations into the advice firms tech stack, improving efficiency and the adviser and client experience.

Document Submission

Being able to do business digitally is table-stakes and so we look in detail at the document submission approaches of platforms. Most allow advisers to update charges, set up or change income drawdown, set up regular withdrawals and manage investment portfolios online. Scanned originals of forms 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 trust amendments.

The heat map below 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 of the 85 processes considered don't apply to that platform.

	7IM	abrdn Wrap	Advance by Embark	Aegon	Aegon ARC	AJ Bell Investcentre	Aviva	Fidelity Adviser Solutions	Fundment	Fusion Wealth	Hubwise	James Hay	M&G Wealth	Novia	Nucleus	P1 Platform	Parmenion	Praemium	Quilter	Raymond James	Transact	True Potential	Wealthtime
No Signature	38%	13%	46%	72%	78%	56%	4%	55%	61%	35%	69%	0%	48%	41%	45%	72%	44%	27%	64%	14%	49%	95%	48%
Electronic Signature	44%	80%	0%	10%	5%	38%	68%	33%	20%	52%	5%	36%	32%	0%	31%	6%	25%	40%	29%	65%	48%	0%	20%
Scan Signature	19%	0%	42%	15%	13%	0%	27%	5%	14%	8%	24%	39%	19%	36%	23%	15%	2%	31%	6%	8%	1%	0%	22%
Paper Signature	0%	7%	11%	0%	0%	0%	0%	0%	2%	2%	0%	13%	0%	20%	0%	0%	26%	0%	1%	0%	0%	0%	8%

- The number of paper forms required by platforms has fallen by 49% in the past two years
- The largest platforms by assets are among the most digitally enabled. The largest 7 platforms by assets are among the top 10 for digitised processes. This challenges the view that larger firms are slow to change.
- NextWealth named 8 platforms as Digital Process Champions for requiring a form – whether scanned or with a wet signature – on fewer than 10% of processes. AJ Bell, abrdn Wrap, Fidelity Adviser Solutions, Fusion Wealth, Quilter, P1 Platforms, Raymond James, True Potential, and Transact. These firms require a paper form signed by a client for fewer than 10% of processes. New to this list are abrdn Wrap, Quilter and Raymond James.

Adviser Reviews

We ask financial advisers to rate the technology providers they use on four criteria, the average scores are listed below. Two arrows indicate an increase or decrease of at least 0.10 points from October 2021. Note that platforms saw particularly strong gains in the support provided and integration with other tech last year, although these scores have declined, platforms still score the highest against the other tools on both criteria.

Tech Solutions	Willingness to recommend	Value for money	Support provided	Integration with other tech
Platform	3.54 ↓↓	3.87 ↓↓	3.71 ↓↓	3.46 ↓↓
Back Office Systems	3.00 ↓↓	3.21 ↓	3.10 ↓	3.12 ↓
Cashflow Modelling	3.82 ↓↓	3.76 ↓↓	3.59 ↓↓	3.22 ↓↓
Client Portal	3.26 ↓↓	3.41 ↓↓	3.30 ↓	3.17 ↓↓
Risk Profiling	3.63 ↑	3.74 ↑	3.47 ↑	3.32 ↑

True Potential achieved the highest score for 'willingness to recommend' among all adviser tech providers that were rated, scoring an impressive 4.9 out of 5. abrdn elevate and Parmenion followed close behind.

Frustration is growing for the ability to integrate the platform with other pieces of adviser tech. While platforms score higher on this criterion than other types of tech, scores were down for 7 out of 12 platforms.

Further details on adviser reviews of platforms are available for purchase in the **NextWealth Adviser Tech Stack report**.

Platform Profiles

abrdn Elevate

Elevate is designed to support the large range of planning, tax and investment management activities carried out within your business. It offers exceptional value for money for your clients. Elevate provides a complete range of retirement options, tax wrappers and goal-based planning tools which put clients' individual needs at their centre. Elevate supports advisers that are looking for a stable, flexible and great value proposition to deliver financial planning solutions to affluent and high net worth clients, bringing together their assets for a single view.

NextWealth view

abrdn Elevate offers a lower cost, simpler platform proposition for customers with less complex needs. Elevate's scores in our summer survey of advisers bucked the trend, rising to an overall score of 4.5 out of 5 – an Excellent rating. Financial advice professionals gave the platform particularly high scores for support provided and value for money. Elevate is a good option for firms looking for a solution for clients with simpler needs.

Financial advisers in commenting on the platform praised service and support and even gave shout outs to particular BDMs:

> *"Fantastic platform with first class back-up support from BDM and telephone team."*

> *"It is so easy to check overall summary of client holdings. More importantly, the team are always at the end of the phone to help if needed, which means the best of both worlds. A cost-effective online platform with excellent adviser/customer service. Much more helpful than some other providers I've tried."*

Ownership: abrdn
Technology Partnership: FNZ (core platform and administration)
Assets Under Influence: (Wrap + Elevate) £66.9bn as at 30th September 2022

abrdn Wrap

Wrap is designed for clients with complex needs in accumulation or retirement that require sophisticated multi-goal, multi-wrapper investment solutions. It provides a comprehensive breadth of investment options which meet the demand from advisers to deliver their CIP and meet individual client needs. Advisers can run integrated model portfolios with bulk rebalancing, bulk switching, CGT modelling and client reporting on a discretionary or advisory basis. All within controlled segregated functionality ensuring that the adviser stays within their regulated permissions. Wrap provides complete flexibility to select multiple portfolios across tax wrappers or mix discretionary portfolios with investments from across the entire 8000+ asset classes.

NextWealth view

abrdn Wrap is among the largest platforms by assets, one of the fastest-growing and among the top rated. It offers excellent technical support to financial advice businesses, particularly around pensions and income drawdown. It also offers really good support for managing model portfolios on platform - both to advisers and DFMs. We recognise Wrap as a digital process champion for requiring a paper or scanned copy of forms for 10% of fewer processes.

The firm has invested heavily in its service levels, implementing call routing to avoid passing advisers 'round the houses'. Wrap is top rated among large platforms for support provided, earning a 'Very Good' score of 4.2 out of 5. abrdn claims never to have missed an income payment for a customer in decumulation. This combined with strong service and technical expertise make Wrap a safe choice. In the past, advisers would complain about the pricing structure but we're hearing that less and less. The share of advisers that give Wrap a negative score for 'value for money' decreased sharply from 29% last year to 12% in our most recent survey.

Stephen Bird, abrdn CEO will be speaking at NextWealth Live on 21 March 2023.
For more information and to buy a ticket, visit: **www.nextwealth.co.uk/live**

While scores are up, reviews remain mixed. Some praise service and functionality. Where there is criticism this typically focusses on fee levels and complexity.

> *"Easy to navigate. Helpful support team."*
>
> *"Easy to use, improved functionality and great support from our consultant."*
>
> *"Very difficult to navigate, quite expensive and the longest SLA in all platforms I use."*

Ownership: abrdn
Technology Partnership: FNZ (core platform and administration)
Assets Under Influence: (Wrap + Elevate) £66.9bn as at 30th September 2022

Advance by Embark Platform

The Advance by Embark Platform's rich functionality and extensive investment range make it potentially suitable for a broad range of client types. From those still accumulating wealth, to those in the decumulation phase with a strong focus on taking retirement income while making their wealth last.

From giving access to a broad range of products (Platform Cash Account, Cash ISA, S&S ISA, Investment Account, Retirement Account and Junior ISA & Junior Retirement Account for children) and assets including clean share class mutual funds, ETAs and model portfolios, through to the transparent way we charge and how we make independent planning and research tools available, it's all designed around helping advisers achieve great client outcomes.

In summary, reassuringly predictable.

NextWealth view

Following the purchase of Zurich's Retail Wealth business and the Lloyds Banking Group's acquisition earlier this year, Embark is pursuing an aggressive transformation agenda. They have already migrated assets from Alliance Trust Savings and Sterling. The plan is to migrate all Advance by Embark clients to an enhanced version of the Embark Platform in 2023.

This enhanced platform will be welcomed by all users. In our summer survey of 375 financial advice professionals, only seven rated the Advance by Embark Platform - all were negative.

Embark CEO Jackie Leiper has ambitious plans for the Embark Platform and plans to invest for growth. The firm has said it plans to add Scottish Widows' retirement products onto its platforms and introduce better functionality to support clients in decumulation.

Jackie Lieper will be speaking at NextWealth Live on 21 March 2023. For more information and tickets, visit: **www.nextwealth.co.uk/events/live/**

Ownership:	Lloyds Banking Group
Technology Partnership:	Powered by FNZ, Portals: Vermeg, Tools: FE & EValue.
Assets Under Influence:	£26.1bn as at 30th September 2022

Aegon Platform (formerly Cofunds)

The Aegon Platform combines the unrivalled scale, investment choice and experience of Cofunds in the platform market with Aegon's financial strength, retirement product experience and innovation. The result is a comprehensive financial-planning platform that aims to offer the choice, functionality and support to enable intermediary firms to offer expert lifetime planning to clients more easily and efficiently than ever before.

The Aegon Platform's range of products and investments can adapt easily as your client's progress through their working life into retirement. Plus there's full flexibility to tailor model portfolios, client reporting and your remuneration to deliver a range of client propositions to suit your business.

NextWealth view

The Aegon Platform is the Cofunds platform, acquired by Aegon in 2016. The platform ranks last on our leaderboard. It scored 3.1 out of 5, down from 3.3 last year. Financial advisers tell us that they maintain existing client accounts on the platform but don't use it for new clients. Aegon appears committed to the UK platform market and continues to invest in the digital front end.

The following are quotes from financial advisers from our most recent survey:

> *"The platform is improving but is basic. It is value for money."*
>
> *"it's getting there but it's not there yet. We mainly use it for legacy clients but wouldn't actively choose it for new business."*

Ownership: Aegon plc, a Dutch-based insurance company

Technology Partnership: GBST and Finocomp

Aegon Retirement Choice (ARC)

Aegon Retirement Choices (ARC) puts you in control of your clients' financial futures. Our platform provides you with the flexibility to manage wealth accumulation, workplace savings and retirement income through one single online solution.

The range of products and investments can adapt with your clients' changing financial needs, as they progress through their working life into retirement. And, by bringing all their savings together, your clients could benefit from lower charges and take control of their whole portfolio in one place.

With over 4,500 investment options (as at July 2019), including pension fund solutions built by Aegon, collectives, equities, investment trusts and exchange-traded funds, ARC can meet bespoke client needs.

NextWealth view

Aegon Retirement Choices (or ARC) is best known for supporting clients in decumulation. Financial adviser reviews are down year on year – in particular for value for money and support provided. Financial advisers continue to appreciate the charge cap on portfolios of over £250k. This can make the platform very economical for clients with larger portfolios.

In our surveys, financial advisers give similar ratings to ARC and the Aegon Platform. Financial advisers told us:

> *"Capped charge provides very good value for higher value portfolios but they need to improve functionality."*
>
> *"We like the ease of use and the £250k cap on charges for clients. We use it for clients that are far more hands on with their investments and fees/charges conscious."*

Ownership: Aegon plc, a Dutch-based insurance company

Technology Partnership: GBST and Finocomp

Assets Under Influence: £151 bn on platform (ARC + AP) as at 30th September 2022

AJ Bell Investcentre

The AJ Bell Investcentre platform aims to serve a variety of customers from accumulation to retirement. Our clients benefit from an investment proposition that covers whole of the market from platform, DFM's and XO functionality. We offer a range of our own managed portfolio solutions including a designated retirement solution and DFM model portfolios on our platform.

Our pricing structure is competitive and is suited to a wide range of clients, with options to use either a transactional pricing option through our SIPP or an all-in pricing structure through our Retirement Investment Account. Clients also have the option to use a wide variety of ISA wrappers, General Investment Accounts and set up junior accounts.

Through our sustainable business model, we have delivered a strong track record of profit, ensuring our financially security; this means we can continually invest into our functionality, products and service.

AJBell Investcentre

NextWealth view

AJ Bell Investcentre is among the fastest growing and largest adviser platforms. The business listed in 2018 in what was one of the most successful platform listings ever. Founder Andy Bell passed the CEO baton to the company's CFO Michael Summersgill in October. We don't expect any fallout from the transition.

AJ Bell Investcentre is competitively priced and is investing in making the platform easier to use. We're excited about the potential for Touch by AJ Bell, an app-based interface for the adviser platform due to launch next year. The platform scooped three gongs at the Money Marketing awards and is a NextWealth digital process champion.

In their comments about the platform, advisers praised the firm's low-costs but feedback on ease of use was more mixed.

> *"Good value for a more sophisticated investor."*
>
> *'Very good low-cost option."*
>
> *"Needs modernising but a cheap platform."*

Ownership: Publicly listed

Technology Partnership: GBST and FNZ

Assets Under Influence: £44.8 bn as at 30th September 2022

Aviva

The Aviva Platform is designed to work best for mid-market to high net worth retail customers who are UK residents aged 18 and over and who want to pay for financial advice and access the investment opportunities the platform offers. The platform provides a range of portfolios to cater for different tax and income requirements. So, whether your clients' financial needs become simpler or more complicated over time, the Aviva Platform lets you adapt their investments to help fit their needs.

NextWealth view

Aviva is hoovering up assets, mainly based on keen pricing deals but the platform also continues to innovate, adding features and functionality. This year it also restored much of the historic data lost in a difficult replatforming.

Aviva launched as a cheap and cheerful solution for second tier customers. It has since become the platform of choice for many advisers, with hard to beat prices. Aviva is one of only three platforms to improve scores based on adviser reviews. It has gone from bottom of the pack to middle of the pack on support and continues to score ahead of most platforms on value for money.

If Aviva is serious about winning higher value clients, the firm will need to boost its service record. Cheap and cheerful works for clients with fairly straightforward needs. For accounts where more handholding and technical support is needed, the staff at financial advice businesses want to reach someone without being passed around the houses. Encouraging adviser self-service is fine on lower value accounts but advisers want a different level of service when supporting clients with more complex needs.

> *When it works, it's very good."*
>
> *"The platform is great but the customer service is poor."*
>
> *"Very functional, lots of options. ESG profile tool, client reports."*
>
> *Service is very mixed often hanging on the phone longer than a few minutes. Reports are limited. Everything is good/average. Nothing is terrible but nothing is outstanding."*

Ownership: Owned by Aviva Wrap UK Limited and Aviva Pension Trustees UK Limited, both of which are wholly owned subsidiaries of Aviva plc.

Technology Partnership: FNZ (core platform technology and administration)

Assets Under Influence: £40.3 bn as at 30 September 2022

Fidelity Adviser Solutions

Established 22 years ago, Fidelity Adviser Solutions is an adviser services business that offers a comprehensive range of investment-related products, tools and services to advice firms and their clients. We seek to make advisers' lives easier and their firms more efficient while providing a great experience for their clients. Our goal is to help firms build strong, profitable and sustainable businesses and to support them through any challenges that may arise.

In addition to collective and exchange traded investments and wrappers, we provide advice firms with cutting-edge technology solutions and tooling. These not only improve efficiency but also enhance the client experience. Advised clients have full access to their accounts through a secure portal and highly-rated App. We are proud to serve more than 5,000 adviser firms while administering £49 billion on behalf of over 330,000 clients*. We were honoured with 'Platform of the Year' at the UK Platform Awards 2021.

NextWealth view

Fidelity Adviser Solutions is a safe and stable choice for advisers looking for a platform that gets custody and administration right. While this may sound boring - platforms need to get the basics right and Fidelity Adviser Solutions usually does. NextWealth research with financial advisers shows a decrease in service scores in the past year. They offer a competitive price and scores for value for money have held firm.

Fidelity Adviser Solutions was recognised by NextWealth as a digital process champion. They are working to improve client onboarding journeys through a partnership with Canadian FinTech, Conquest.

Ownership:	Part of Fidelity International, a private, family-owned business
Technology Partnership:	Bravura Solutions (Sonata)
Assets Under Influence:	£43.9bn as at 30th September 2022

Fusion Wealth (Benchmark)

The Fusion Wealth Platform was founded in 2010 and is part of Benchmark Capital group. Fusion provides bespoke wealth management and technology solutions for wealth managers, national financial advisers and networks. The Fusion Wealth platform is technology-driven with its own Discretionary Investment Management permissions and is fully integrated into an intuitive, web-based suite of services including back-office, business management and client management. The platform is flexible and cloud based for scalability.

This combination of technology, normally spread across multiple providers, into one, provides a market-leading solution for high quality financial planners and wealth managers in the UK.

NextWealth view

Fusion Wealth is part of Benchmark Capital, owned by Schroders. Fusion supports Benchmark Capital's own financial planning business plus a network of over 150 advice firms and directly authorised financial planning businesses.

The platform didn't get enough reviews to be included in our leaderboard. Among the 14 reviews, feedback was mixed. Advisers criticised the firm for poor integrations with third party tech.

> *"Does not integrate well unless using their back office."*

Financial planners that use the Fusion platform with the Enable back office system say they work well together. Increasingly we're hearing from advisers that they want it to work with third party tools.

Fusion is one of NextWealth's Digital Process Champions, requiring a paper or scanned copy of forms for fewer than 10% of processes.

Ownership:	**Wholly owned subsidiary of Benchmark Capital Limited, fully owned by Schroders since 2021.**
Technology Partnership:	**SEI (Wealth Platform)**
Assets Under Influence:	**£18 bn as at 30th September 2022**

M&G Wealth Platform (Formerly Ascentric)

The M&G Wealth Platform proposition focuses on holistic financial planning and is available to financial advisers and large distributors. We have an all-inclusive platform charge and no additional charges. This means there are no SIPP fees, no model portfolio fees and no trading fees - so clients can be certain of the cost, no matter how actively their portfolios are managed. We have a breadth of investment and asset options, including investment trusts and Exchange Traded Assets used by a range of DFMs and product providers, a choice of product types from General Accounts, ISAs, and SIPPs to Onshore and Offshore Bonds.

We're really proud of our Model Portfolio capability and our in-house dealing team. This allows DFM's to run a wide range of solutions even bespoke portfolios on platform safe in the knowledge that our trading desk will ensure best execution through intraday dealing with multiple counterparties.

Our flexible platform interface enables efficient integration of external support services including back office systems. We have also launched our new digital SIPP which includes a built-in DocuSign digital process, automated transfer process as well as drip-feed drawdown with flexibility around income payments.

NextWealth view

Ascentric was acquired by M&G in 2020 after being part of Royal London since 2014. The platform went through a massive technology upgrade from proprietary software to Bravura Sonata a few years ago. The platform didn't get enough adviser reviews to be ranked on our leaderboard this year (among 375 survey respondents). Among those that did rate the platform, they expressed frustration at service levels and platform functionality. M&G has announced that it will make the PruFund Planet available on the platform (a sustainable version of PruFund), meaning it can be held in an ISA or SIPP wrapper.

Ownership:	**Wholly owned by M&G, since 2020**
Technology Partnership:	**Bravura Solutions (core platform technology)**
Assets Under Influence:	**£15.3 bn as at 30th September 2022**

Morningstar Wealth Platform (Praemium)

Morningstar Wealth Platform's integrated Managed Accounts platform provides a unique wealth management opportunity for investors and advisers. Facilitating managed accounts on the one integrated platform enables advisers to tailor solutions to a variety of client needs while delivering significant back-office efficiencies to their advice businesses. Coupled with the scale efficiencies of Morningstar Wealth Platform's market leading platform, advisers can provide more value for clients and have more clients to value. Investment managers on the Morningstar Wealth Platform are able to include direct equities, listed securities, managed funds, cash and bonds when constructing/managing their portfolios.

MORNINGSTAR Wealth Platform

NextWealth view

Morningstar Wealth Platform is a niche player with a compelling and flexible investment architecture. They are among the fastest growing in assets, though from a relatively small base. They are getting some traction offering tailored platforms to larger firms that want deep integrations into back office and portfolio management systems. Morningstar Wealth Platform is a favourite among DFMs. They recently introduced API links and trade matching to make it easier for DFMs to run portfolios on the platform. However, DFMs don't carry much influence on platform choice. The next crucial step for Morningstar Wealth Platform is to spread the word among financial planners.

Ownership:	Morningstar acquired Praemium in June 2022
Technology Partnership:	Proprietary
Assets Under Influence:	£3.2 bn as at 30th September 2022

Novia

Novia is an open architecture platform built to provide maximum efficiency and flexibility for advisers; with online applications, straight through processing and minimal paperwork. We offer over 3500 funds from over 300 managers. With aggregated trading on over 400 ETFs, plus access to sterling denominated equities we make it possible for even smaller investors to utilise investment options traditionally only available to large institutional investors. This broad range of assets combined with our award winning Model Portfolio Manager tool makes it easy for Advisers and DFMs alike to build and maintain Model Portfolios for their clients, and our integral cash facility facilitates simple and transparent charging. Our online Investor Zone provides investors with essential information about their product wrappers and over all portfolios mix as well as access to their documentation.

NextWealth view

Novia is a platform that has reasonable functionality but users say the service is lacking and it offers poor value for money relative to competitors. It was acquired by AnaCap, a private equity firm that also owns Wealthtime and both businesses will be brought together under the Wealthtime brand. Novia offers good investment capability and DFMs say it's among the best for running models though doesn't offer much in the way of flow.

In our summer survey, advisers had this to say about Novia:

> *"Service has fallen down to almost non-existent."*
>
> *"Higher charges than other platforms for better diversification and scope of investment, but amount of extra admin to maintain wrappers is not worth it."*

Ownership:	AnaCap
Technology Partnership:	GBST and Finocomp
Assets Under Influence:	£8.5bn as at 30th September 2022

Nucleus

As one of the UK's first SIPP providers, we pride ourselves on our expertise and innovative approach to retirement wealth planning. We have developed a secure platform with a flexible proposition for advisers to manage their clients' investments all in one place throughout the lifetime of their retirement and wealth planning journey - The Modular iPlan. Our platform is simple to use and provides a fairly priced solution which is trusted by over 58,000 investors.

NextWealth view

Nucleus is owned by private equity firms HPS (majority) Epiris (significant minority) and combines the James Hay and Nucleus Wrap platforms. The firm is going through a lot of change and plans to move both platforms to FNZ.

The view among executives at Nucleus is that scale will win among platforms. Unlike other platform acquirers, they plan to consolidate assets onto a single tech infrastructure. We hope they are able to do the hard job of consolidating assets to a single technology backbone. Such a feat could be a game-changer for platform pricing.

Ownership:	Private equity backed, by Epiris GP Group.
Technology Partnership:	James Hay platform: proprietary (moving to FNZ); Nucleus: Bravura (Sonata) moving to FNZ
Assets Under Influence:	£17bn as at 30th September 2022

Parmenion

We're an investment and technology solutions business that supports financial advice firms in the creation and operation of a centralised investment proposition.

Our proposition is founded on the seamless integration of three key disciplines; discretionary investment management, platform administration and intuitive technology. All of these enable us to reduce operational risk for advice firms and improve their profitability through greater efficiencies. In turn, they're able to deliver a streamlined client experience, enhanced by our easy-to-use technology.

For those Advice businesses seeking higher levels of control, we have different levels of partnership, which include the ability to collaborate on bespoke solutions, providing administration and technology services to organisations with their own discretionary permissions as well as offering access to third party DFMs

Parmenion

NextWealth view

Parmenion has seen strong improvements in user reviews year on year and assets have held steady. Based on our survey of advisers in the summer of 2022, Parmenion are one of only three platforms to see scores improve year on year. This is impressive given Parmenion already earned quite high scores. Parmenion is a NextWealth Digital Process Champion and won the coveted Platform of the Year award at the Schroders UK Platform Awards.

Parmenion's strength lies in a clear value proposition and advisers that work with them give them high marks. That focus is paying dividends, the business returned to profit in 2021.

In commenting on the platform, advisers praise the service and user-friendly technology:

> *"So far Parmenion has exceeded my expectations at every stage of client work."*
>
> *"Their user experience is the best."*
>
> *"Services is phenomenal and they have a modern approach."*

Ownership: Management team, Preservation Capital and Asset Co.

Technology Partnership: Proprietary

Assets Under Influence: £8.5bn as at 30th September 2022

Quilter

Quilter enables financial advisers to deliver the very best service to clients and their families, to help them achieve their financial goals. We offer a comprehensive range of products and investments through our award-winning online investment platform, which is known for its intuitive user experience that makes online processes quick and easy.

Quilter's platform has the strength and capability to support client needs both today and into the future. It does this by giving you:

- Intelligent options for investment management
- Online processes saving you time and money
- Data-rich, time-saving reports
- Even more flexibility from a market-leading pension
- Straightforward cash management
- Flexible model portfolios you can easily control
- Seamless access to discretionary services

This is underpinned by an award-winning service to both advisers and customers, clear and simple charges with extensive family linking, and the best fund deals in the market.

NextWealth view

The Quilter platform has captive distribution through the Quilter Financial Advice (formerly Intrinsic) network and maintains a strong following among independent financial planners. Quilter maintained steady scores based on user reviews this year (while most others experienced declines) with an overall score of 3.5 out of 5. Quilter scores above average on integrations but slightly behind average on value for money and support provided.

Quilter is very committed to making life easier for financial planners and focus their content and support on regulatory change and technical training. This is well received. They also have a life company approach to sales support with more boots on the ground than many other groups.

> *"Some good functionality and efficiency, however some shortcomings; notably inability to produce ad hoc cost and charges statement."*

> *"Good service but system is fairly slow."*

Ownership: Part of Quilter plc

Technology Partnership: FNZ

Assets Under Influence: £107.2bn as at 31st March 2022

Raymond James

Raymond James Investment Services supports entrepreneurial investment managers and investment focused financial planners in the UK, who run growth oriented practices with a strong management and compliance culture. These wealth managers service high net worth investors with complex financial needs and in some cases, also service mandates for institutional clients like charities and pension funds. As part of the core Private Client Group of Raymond James Financial, we are part of a well-established, profitable and diversified financial services firm.

RAYMOND JAMES

NextWealth view

Raymond James is an open architecture platform designed for wealth managers who run sophisticated investment propositions. They are a NextWealth Digital Process Champion having removed many paper forms. They offer excellent access to a wide range of underlying investments, including funds, ETFs, listed securities, investment trusts, structured products and hedge funds. Raymond James does a good job of supporting wealth managers who want to manage an investment portfolio for customers.

Ownership:	Raymond James is part of parent company Raymond James Financial, Inc a public company, listed on the New York Stock Exchange.
Technology Partnership:	Investment Software Ltd and SS&C/Advent
Assets Under Influence:	£13.9 bn as at 30th September 2022

Seven Investment Management

Why the 7IM Platform – meeting your complex needs

7IM is a multi-facet business, we offer a high quality investment platform, we are an asset manager with a range of investment solutions, and a high net worth discretionary service.

We originally built our platform to run our own business on. We understand exactly what a platform needs to provide to be both efficient and effective and critically deliver a great client experience.

The 7IM Platform is both transparent and unbundled, and whole of market. Enables us to support a large range of client segments, including discretionary and advisory services and model portfolios with rebalancing and multi asset funds. We focus on service and an engaging experience.

For both advisers and their clients. Tax wrappers are available from multiple providers with discounted options from preferred providers. We are also a SIPP provider in our own right.

Advisers and clients therefore have the flexibility to choose the most suitable wrapper without restrictions, together with a number of simple low-cost options.

NextWealth view

7IM is a platform plus DFM plus investment manager. Their heritage is in managing money but the platform is well-liked by advisers and offers access to a wide range of investment options and tax wrappers. 7IM offers good service and is focussed on making life easier for everyone in the financial planning firm. User reviews have held steady year on year.

Advisers give the platform good scores for support provided but several told us the tech needs an update.

> *"Everything works perfectly and the support is top level for this industry."*
>
> *"I love the way they chase providers at least weekly and have notes so the adviser can see what's going on. This is very efficient."*
>
> *"Overall feel is that it is a little behind the curve in functionality."*
>
> *"Not an intuitive or user-friendly platform."*

Ownership:	Majority owned by Caledonia
Technology Partnership:	Proprietary
Assets Under Influence:	£13.7 bn as at 30th September 2022

Transact

Our proposition is to deliver the best service in the investment platform market. We achieve this through a combination of proprietary software and regionally aligned Client Service Teams, Adviser Support Managers and Business Development Manager. This is further enhanced by our Technical Support Team. Transact has been top rated by CoreData and Investment Trends independent research surveys every year inclusive 2010-2022. We offer access to the fullest range of tax wrappers and assets. Portfolio valuations, purchases and sales, templates, tax and client reports are all supported via Transact Online.

Our service includes links to portfolio and asset review tools, access to cash flow modelling tools and the provision of data to third party service providers. We also provide access to trust services, over 100 Discretionary Investment Managers and all the major third party SIPP providers.

NextWealth view

Transact is famous for good service but those service levels have slipped slightly but show signs of improving. Advisers still praise the phone support but it now ranks behind abrdn, 7IM and Parmenion for support. They have made strides to reduce paper and we recognised them as NextWealth Digital Process Champion. When we ask advisers what they want from a platform, the top response is usually “that it works” and Transact usually does.

Transact tends to be more expensive for smaller accounts but the platform continues to reduce charges as it grows and scales. The firm acquired Curo, owners of the back-office system, Time4Advice. We look forward to further integrations between the back office system and platform to address some of the integration issues that plague advice businesses. They also launched a range of model portfolios with BlackRock in 2022.

Financial advisers commenting on the platform told us the tech is difficult to use but the support compensates for shortcomings.

> *“I find the platform and tech very confusing. Difficult to use and dated. Support which is often needed is good.”*
>
> *“Transact platform is very good but not exactly intuitive. You have to ask someone to guide you, mind you they are very willing and good guides.”*
>
> *Competitively priced but behind the curve in technology terms.”*

Ownership: Transact is the name of the investment administration platform service and forms part of IntegraFin Holdings plc. IntegraFin is a company listed on the London Stock Exchange.

Technology Partnership: Proprietary

Assets Under Influence: £50.1 bn as at 30th September 2022

True Potential Wealth Platform

True Potential Investments Wealth Platform is a fully integrated system allowing for fully digital, streamline processes. It is used by True Potential Wealth Management Partners and Directly Authorised firms looking for a digital platform to revolutionise the way they work. The platform offers thousands of different Equities, ETFs, Mutual Funds and both onshore and offshore Bonds along with their own nil cost Pension, General Investment Account and ISA. This offering supports the ability to produce bespoke plans whilst also additionally supporting 10 discretionary model portfolios.

NextWealth view

True Potential get top billing from their users – rated as the top platform in all categories we measure. The firm gets an overall score of 4.8 out of 5, an excellent score by any measure. The firm's offering is different from other platforms, as advisers tend to be part of the True Potential group (True Potential Wealth Management and True Potential Adviser Services) and use the full suite of technology and products. This means better integrations and a different service proposition.

The firm received an injection of capital from PE Firm Cinven this year. This will fuel further recruitment of advisers into their restricted Wealth Management firm. True Potential was again recognised this year as a NextWealth Digital Process Champion.

Financial advisers praise the platform for being easy to use and often add that clients like the tech too:.

> *"Good functionality. Not the cheapest but great tech."*
>
> *"Very easy to use remotely."*
>
> *"End to end digital adoption of all processes."*
>
> *"Reliable and very easy to use."*
>
> *"This is the all singing all dancing platform."*

Ownership: Privately owned with an investment from PE Firm Cinven

Technology Partnership: Proprietary

Assets Under Influence: £20.7 bn as at 31 December 2021

What’s next from NextWealth

- Whitelabel and Model B platforms: Part of NextWealth’s on-going research on adviser tech, this report report will consider the rise in demand to insource a platform and the roles and responsibilities involved. December 2022
- Discretionary MPS Proposition Comparison Report: A twice yearly report on discretionary MPS, charting the rise in assets by DFM, USPs of the major players and comparing pricing and propositions. December 2022
- NextWealth Live: Join the conversation about the forces shaping what's next in wealth and our annual conference. NextWealth Live brings together a community of thinkers and leaders to discuss and debate the forces shaping what’s next in wealth. Speakers include Jackie Lieper –Embark CEO, Stephen Bird – abrdn CEO and Neil Moles – Progeny CEO.

About NextWealth

NextWealth is a research and consulting business with expertise on the retail investing market and specifically financial advisers. Our customers are platforms, asset managers, technology companies and financial advice businesses.

We publish syndicated research reports and industry metrics, perform bespoke services and host public events and private roundtables.

Financial advice professionals can get free access to our latest research by getting involved in our research panel. By sharing your views four times per year through surveys or interviews, you will get free access to NextWealth research and reports. www.nextwealth.co.uk/research-panel/

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