



Rated by Experts

Leading the market in
clarity and transparency



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Overview

Our product ratings use a set or 'red line' criteria to calculate an underlying score for each product, which translates to a star rating. Products can achieve between one and five stars.

To achieve a five-star rating, products must meet all of our red line criteria. We focus on core product features, and don't give extra marks for unnecessary features or optional extras.

Our current red line criteria are contained in the following pages.

Unlike our insurance ratings, our banking, online will writing and investment platform ratings take into account the price of the product. This is because consumers can incur additional costs over the life of the product.

Fund and Share Accounts (for low frequency trading)

One of the first 3 red lines applies to each product- if the product allows a customer to deal in funds and shares we use the fund and share dealing scenario (red line 1), if a product offers only fund dealing we use the fund dealing scenario (red line 2), if it offers only share dealing we use the share dealing scenario (red line 3)

Red Line 1 – Fund and share dealing scenario

The cumulative annual charges for the first two years of an account must be less than the sector average to pass this red line. The cumulative annual charges are based on a portfolio of £50,000 wherein £25,000 is invested in shares and £25,000 is invested in funds. The cumulative charges include the account set-up fee, where this applies, charges for dealing activity plus any platform fee, annual fund dealing fees and annual share dealing fees. The scenario assumes a low frequency rate of trading (2 trades in stocks and 2 trades in funds per annum). At the time of writing, January 2021, the average charge is £305.58

Red Line 2 – Fund dealing scenario

The fund dealing scenario only applies to portfolios which allow fund trading only. The fund dealing scenario is the cumulative annual charges for the first two years for a portfolio of £50,000 invested in funds. Low frequency trading is defined as 2 fund trades per annum. At the time of writing, January 2021, the average charge is £309.19

Red Line 3 – Share dealing scenario

The share dealing scenario only applies to portfolios which allow share trading only. The share dealing scenario is the cumulative annual charges for the first two years for a portfolio of £50,000 invested in funds. Low frequency trading is

defined as 2 share trades per annum. At the time of writing, January 2021, the average charge is £181.94.

Red Line 4 – Account closure fee

There must be no fee for closing an account. The majority of providers in this sector don't charge an account closure fee, so we consider anything above £0 as a potential barrier to exit and unfair.

Red Line 5 – Charge for transferring cash to another platform

The fee for transferring out as cash must be £0. Most policies do not charge a fee for transferring out in cash, so we consider anything above £0 as a potential barrier to exit and unfair.

Red Line 6 – Charge for transferring investments to another platform

The charge for transferring investments to another provider must be less than the sector average which is £17 per holding. We feel any charge greater than this begins to create a barrier to exiting for the customer.

Red Line 7 – Early account closure fee (12 months or less)

The fee to close an account within 12 months of opening it must be £0. The majority of providers in the market do not charge an early closure fee and we feel any fee is unfair for the customer.

Red Line 8 – Inactivity charge

Accounts must not charge for inactivity. The mode for the sector is £0 so we consider anyone who charges for inactive accounts to be unfair.

Red Line 9 – Charge for automatic reinvestment

The charge for automatic reinvestment must be less than £10. Most providers charge a flat fee between £1-£2 whereas others charge a percentage fee. Depending on the size of the reinvestment a percentage charge could lead to much higher costs for the consumer and we consider anything above £10 to be unreasonable.

Red Line 10 – Charge for selling holding if not enough money in account to pay other charges

The charge for selling holdings if there is not enough money in the account to pay for other charges must not exceed the company's share dealing charge. The sale of units is equivalent to a share deal and it would therefore be unfair to charge the customer more for this.

Red Line 11 – Charge for telephone/postal share dealing

The charge for dealing shares via telephone or post must not exceed £30. At the time of writing, spring 2020, The average charge across the sector for this is £26.17. Therefore, we feel anything above £30 is excessive.

Red Line 12 – Same day payments

The charge for a payment made via CHAPs or Faster Payments must not exceed £25. According to the Bank of England a typical CHAPS payment should cost between £25-£30 so we have set the red line at £25.

Red Line 13 – Charge for limit orders

There must be no charge for limit orders. The sector mode is £0 so we consider it unfair to charge for limit orders.

Red Line 14 – Annual charge for receiving paper statements

The annual charge for receiving quarterly paper account statements must not exceed £40 to pass this redline. A number of providers are online only services and do not offer paper statements, these accounts pass this redline. Most providers do charge for paper statements so we have used the sector average of £40 per annum as the redline, anything above this we consider to be excessive.

Red Line 15 – Charge for writing to third party to confirm the value of the account

The charge for writing to a third party to confirm the value of an account must not exceed £0. Most providers do not charge for this, so this is where we have set the red line.

Red Line 16 – App Included

The product must have a mobile app available to download which allows customers to trade and manage their investments on the go.

Red Line Weightings

Red lines	Approx. weighting
Fund and shares scenario	50%
Fund dealing scenario	
Share dealing scenario	
Account Closure Fee	11%
Transfers Out (as cash)	5%
Transfer Out (as Stock/in-specie) Scenario	10%
Early Account Closure Fee (12 months or less)	2%
Inactivity fee	8%
Charge for automatic reinvestment	3%
Charge for Selling Holdings if not Enough Money in Account for Charges	2%
Telephone and Postal Share Dealing	3%
Same day payments	1%
Charge for Limit Orders	2%
Quarterly Statement (Paper)	1%
Charge for writing to a third party to confirm the value of the account	1%
App	1%

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