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## Are you happy with your platform?

**"Our platform leaves quite a lot to be desired"** Four advisers on what they like-and dislike-about the platforms they use

The unerring growth of the platform market has stalled, if figures from the Platform are to be believed: Assets under administration fell more than 4% in Q3.

Whilst this downward trend can in part be explained by market volatility, question marks around the value platforms offer are beginning to emerge.

"Typically advisers complain about the cost but I think there is more of a focus now on value," said The Platform managing director Holly Mackay.

She added she has a sense advisers feel "a bit let down" by some offerings, arguing platforms needed to provide "watertight" administration to justify their charges.

Whilst Mackay expects market momentum to pick up in the early part of 2013 as platforms strive to prove their worth in an adviser-charging world, the market is nevertheless going through a testing time.

Mutterings of discontent about value have been confounded by calls for platforms to go back to basics and strip out over-complicated functionality and tools.

Such despondent noises have reinforced the view that platforms are not the be-all and end-all.

But their role in the future delivery of financial advice is beyond question, and adviser take-up of platform solutions continues to grow.

We asked a selection of advisers what they found useful about their platforms, and what they found useless...

### **Carl Lamb Almary Green**

The platform we put the bulk of our business on does everything we want it to do. It allows use of discretionary fund managers, offers quarterly rebalancing and the technology lets us do what we want to do with regards to moving and changing portfolios. We are happy with the service we receive, but that may be because of our size. If you are a small firm you are probably ignored. The more assets under management, the more clout you have. I do not think all the extra functionality on platforms is really needed. At the end of the day, it is technology, and the key is providing that technology at the cheapest cost. When people say they have developed a CGT calculator, I think: 'So what? It's not required for the vast majority of people.'

### **Robert Lockie Bloomsbury Financial Planning**

Our platform leaves quite a bit to be desired. It does not have a pensions depot nor a depot in which offshore bond wrappers can be held, so our clients cannot get income on those assets gross. That is an irritant. It is also reticent to have arrangements in place with fund managers where settlement of a disposal is guaranteed, so you are not obliged to wait for the cash to arrive before the trade clears. It can take us two weeks to get the money when we sell units, by which time clients are out of the market.

### **Janet Comrie Gold Alliance**

We use five platforms and, in the main, we are happy, but are not prepared to pin our flag to any mast at this juncture. We are doing another review of the platforms we

use. This is because I have concerns about how the insured platforms - or provider platforms - as opposed to independent platforms are going to be treated and what's going to happen with trail commissions and adjustments to contracts for model portfolios. All of these things are in the melting pot.

I think there is a danger of over-complication, of platforms trying to be all things to all people to keep the business going forward. Some platforms I am trying to make themselves a bit like a back office system and I think they should be mindful that most advisory firms already have one of those.

### **Mark Newman**

#### **Prosperity**

I am generally happy with the service levels we receive, and more so in the last year as platforms have become more competitive and there has been more discussion around legislation. Although happy with our platforms, some players we have been looking at seem to be too onerous. One thing I find disappointing is they all have their AMC charges, but these are all negotiable - it's almost a market trader scenario. Platforms are prepared to do deals, but you just end up thinking: 'Why didn't you just lower your costs in the first place?'