

Administration and service dominate IFA platform wishlist

Recent findings¹ from independent financial research company Defaqto revealed in their latest platform market report show that IFAs are placing high importance on administration and service disciplines when judging platform service delivery.

Four out of the top ten most important ‘Satisfaction Disciplines’² related to new or existing business administration – including processing timeliness, problem solving effectiveness, switching timeliness and administration communications – while systems reliability and staff perception also featured highly.

Satisfaction disciplines	Benchmark category	Rank 2010	Rank 2009	Rank 2008
Asset type range ³	Platform design and management	1	-	-
Systems reliability	E-business	2	8	2
Integrity	Provider perception	3	2	16
Processing timeliness	Administration – new business	4	11	10
Problem solving effectiveness	Administration – new business	5	10	4
Staff competence	Staff perception	6	6	6
Investment vehicles ³	Platform design and management	7	-	-
Switching timeliness	Administration – existing business	8	14	13
Ease of doing business	Provider perception	9	5	5
Administration communication	Administration – new business	10	12	9

Fraser Donaldson, Defaqto’s Insight Analyst for funds, said: “Platform operators have long considered themselves to be service providers and it would appear that IFAs are acknowledging this fact by placing high importance on the platform’s ability to deliver a compelling administration and service proposition. However disciplines featuring within the top ten may also signify areas where IFAs have been experiencing difficulties and so platform operators will ‘die by the sword’ if their administration and service standards drop.”

The ‘Satisfaction Discipline’ ranked as the most important to IFAs was the platform’s asset type range (provides sufficient asset types to meet client portfolio needs), while investment vehicles (provides sufficient variety of investment vehicles to meet client segment needs) also featured within the top ten.

Matt Ward, Defaqto’s Wealth Management Consultant, commented, “While historically mutual funds may have been sufficient choice for most advisers to compose a client’s investment portfolio, the RDR would appear to have put an end to this notion. Advisers will be compelled to consider a much wider

variety of investments including ETFs, investment trusts and structured products. The short term battleground for platform operators will therefore be in satisfying this need for investment choice.”

Defaqto’s report on platforms entitled *‘The final countdown’* is available via www.defaqto.com/adviser/ifa

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Notes to Editors:

¹ 127 IFA platform users participated in Defaqto’s study.

² 37 ‘Satisfaction Disciplines’ are examined within Defaqto’s study.

³ Denotes new ‘Satisfaction Discipline’ for 2010 study.

Fraser Donaldson is Insight Analyst - Funds

Fraser joined Defaqto in November 1994. Prior to joining Defaqto, he worked at national IFA Towry Law where he was involved in building best advice panels for investment products and was instrumental in setting up a Towry Law Discretionary Management Service in partnership with Mercury Asset Management (now BlackRock). Fraser is responsible for producing Insight Reports and guides in the investment arena, having written several reports and guides on investment subjects such as platforms, onshore and offshore bonds and he authors a half yearly guide on the multi-manager market. He is also responsible for developing Defaqto’s investment proposition.

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Matt Ward is Defaqto’s Wealth Management Consultant

Matt is an externally recognised UK pensions and wrap market consultant and commentator, with significant high profile client experience, who is regularly approached for consultancy services and contribution to industry press and conferences. He has wide ranging experience including research and development of high net worth pension and investment solutions. Matt joined Defaqto in September 1998 after 5 years of experience within the EPP and SSAS departments at AXA Equity & Law. Matt has carried out roles within both the research and insight teams at Defaqto prior to his promotion to Wealth Management Consultant in September 2009 where he is now responsible for undertaking and delivering pension and wrap consultancy projects to Defaqto clients.

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About Defaqto: www.defaqto.com

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Our experts validate and analyse the data to provide insight and consultancy to all layers of the financial services sector including IFAs, mortgage and general insurance brokers, providers, web aggregators and the public sector.

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