

Working in partnership

Your due diligence guide to James Hay Online



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Foreword

Welcome to this detailed look at the James Hay Online platform. The purpose of this document is to help you conduct due diligence on us – to work out whether we're a suitable home for your existing or future clients.

As you no doubt know, James Hay is part of the Nucleus Financial Platforms Group; one of the UK's leading independent platform businesses with around £83bn under administration.

That's important because as part of the Group, James Hay is enjoying major investment to upgrade the proposition dramatically over the coming months and years. Core to this will be the migration away from its existing technology onto a new retirement-focused platform built and managed by FNZ.

This move will start to happen in early 2024. It will revolutionise the service we can provide to you and your clients, and we sincerely believe you'll be delighted with the results.

This is possible because by bringing James Hay and Nucleus together – and our subsequent acquisition of Curtis Banks – we're creating a new scale provider in the UK adviser-focused platform space. Scale is great but only if it leads to better outcomes for you and your clients, and that's what we're all about. We'll use the muscle and the benefits our scale gives us to invest continually in improving price, product and service. The move to the new Nucleus Platform is just a part of that, and for us it's a key part of our mission to make retirement more rewarding for your clients.

But in the meantime, we know you still have a regulatory responsibility to your clients – to ensure they are somewhere suitable for their requirements. So, even though it will be replaced before too long, we hope this deep dive into James Hay Online is useful. Thanks for your interest in us and we look forward to answering any more questions you may have.

Richard Rowney
CEO, Nucleus Financial Platforms Group

About due diligence

(and how to use this document)

Due diligence means different things to different firms in the context of platforms, products and investments. Exactly what it means to you and your process is individual to you and your firm – but to us it's an important part of what we do, and we welcome any firm who wants to look at us in detail.

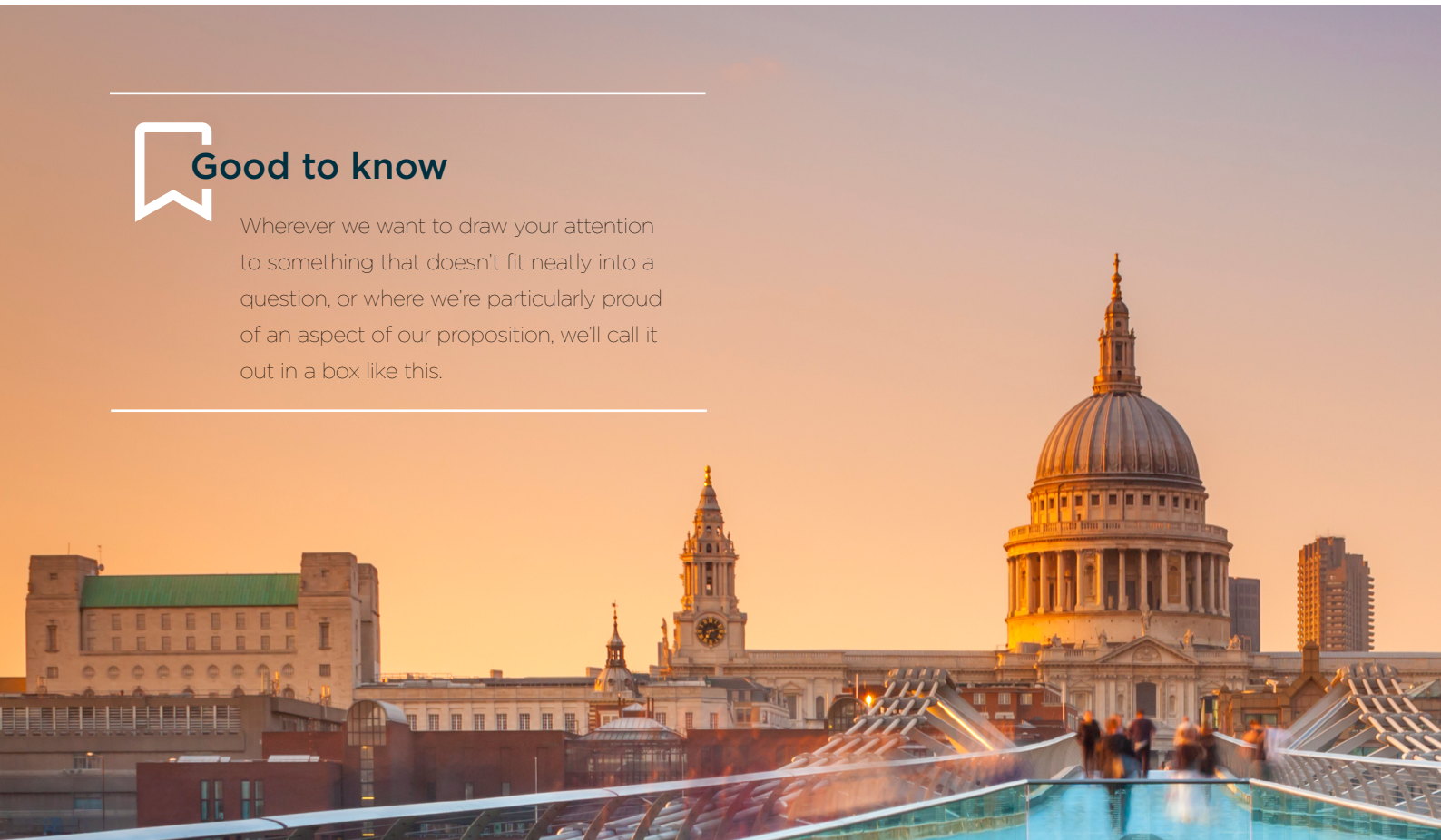
Perhaps a better way of saying 'due diligence' is 'suitability' – you're looking to ensure that James Hay Online is a suitable home for your clients' assets. That's whether you're considering us for the first time or deciding whether to leave client assets on our platform for years to come. Whatever your situation, we see it as a core part of what we do to make sure you have the information you need to make your decision.

This document covers James Hay Online; that is to say the Modular iSIPP and Modular iPlan. It doesn't cover the legacy James Hay Wrap or any other James Hay plans.



Good to know

Wherever we want to draw your attention to something that doesn't fit neatly into a question, or where we're particularly proud of an aspect of our proposition, we'll call it out in a box like this.



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In our opening section – “the provider” - you’ll see a lot of references to our group guide **“Choosing the right platform - Supporting your due diligence”**. This is easily downloadable from our website and you should consider it a companion document to this one. Full details on Group strategy, financial performance and more are available there. Similarly, if you want to see how James Hay Online compares to Nucleus Wrap you can view its **[online version of this guide here](#)**.

No document like this can ever be completely comprehensive and it’s likely you may have more questions. Your usual James Hay contact will be very pleased to get answers to them for you. We also supply data on our proposition to most of the market’s comparison tools and you may find them a useful supplement to this guide too.



1 The provider

1.1 About James Hay

1.1.1 Who owns James Hay?

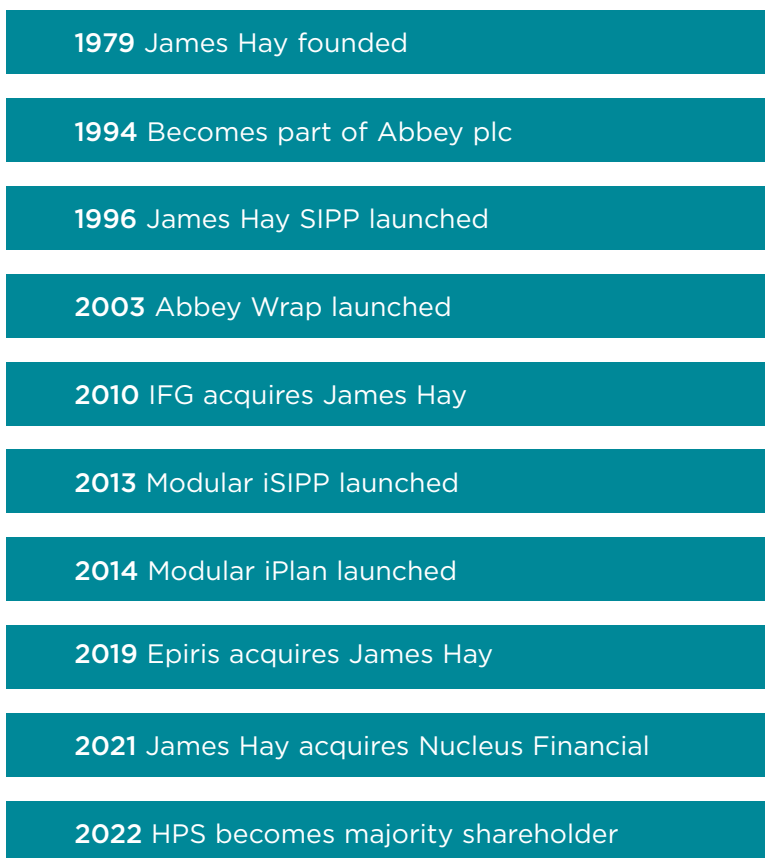
James Hay Online and the wider James Hay business is owned by Nucleus Financial Platforms. Nucleus Financial Platforms was formed in August 2021 by the bringing together of the James Hay business with Nucleus Financial.

Nucleus Financial Platforms' main shareholder is global investment firm HPS Investment Partners. HPS has \$110 billion of assets under management. [Find out more about HPS.](#)

UK-based independent private equity manager Epiris, which manages a £821m fund, is our largest minority shareholder. [Find out more about Epiris.](#)

You can find out more about our Group in [this document](#).

1.1.2 Can you give a brief history of James Hay?



1.1.3 How much is invested on James Hay?

At the end of Q4 2023, James Hay had just over £26bn of assets under administration and the wider Nucleus Financial Platforms Group had £83bn of assets under administration.

1

1.1.4 How many advisers and customers does James Hay serve?

At the end of 2023, James Hay served approximately 4,000 adviser firms and 55,000 customers. The wider Nucleus Financial Platforms Group served nearly 6,000 adviser firms and almost 250,000 customers.

1.1.5 Can you supply more information about the wider Nucleus Financial Platforms Group?

You can find out much more about our Group in our "[Choosing the right platform - Supporting your due diligence](#)" guide.

1.1.6 What's your future strategy?

Again, you can find out much more [here](#). But it's important to highlight that we intend to transition the assets on James Hay Online to the new Nucleus Platform, developed and managed by FNZ, starting in early 2024. We'll only begin this transition when we're confident that the new platform is operationally robust and ready. Our priority is to make it a safe and smooth experience for you and your clients..

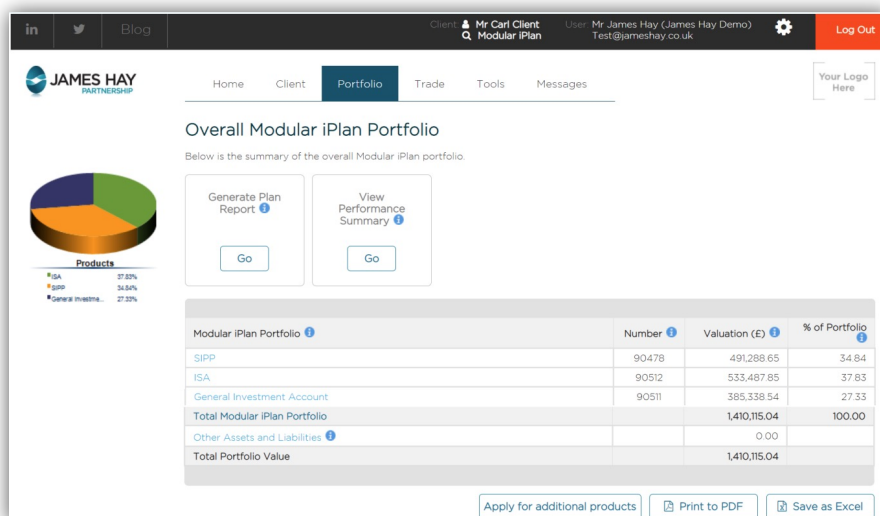


Good to know

Over time we intend to have one strategic platform for all assets administered by the Nucleus Financial Platforms Group. FNZ is our strategic partner for this. We'll start with James Hay Online in early 2024, and then consider moving the Nucleus Wrap business across - no earlier than 2025. Our plans are subject to change, not least due to our acquisition of Curtis banks and proposed acquisition of Third Financial (subject to regulatory approval).

1.1.7 What does the James Hay Online system look like?

The system is designed to be intuitive and easy to use. We've included a screenshot below as an illustration.



1.1.8 Can I brand the system for my firm?

Yes - we're happy to discuss the addition of your own branding. You can have your logo on it and certain elements can reflect your corporate colours. We don't charge for this.

1

1.2 Target market

1.2.1 What clients do you consider particularly suitable for the James Hay Online platform?

We design products for retail investors who are financially secure and looking to aggregate their investments in one place. Customers will require one or a combination of tax wrappers to maximise tax efficiency for both saving and managing income. Our products are predominantly designed for customers:

- **Who are retail customers**
- **Who are advised - customers access their James Hay products in conjunction with a regulated financial adviser. However, they may be appropriate for non-advised investors who have proactively sought out our products and are informed investors, in that they have at least an average knowledge of investments and/or some financial services experience.**
- **Who are high net worth investors and who have at least £200,000 of investable assets for use in the approach to and during retirement. They should require assistance in one or more of the following areas; pre-retirement asset accumulation, income generation, post-retirement asset decumulation, capital preservation or inter-generational wealth planning.**
- **Who are confident and have a basic level of financial capability that would enable the customer to understand, and consent to, advice provided.**
- **Who require access to a wide range of investments and product wrappers with flexibility to amend their portfolio to cater for their evolving financial needs over time.**
- **Who are aged between 18 to 80 years (except for Modular iSIPP and iSIPP applications)**
- **Who want to invest for the medium to long term and are willing to accept a level of market risk to increase potential reward (noting the actual level of risk an investor is prepared to take/can afford to take will be based on individual factors). They should be able to bear losses to capital without creating significant financial hardship.**

1.2.2 Are there any clients who you don't think are suitable for James Hay Online?

We don't think James Hay is a good fit for clients who are looking to guarantee their investment value or their income, invest in non-standard investments (e.g. unquoted shares) or who are looking to invest for the short term.

1.2.3 Do you offer James Hay Online direct to customers?

No, we primarily deal through advisers, planners and wealth managers. We have no intention of launching a direct to customer capability. We've offered this facility in the past and do have a number of existing direct customers on our books. From time to time, we'll accept a direct application if a customer has sought us out and has higher than average levels of financial capability, but this is the exception.

1.2.4 How do you look after orphan customers?

We'll accept instructions directly from retail customers but always encourage them to seek the services of an adviser.

1

1.3 Financial strength

1.3.1 What's your regulatory capital position?

We have strong regulatory capital provision as required by the FCA's IPRU-INV Prudential Standards.

1.3.2 Is your platform profitable in its own right?

As a result of the transition of the James Hay and Nucleus Financial businesses into the Group within the last two business periods, the position is complex. The recent acquisition of the Curtis Banks Group adds further to that complexity. While the James Hay Online platform is profitable in its own right, we only disclose figures at a Group level. The annual report and accounts for the Group are freely available [here](#).

1.3.3 Is your parent company profitable?

Yes – the headline figures from our [2022 Annual Report](#) are:

- **Our revenue for the year was £114.5m. Adjusted profit (excluding one off costs) was £47.7m**
- **Profit before tax was £25.4m**
- **We invested £12.6m in technology and a further £4.5m in delivering even better service**

1.4 Risk management

1.4.1 Do you have a formal risk management framework in place?

We do. It's operated at a Group level and details are available on page 20 of our [Choosing the right platform - Supporting your due diligence](#) guide.

1.5 Business resilience and disaster recovery

1.5.1 Do you have a business continuity plan?

We do. Our business is made up of two elements – the Nucleus Financial Platforms Group and our strategic partner FNZ, both of which have well-developed BCP and resilience frameworks. These include the ability for staff to relocate quickly, secondary sites, distributed technology, cloud-based architecture, back-ups and duplication and work-from-home provisions. FNZ in particular, as befits a global technology leader which has some of the world's biggest banks as clients puts considerable resource into resilience, security and testing on an ongoing basis. We're happy to discuss our resilience plans in more depth should you require. All our business continuity arrangements are tested on an annual basis. During the recent pandemic most of our staff were able to work effectively from home.



1

1.6 IT security

1.6.1 What IT security provisions do you have in place?

As part of FNZ's technology framework, the various systems which make up James Hay Online are now part of the global FNZ infosec framework. The migration to this framework was a major undertaking and some elements are still in progress, but some key highlights of the information security provisions James Hay Online enjoys as part of FNZ are:

- **Hosting on Azure rather than proprietary servers**
- **Cancellation of redundant and potentially vulnerable contracts**
- **Monthly KPI reporting around dozens of infosec parameters**
- **Constant boundary monitoring**
- **Planned regular penetration testing**
- **Comprehensive encryption of data at rest and in transit**
- **Physical data centre controls and encryption of devices**
- **Comprehensive training of staff**

1.6.2 Are you ISO27001 certified?

While James Hay Online itself is not certified, Azure (where it's hosted) is. We expect the new Nucleus Platform to be ISO27001 certified in time.

1.7 Net zero and corporate social responsibility

1.7.1 What's your environmental or green policy?

Our environmental policy is set at Group level rather than at platform level. Section 4 of our [annual report](#) here contains extensive details.

1.7.2 What were your CO₂ emissions last year?

Our Group's Scope 1 and Scope 2 gross greenhouse gas emissions for year ended December 2023 totalled 117 tonnes of CO₂e.

1.7.3 Do you have any plans to enhance your sustainability?

We've developed and implemented a B-Corp inspired Sustainability Framework. The Nucleus Sustainability Working Group has three executive level sponsors and is responsible for implementing this framework. It combines with, and supports, the efforts of our already established sustainability linked teams (such as our Diversity and Inclusion, and Charity and Foundation groups). Their purpose is to facilitate delivery of our business strategy across our six sustainability framework pillars of Governance, Environment, Our People, Community, Customers, and Sustainable Investing.

1



The aim of our framework is to enable Nucleus to measure, track and target our societal and environmental impact. We have long-term ambitions across the six areas, including net zero emissions ambitions, reducing the gender pay gap, employee volunteering targets, and making enhancements to build on the platform's ESG capabilities.

We track a number of sustainability linked metrics, including:

- **Environment – carbon emissions and resource use**
- **Our people – demographic information, employee engagement, turnover, health and safety**
- **Community – following the launch of our foundation, we're tracking donations and staff volunteering**
- **Customers – product monitoring related metrics**

Our climate-related disclosure report is available [here](#).

1.7.4 What CSR activities do you take part in?

We aim to have a positive impact on the environmental and social sustainability of the communities in which our people live and work. We do this through a combination of giving and volunteering and creating opportunities for our people to have a lasting impact on our communities.

The Nucleus Charity Committee at Nucleus that identifies, promotes and coordinates charitable activities across the business, provides matched funding on charity donations raised by our people, and provides sponsorship to charitable and sustainable events in our local communities. We also recently launched the Nucleus Foundation entirely funded by the business and governed by a committee of independent and staff trustees. It exists to share some of the benefits of scale for the good of our stakeholders and the communities in which we operate.

2 Tax wrappers and products



2.1 The Modular iPlan

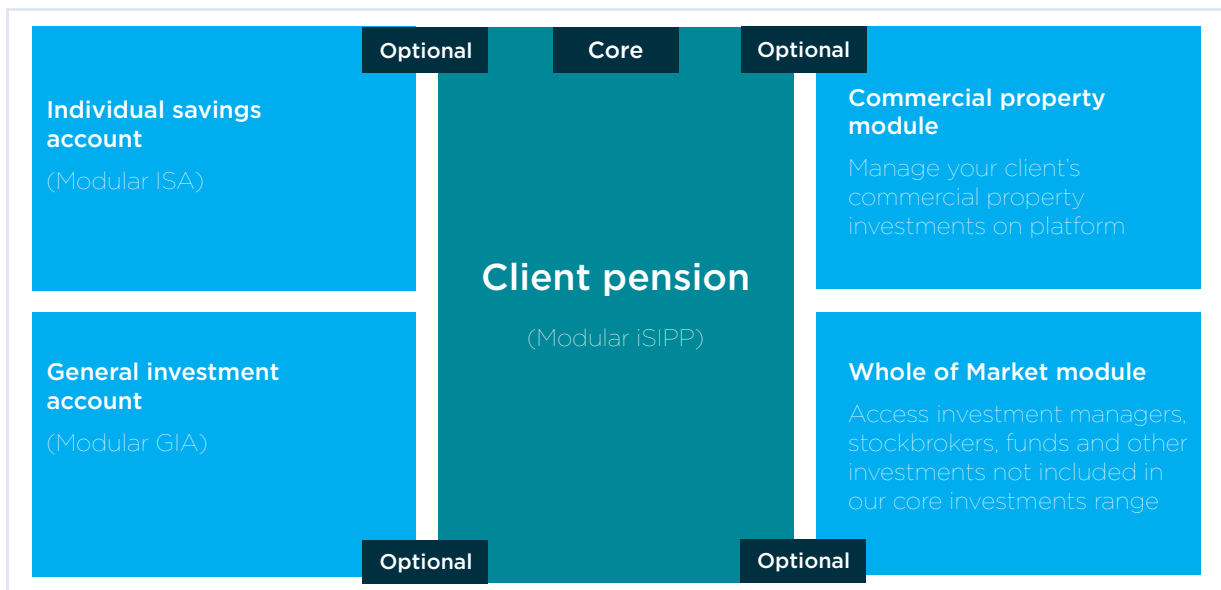
2.1.1 What's the concept of the Modular iPlan?

The idea of the Modular iPlan is that clients should only pay for flexibility when they use it, and should not be exposed to its complexity when they don't. So we provide every client with a core set of services, and then make additional capabilities (or 'modules') available at extra cost for those who require them.

The 'core' module includes all classic platform services and access to our wide range of over 3,700 investment funds, plus cash options and more. It also makes available model portfolio services from a broad panel of adviser selected DFM's.

Additional modules are: Commercial property and Whole of Market, which we cover in section three.

2.1.2 Can you provide a visual representation of how the product works?



2.1.3 Please summarise the legal basis for the products on the Modular iPlan

The legal foundation for our Modular iSIPP product is the James Hay Personal Pension Plan, which is a Registered Pension Scheme. The scheme provider is James Hay Services Limited (JHS). The scheme operator and appointed scheme administrator is James Hay Administration Company Limited (JHAC). JHAC is authorised and regulated by the FCA.

The scheme trustee is James Hay Pension Trustees Limited (JHPT). Scheme assets are held by JHPT. JHPT acts as a bare trustee, which means its only function is to act as the legal owner of assets held in the Scheme. In doing so it is not carrying out a regulated activity and therefore it does not need to be regulated by the FCA. Where clients opt to access a discretionary investment manager or execution only stockbroker service, assets will be held by the service provider (or its nominee) on behalf of JHPT.

2

The product provider for our ISA and GIA is James Hay Wrap Managers Limited (JHWM). JHWM is authorised and regulated by the FCA and is also the ISA Manager for HMRC purposes.

Assets in the ISA and GIA are held by JHWM's nominee, James Hay Wrap Nominee Company Ltd, or another nominee company chosen by JHWM. Where clients opt to access a discretionary investment manager or execution only stockbroker service, assets will be held by the service provider (or its nominee) on behalf of JHWM's nominee.

2.2 Wrapper availability

2.2.1 What wrappers are available on platform?

James Hay Online offers a Self Invested Personal Pension (called the 'Modular iSIPP'), a stocks and shares Individual Savings Account (ISA) and a General Investment Account (GIA).

2.2.2 Are there any restrictions on how wrappers can be combined?

Yes. Clients must hold a Modular iSIPP before they can open an ISA or GIA.

2.2.3 Do you offer a lifetime ISA, flexible ISA or junior ISA?

We don't currently offer these.

2.2.4 Who can hold a SIPP on your platform?

UK residents over 18 years old – we don't offer a junior SIPP. A legal guardian is required to open an iSIPP if the individual is under 18.

Restrictions also apply for US persons and undischarged bankrupts.

2.2.5 What drawdown options are available?

Our Modular iSIPP gives unrestricted flexi-access drawdown and allows single withdrawals via uncrystallised funds pension lump sums (UFPLS). Customers currently in capped drawdown can remain so if they choose, as long as they don't exceed their annual limits.

2.2.6 Do you have links to other third-party products such as onshore or offshore bonds?

We don't. However, our GIA is sometimes used as an investment vehicle by third party products and we are happy to accommodate this.

2.3 Cash management

2.3.1 How does cash work on the platform?

Cash paid into the Modular iPlan products is held in pooled bank accounts, held in the name of the professional trustee for the Modular iSIPP or in the name of the product provider for the Modular ISA and Modular GIA. The money in these accounts may be held with one or more banking providers. Each client's individual holding within the pooled accounts is recorded by us, but not by the bank(s), and this individual holding for each product your client holds is referred to as the Product Bank Account.

All payments in, investment income receipts, investment sale proceeds and the collection of your and our charges is managed through these accounts.

2

2.3.2 Is the Product Bank Account suitable for high balances or for use as an investment in its own right?

No. The Product Bank Account isn't intended for customers to hold large balances of cash for long periods of time. It's intended to help facilitate the movement of cash to/from investments, the payment of fees, charges and benefits, or act as a temporary haven when the markets are volatile.

2.3.3 What interest rate does your Product Bank Account pay?

Our Treasury team actively manages cash held via our platform to obtain the best interest rates we can.

This means we can credit our customers with a competitive rate of interest on cash in their Product Bank Accounts. We retain some of what's earned so we can keep our charges down, as well as investing in our technology, propositions and in continually improving service levels. Details of current interest rates and further information are available [here](#).

2.3.4 Are cash holdings in the Product Bank Account subject to the platform charge?

No. Product bank accounts and property cash accounts are excluded from this calculation.

2.3.5 Do you offer access to third-party deposit accounts?

Yes, via the Modular iSIPP only. Availability and providers vary over time. If your clients want their cash to work harder in the medium to long term, we offer access to specific products with attractive rates of return via our cash panel.

We've partnered with Bondsmith to provide access to a far wider range of competitive fixed term deposit and notice accounts, with lower minimum access thresholds than we've previously offered. You can find the latest details [here](#).

Advertised interest rates are net of any interest payable from the deposit taker to Bondsmith. These deposit accounts are also subject to the platform charge.



Good to know

You can see James Hay's pension heritage in the way we operate. Our requirement that a client holds a SIPP before they open a GIA or ISA with us reflects our intention that James Hay Online should be a retirement-focused proposition, but one that's suitable for holistic wealth management.

3 Investment availability



3.1 The James Hay Investment Centre

3.1.1 How many funds are available through your Investment Centre?

About 3,700 across our Collect and Select ranges. You can read an up-to-date fund list of our Collect range [here](#). The Collect range is available across ISA, GIA and SIPP unless otherwise indicated. In addition, we offer access to our Select range of institutional pooled pension funds, including specialist funds – available to advised customers only. You can find the most up-to-date fund list [here](#). All funds are denominated in pounds sterling and have no initial charge or minimum investment.

3.1.2 How do you select funds to include in the Investment Centre?

We aim to offer a very wide selection of funds and will always look to add additional funds based on adviser and discretionary fund manager demand. We carry out due diligence on all funds we add to the Investment Centre to ensure they are appropriate for UK retail investors and can be administered via our platform.

3.1.3 How do I get a fund I want to use added to the Investment Centre and how long does it take?

Speak with your usual James Hay contact. Assuming the fund passes our due diligence checks we'll start commercial and legal discussions with the fund manager and if these are successful will make the fund tradeable on the Investment Centre. The length of time this takes very much depends on the nature of these discussions.

3.1.4 Do you offer investment trusts and Exchange Traded Instruments (ETIs)?

Yes, via our stockbroking and investment manager links.

3.1.5 Do you offer 'superclean' or discounted share classes?

Where we can, we negotiate with fund managers to ensure you have access to the lowest possible cost share class. Some funds offer rebates and we show this clearly in our fund list.

3.1.6 Do you check whether clients could be in lower cost share classes?

For in-specie transfers in, we'll communicate with the transferring scheme or platform before initiating any transfer to determine which investments can be transferred to our Investment Centre without needing to be sold. We'll identify the unit class with the lowest Ongoing Charge Figure (OCF) that is jointly available from both providers and, if necessary, request the transferring scheme converts your current unit class to a different unit class to enable the transfer. Once the in-specie transfer has been completed, you'll be able to request that we convert your client's units to a different share class, if desired.

3

Conversely, if you instruct us to transfer your client's investments in-specie to another provider, we'll collaborate with that provider to ensure their investments are transferred in the most effective way.

If you wish to view alternative share classes and compare charges, you can do so through James Hay Online. Once logged in, select the Collective Holdings screen of your client's portfolio, and then select the Fund Charges tab. If you wish to convert the share class of any funds held, please instruct us to do so by:

- **sending us a secure message through James Hay Online, or**
- **completing the Share Class Conversion Form, which is available on the literature section of our website or on request.**

3.1.7 How can I find out if a trade has settled?

James Hay Online offers a Trade Tracker tool which shows you the status of in-flight trades.

3.2 Managed portfolio panel

3.2.1 Do you offer access to third-party discretionary Managed Portfolio Services (MPS)?

We do. Our Managed Portfolio Panel list of discretionary managers includes:

8AM Global	LGT Wealth Management	Liontrust
Bordier	Morningstar	Waverton
Brooks Macdonald	RBC Brewin Dolphin	Hymans Robertson
Charles Stanley	Schroders	Tatton
Evelyn Partners	Seven IM	FE Investments

3.2.2 Do you have your own Managed Portfolio Service (MPS)?

No we don't.

3.2.3 How do I start using a manager on your panel?

You'll first sign an agreement with the manager. Once done, the manager will ensure their portfolios will become visible on James Hay Online to you and will be available for you to use with your customers. Your usual James Hay contact can help with more details.

3

3.2.4 Are there any additional charges for using the Managed Portfolio Panel?

Not from us. Your clients will of course pay any charge levied by the portfolio manager plus the underlying fund costs.

3.2.5 Do you plan to add more managers to the panel?

Not currently, mainly because when we migrate to the new Nucleus Platform the way we access these portfolios will change. It's our intention that we'll be able to offer access to a much wider range once that happens.

3.2.6 Can firms manage their own model portfolios?

Yes, firms can build and manage portfolios of Investment Centre funds.

3.3 Stockbrokers

3.3.1 Which stockbrokers do you offer access to?

EQi (formerly Selftrade) and Stocktrade. Stocktrade is only available through the Modular iSIPP.

3.3.2 What are the trading charges?

You can find details of these charges [here](#).

3.3.3 Do you levy any additional charges for accessing stockbrokers?

We charge £27 a year for accessing these stockbrokers.

3.3.4 Can I access any stockbrokers who aren't on your panel?

Yes, via our Whole of Market module. See section 3.5 for more details.

3.4 Commercial property

3.4.1 Can my client hold commercial property in their James Hay Modular iSIPP?

Yes. You can find full details in our Commercial Property Purchase Guide [here](#).

3.4.2 How do we go about purchasing a commercial property in your SIPP?

The first step is for you or your client to complete our Commercial Property Questionnaire. You can find an example of it [here](#). You should also arrange any mortgage required and provide us with details. We don't offer mortgages or have a panel of lenders. The flowchart on page 4 (from our Commercial Property Purchase Guide) gives a summary of a typical process.

3.4.3 How long does the process typically take?

As you know, property purchase can be complicated and each one varies in the time taken, which makes it hard to say – there are many external factors involved. However, once the client's solicitor has been instructed, a typical process may take 8-12 weeks.

3

3.4.4 Are there any important restrictions?

Most restrictions are to ensure any purchase is within HMRC guidelines and regulation. So, for example, your client can't use their SIPP to purchase a residential property. Beyond that there are a few important things to mention:

- **We are the sole trustee of the SIPP and don't offer joint trusteeship**
- **We insist on an environmental report for every property**
- **Valuations must be carried out every five years, or three years in capped drawdown, or every year in capped drawdown after the age of 75. If multiple SIPPs are investing in the same property, we'll require a valuation in line with the most frequent of those terms.**
- **Your client must agree to use our property management service which we outsource to CBRE.**
- **We'll insure the property under a block policy.**
- **We work with a panel of preferred solicitors to support the purchase and sale of commercial property.**

Purchases of property at auction are allowable but complex and you should check with us first before entering into any commitment.

Property purchase through a SIPP is complex and there are many other procedural, administrative and regulatory nuances to navigate. We're expert in doing this and will be happy to go through the process in more detail.

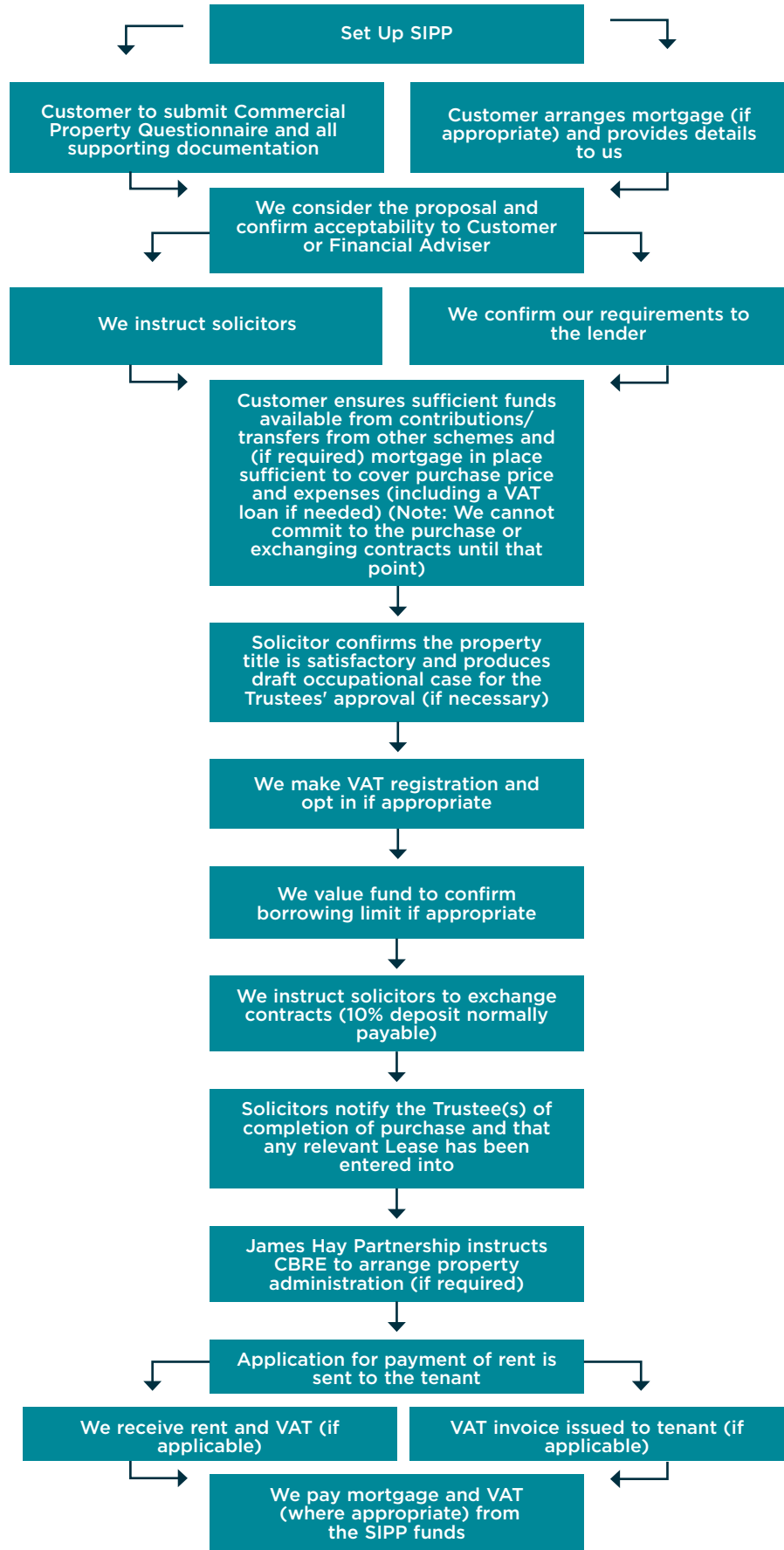
Good to know

Although the purchase of commercial property in any SIPP is complex, it should be reassuring to know that we're one of the leading UK providers of this service, with around 2,800 properties on our books as at April 2023. We know exactly what we're doing and always do our best to make this sometimes difficult process as stress-free as possible.



3

Progressing the purchase - a summary



3

3.4.5 What is the benefit of using CBRE rather than allowing my client to use their own property manager?

As sole trustee, we need to make sure that everything's being done absolutely by the book. CBRE has a dedicated team for James Hay and as such understands the complexities of ownership of commercial premises within the pension environment, including compliance with HMRC rules.

3.4.6 What additional charges are there?

A full charges schedule is [here](#) (customer site only). These are some of the key charges:

- **Commercial property module charge - £134 + VAT per year**
- **Purchase charge - £600 + VAT**
- **Annual property charge via CBRE - £1,275 + VAT (first lettable unit/lease in each property) then £738 + VAT for each subsequent lettable unit/lease.**

3.5 Whole of Market

3.5.1 What does your Whole of Market service entail?

This module allows your clients to access an even wider range of investments and products. It also allows them to appoint an investment manager or stockbroker outside of our normal panel for their Modular iSIPP (they can't do so for their ISA or GIA).

3.5.2 What investments are permitted?

- FCA regulated OEICs, unit trusts and units/shares in other collective investment schemes not available on the Investment Centre
- Insurance company managed funds and unit linked pension funds not available on the Investment Centre
- Structured products
- Investment plans and income bonds
- National Savings and Investments (NS&I) products
- Investments held by a third-party Investment Manager or Stockbroker not on our Panel (please refer to the Investment Manager/Stockbroker for full details). Please note that the Investment Manager/Stockbroker must be UK based and FCA regulated, and agree to our operational requirements
- Investment grade gold bullion.



Good to know

Our heritage as a flexible SIPP provider gives us the confidence and skill to offer this unusual and very broad universe of permitted investments. However, we don't allow non-standard investments.

3

3.5.3 What isn't allowed?

Broadly, investments that don't meet the criteria in 3.5.2. In particular we don't permit non-standard investments or UCIS (Unregulated Collective Investment Schemes).

3.5.4 What other investment managers and stockbrokers are available?

Currently we have relationships with the following list. We're happy to discuss new relationships as long as the manager or stockbroker is UK-based, comfortable to work with us and agree to our operational requirements.

AFH	HSBC Private Bank (UK) Limited	Trust DFM	LGT Wealth Management
Arbuthnot Latham and Co	Investec Wealth and Investment Limited	Fusion Wealth Limited	Ruffer LLP
Barclays Investment Solutions Limited	J M Finn and Co Limited	Fisher Investments Limited	Cazenove Capital Management
Brooks Macdonald Asset Management Limited	Evelyn Partners Investment Management LLP	Evelyn Partners Discretionary Investment Management Limited	Rathbone Investment Management Limited
Canaccord Genuity Wealth Limited	Quilter Cheviot Limited	Saunderson House Limited	Credo Capital PLC
Charles Stanley and Co Limited	Raymond James Investment Services Limited	Seven Investment Management Limited	Close Brothers Management Limited
Coutts and Company	RBC Brewin Dolphin	SG Kleinwort Hambros	UBS AG

3.5.5 Does the Whole of Market module have additional charges?

Yes. You can find a full charges schedule [here](#) for the Modular iSIPP, [here](#) for the ISA and [here](#) for the GIA. The module costs £134 per wrapper per year. It also costs £100 to set up an off-panel investment manager or stockbroker and then £94 per wrapper per year thereafter.

4 Charges



4.1 Client charges

4.1.1 Do you have a link to the full charges schedule?

- [Modular iSIPP](#)
- [Modular ISA](#)
- [Modular GIA](#)

You can also find a summary schedule [here](#).

4.1.2 What's your charging approach for the Modular iPlan?

What your client pays for their Modular iPlan will reflect the combination of wrappers, investments and services that they use. Importantly, your clients only pay for what they use while they use it – meaning you can switch investment modules on and off to suit their investment needs throughout the cycle of retirement wealth planning and drawing income.

4.1.3 What are the core charges?

The annual administration charge will be waived if a minimum of £200,000 is held in the following investments in your client's Modular iPlan at the anniversary of inception:

- Cash Panel deposit accounts
- Investment Centre funds (including funds held in the Managed Portfolio Panel), and
- Cash held in the product bank account(s), including property cash accounts, if applicable.

The platform charge applies to all products in your client's Modular iPlan, and is deducted proportionately from their product bank account(s) on a monthly basis. This charge is calculated at the beginning of the month and is based on a percentage of the value of the Cash Panel deposit accounts and Investment Centre funds (including funds held in the Managed Portfolio Panel).



Good to know

We know our charges are more complex than some other providers. But equally we offer a lot more flexibility than most other providers! We don't want clients to pay for what they don't use, and this inevitably means a more involved charging schedule. But as someone said once, if it's fair it can't be simple, and if it's simple it can't be fair...

We know from our analysis that our core service is extremely keenly priced for portfolios over £200,000.

Core annual charges	Amount (£)
Annual administration	235
Platform charge:	
First £300,000	0.25% p.a.
Next £300,000	0.20% p.a.
Next £400,000	0.15% p.a.
Next £500,000	0.05% p.a.
Over £1,500,000	0.01% p.a.

4

4.1.4 Are there any set up, transfer or switching charges?

Not for the core Modular iPlan assuming transfers are in cash. So if your client sticks to our core fund ranges, model portfolio panel and cash offerings, they won't pay any set up, transfer in, transfer out or switching charges. In specie transfers are £50 each per line of stock (maximum £200 a year per wrapper) and paper trades are £20 each.

4.1.5 What are the additional module charges?

The Whole of Market module costs £134 a year for each linked wrapper; so if your client wants to access whole of market investments across SIPP and ISA, for example, they would pay the £134 twice.

The Commercial Property module also costs £134 a year to access. It's only available in the Modular iSIPP.

There are further charges associated with each module and you can find them in the relevant charging guide for each wrapper.

4.1.6 Are there any charges for drawdown from the Modular iSIPP?

Yes. The table below summarises the charges.

Benefits (withdrawals)	Amount (£)
Annual income drawdown charge (once benefits have started, even if no income is taken)	164 + VAT
Income drawdown set up charge - per pension commencement lump sum (PCLS) payment (also applicable on receipt of a transfer in drawdown, even if no further PCLS is payable)	100 + VAT
Review of income limits on capped drawdown	150 + VAT
Uncrystallised funds pension lump sum (UFPLS) payment	100 + VAT

If your client fully closes their Modular iSIPP by taking a PCLS payment followed by an income drawdown payment, an annual income drawdown charge will still be payable prior to closure.

All benefit charges (except for UFPLS) are subject to a maximum of £350 + VAT per year, based on the anniversary of when your client first starts to take benefits.

4.1.7 Do you have any worked examples?

Yes. The charging guides mentioned in 4.1.1 have worked examples.

4

4.2 Adviser charges

4.2.1 Can you facilitate my adviser charges?

Yes. We can facilitate payment of the charges you have agreed with your client, up to the maximum percentage stated on the Adviser Charges Form. This can be a combination of initial, ongoing and one-off charges.

4.2.2 What flexibility do you offer in terms of how my charges can work?

We can facilitate payments of initial and ongoing charges as a fixed monetary amount or as a percentage and, for ongoing payments, set them up to be paid automatically to you monthly, quarterly, half yearly or annually. We also facilitate one off charges, as a fixed monetary amount.

4.2.3 Can you cope with tiered adviser charges?

Yes.

4.2.4 Can I exclude certain assets from adviser charging (for example, cash)?

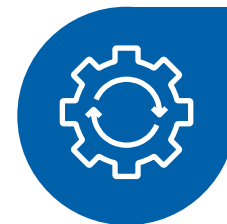
Yes.

4.2.5 Do you apply any limits to what I can charge?

As part of our Consumer Duty management, we monitor adviser charges to look for any outliers which may prejudice consumer outcomes. Our adviser remuneration policy, available [here](#) details the limits in place.



5 Key functionality



5.1 New business submission

5.1.1 Does James Hay Online allow for paperless new business applications?

Yes.

5.1.2 Do you accept e-signatures and if so which systems do you support?

We do. We currently accept:

- **DocuSign**
- **Adobe Fill and Sign**
- **Scrive**
- **Signable**

Before enabling e-signatures for you, we do need to have a clear understanding of your processes, especially around identification of fraud and audit trails.

5.1.3 Are there any elements of new business submission that require paper applications?

We need signed paper forms for:

- **Direct Debit mandates**
- **Commercial property deals**
- **Some elements of Whole of Market (for example, setting up a new investment manager link)**

5.1.4 Do you offer online illustrations?

Yes, for all three tax wrappers.

5.2 Transfers in and out

5.2.1 Do you accept in specie instructions both in and out?

Yes.

5.2.2 Do you charge for in specie transfers to James Hay Online?

Yes. The cost is £50 per line of stock per wrapper, with a maximum charge in each year of £200 per wrapper. So, for example, if your client transferred ten different lines of stock into their Modular iSIPP in one year, they would pay £200.

5.2.3 Do you charge for transfers from James Hay Online?

No.

5

5.3 Adding new money

5.3.1 Do you require client signatures for new money in?

Yes. But we're happy to accept e-signatures on the forms which are automatically generated and issued from James Hay Online. This is true for both new money and transfer-in instructions, whether in specie (transfer-in only) or cash.

5.3.2 Can I vary my adviser charge for each new subscription?

Yes. The client will need to authorise each variation.

5.2.3 Do you subscribe to any e-transfer gateways?

Yes, we're members of Origo Options for pensions and are members of the STAR initiative.

5.4 Portfolio management

5.4.1 Can I trade online?

Yes, you can place Investment Centre trades online for all wrappers. Online trades in our Investment Centre are free.

5.4.2 Can I switch online, or do I have to instruct a separate sell and then buy?

You can switch online with one instruction.

5.4.3 Can I bulk trade or bulk switch online?

Yes to both within our Investment Centre.

5.4.4 Can I set up model portfolios and rebalance online?

Yes.

5.4.5 Can my portfolios be created branded for my firm?

Yes.

5.4.6 Do you offer tolerance-based rebalancing?

Yes, you can set a tolerance and the platform will highlight assets that are outside that tolerance; you can then rebalance to bring them back in line. Automatic rebalancing is not available.

5.4.7 Can I hold investment trusts, ETFs or equities in my models?

No, only funds from the Investment Centre



Good to know

As you've read, our plan is to migrate to our new Nucleus Platform, beginning in early 2024. This platform will offer the latest straight-through technology from FNZ and will represent a major proposition upgrade for James Hay Online. We continue to support and invest in our current platform, but don't plan to add new functionality to any great extent.

In partnership with FNZ we will, however, make sure the James Hay Online platform continues to run smoothly and securely, and make smaller propositional upgrades where possible to enhance your experience.

5

5.4.8 Do you offer any investment analysis tools?

Yes, for example your client's portfolios can be benchmarked against industry indices. There is also a fund research facility which provides access to a variety of Investment Centre fund documentation, as well as fund target market information.

5.4.9 If I'm using a stockbroking service can I trade online via your platform?

Yes, a trader terminal is integrated for asset trading with EQi.

5.5 Drawdown and withdrawals

5.5.1 Can I instruct withdrawals online?

Yes, for either single or regular withdrawals from the Modular ISA and GIA. However, the platform will generate a form which your client will need to e-sign. For instructing drawdown from the Modular iSIPP please see below.

5.5.2 Are there any charges for withdrawals?

Not from the Modular ISA or GIA. Drawdown from the Modular iSIPP does have a charge. See question 4.1.2 for details.

5.5.3 What frequencies of regular withdrawals are available?

These can be monthly, quarterly, half yearly or yearly.

5.5.4 What date in the month are regular withdrawals paid?

The first of each month or the first available business day thereafter.

5.5.5 How long after instructing a single withdrawal are funds paid?

For ISA and GIA withdrawals, providing there are enough funds in the client cash account the payment should be made within five days. For SIPP, the instruction needs to be submitted before the payroll cut-off date to ensure payment on the first of the month. Details of payroll cut-off dates are on our [website](#) (via Customer tab).

5.5.6 Can I instruct income drawdown online?

No. We do require a paper form. For capped or flexi-access drawdown you can find the Benefit Payment form [here](#). However, once drawdown is set up you can amend current income levels online.

5.5.7 What forms of pension benefit are available?

We offer capped and flexi-access drawdown, UFPLS payments and annuity purchase. Note that under legislation any newly designated drawdown funds will be flexi-access drawdown.

5.5.8 Can I certify my client's age?

Yes. We require you to complete an Evidence of Age Proforma to certify that you've seen evidence of your client's date of birth. If you do this, we don't need to see your client's proof of age.

5.5.9 What date in the month are income drawdown payments paid?

Regular income payments are made on the first of the month or the first available business day after that.

5

5.6 Reporting

5.6.1 What reports are available?

Our report suite includes:

- **Portfolio snapshot and analysis**
- **Transfer in and contribution history**
- **Asset transaction details**
- **Cash transactions (credit and debit)**
- **Performance reporting (time-weighted)**
- **Income summary and history**
- **Investor and adviser details**
- **Cross client analysis (aggregated rather than client by client)**
- **Adviser fees and charges**

5.6.2 How do I access these reports?

They're all available from within your portal on James Hay Online.



5.7 Integrations

5.7.1 What integrations are available?

- Capita FS Ltd
- Client-Assyst
- Distribution Technology
- Enable
- FE Analytics
- IRESS
- Intelliflo
- Moneyinfo
- Plum Software
- Sprint Fastrak
- Wealthcraft

5.7.2 On what basis do you integrate with these systems?

Integrations are either bulk or in real-time.

5.7.3 Are they two-way integrations?

No. We push data to these systems but don't pull data back to populate James Hay Online.

5.7.4 Can I create a client in my back office system and then open a Modular iPlan for them from there?

No. We plan to offer much deeper integration capabilities when we're on the Nucleus Platform.

6 Service and support



6.1 Adviser service

6.1.1 How many people work in your servicing team?

Over 200 people are employed in servicing James Hay customers. As mentioned in the box on this page and elsewhere, these colleagues are now part of the FNZ Group as a result of our strategic partnership.

6.1.2 Where are your people based?

All colleagues involved in servicing your business are based in the UK, in a range of locations.

6.1.3 Do they work from home?

In the main, servicing teams have the ability to work flexibly, including from home, but some front desk telephony-based colleagues tend to be in the office.

6.1.4 What phone-based support do you offer?

The James Hay Online customer support team is well trained and available to help you, on the phone or by email, from 8.30am to 5.30pm, Monday to Friday. You'll find their contact details at the end of this guide.

6.1.5 What regional support do you offer?

Each UK region has an assigned Business Development Manager and a field-based Business Development Director. You can find their details through the 'Contact' section at www.jameshay.co.uk. For large firms with more complex requirements, we also have a Strategic Accounts team.



Good to know

In 2022, as part of our partnership with FNZ, we transferred servicing and control of technology to them. Our people involved in servicing and administration moved over and now serve you and your clients as part of FNZ. Policy and investment administration are carried out there; product management, development, marketing, sales and control functions remain as part of Nucleus Financial Platforms.

6

6.2 Client service

6.2.1 Can clients contact you directly?

Yes they can. However, where a client has a financial adviser we'll always refer them back to you for any substantive issues. We don't give advice.

6.2.2 Will you accept trade instructions direct from my client?

We don't take client trading instructions over the phone, but if a client submits a paper trading instruction we'll act on it. However, we'll also inform you as the adviser that this is taking place. It's worth pointing out that paper instructions are £20 per trade.

6.2.3 What's your approach to customer satisfaction?

Whether directly employed by Nucleus Financial Platforms or by our partners FNZ, our aim is to ensure you and your clients are satisfied with our service. We aim to get things right first time, but where something does go wrong our policy is to fix it as soon as possible.

We aim to deal fairly and promptly with any customer or adviser who is dissatisfied with our service. Complaints are all independently reviewed and seen as an opportunity to build better relationships and improve the way we work. As a regulated business we comply fully with the FCA's complaint handling rules. You can find 'A guide to our Complaint Procedure' in the 'Our guide to making a complaint' section of our website (see footer).

6.2.4 Can you provide a history of complaints made against you?

We don't share complaints information - however, as required by our regulator, we do provide information on complaints to the FCA. If the level of complaints is lower than 500 in any six-month period, they don't need to be published. Should volumes ever exceed 500 in a reporting period, details of the complaints will be published on our website.

6.2.5 Can clients access their portfolio details online?

As standard all clients are offered full access to James Hay Online. You can restrict this should you consider it appropriate. We can also provide your client with access to various James Hay Online reports and tools, including the ability to trade, should you mutually agree this is appropriate in their case.

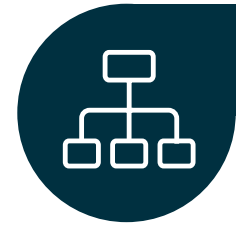
6.2.6 Can you produce client-facing materials in accessible formats?

Yes, we can provide literature in braille, large print, audio or e-text versions. Detailed portfolio data and graphical representations present a particular accessibility challenge and we would work with you and your client to come up with a manageable solution.

6.2.7 Do you have special policies for vulnerable clients?

Yes. Spotting signs of vulnerability and dealing with clients appropriately is a key area of focus for us. Each operations team has a vulnerable client champion who is specially trained with additional knowledge and skills to help, but all operational staff receive training. We're proud of our Supporting Vulnerable Clients Hub which goes into much more detail.

7 Additional services



7.1 Tools and calculators

7.1.1 What additional tools and calculators do you offer?

We offer a wide range of supporting tools via the platform. These include:

- Client document store
- Cross client reporting
- Ex-ante costs and charges calculator
- Fund research
- Fund target market
- Online illustration tool
- Secure messaging hub
- Trade tracking

You can find out more about each of these in our [guide for advisers](#).

7.1.2 Do you offer a cashflow modelling or risk profiling tool?

No. Our focus is on providing you with the best platform service we possibly can, and avoiding loading up our platform with additional tools which inevitably lead to increased cost.

7.2 Technical support

7.2.1 Do you still offer a technical support capability?

The Technical team at Nucleus is on hand to offer help and guidance to our platform users.

Leading the team is Andrew Tully, a well-known and highly respected pensions expert and industry commentator for the past 35 years. Andrew not only manages the team but is also responsible for the analysis and interpretation of pension regulation, legislation and taxation issues.

The Technical Service Unit is our face-to-face team, out of the road to run workshops, masterclasses, and present at our Nucleus and industry wide events on a wide range of technical issues and topics in the financial services market. They also produce papers, support materials and insights to help advisers resolve technical issues and challenges so they can deliver better outcomes for their customers.

Barry Foster and Julia Peake are members of this team, with over 25 and 20 years respectively in various roles in the industry - which means they are well equipped to support you. We also have our industry leading Propositions Management team, headed up by Jon Gwinnett. In this team sit our product technicians who have a wealth of knowledge and experience, who can offer support on our wide range of products and are on hand to help with your day to day technical, product and service queries.

We also have a wide range of technical teams with expertise across the business, who are here to support our intermediary customers.

8 Compliance and regulation



8.1 Consumer Duty

8.1.1 What's your approach to the Consumer Duty?

We regard the Consumer Duty ('the Duty') as not only a welcome statement of intent from the FCA, but also as an opportunity for the industry to demonstrate that it has consumers' best interests at heart, to help build investor confidence.



8.1.2 How are you tackling your Consumer Duty responsibilities?

Much of our Duty activity is at a Group rather than individual platform level. However, we have a major programme of activity to ensure we embed the spirit and letter of the Duty across our business, for the benefit of your clients.

This is split into five workstreams:

- Price and value
- Product and services
- Consumer understanding
- Consumer support
- Governance and culture

Consumer Duty is a standing agenda item for all leadership groups and our Board.

8.1.3 How will James Hay Online's Consumer Duty activity fit with the intended migration to the new platform in early 2024?

Firstly, it's important to say the new platform is being built in full knowledge and awareness of the Duty. Secondly, with the migration in mind it's unlikely to be achievable, economic or desirable to carry out fundamental technology and propositional work on James Hay Online to bring it up to full Consumer Duty standards.

However, we'll still subject the constituent parts of James Hay Online to the same audit, governance, reporting and oversight standards as Nucleus Wrap and any other propositions. We'll also commit resource to ensuring any deficiencies are managed on an ongoing basis until migration is complete.

8.1.4 Will you publish a Value For Money Assessment for James Hay Online?

Yes, this is available on our Consumer Duty hub [here](#).

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8.2 Investor protection

8.2.1 How does investor protection work for the Modular iPlan?

At a general level, protecting your clients' interests is always our priority. While the provision of the Financial Services Compensation Scheme (FSCS) applies if the worst should happen, you and your clients can take comfort from the fact that:

- **Our business is well capitalised and financially strong**
- **We've structured our products to ensure your clients' assets are unlikely to be affected in the event that our business should ever fail**
- **We take systems and data security very seriously**
- **We have a robust governance framework that ensures all the risks associated with our business are identified and controlled.**

More specifically, the investor protection regime is complex and differs for different tax wrappers and asset types, especially where cash and commercial property are involved. The key features and terms and conditions documents for each wrapper have full details.

8.2.2 What level of indemnity insurance do you carry?

We're covered by professional indemnity insurance for up to £7.5 million, a level considered adequate and satisfactory for our size, activities and claims history.

8.3 MiFID II reporting

8.3.1 How can you help me with my MiFID II responsibilities?

Our platform includes a tool which can generate total ex-ante costs and charges disclosures, where your client is investing in James Hay Investment Centre funds. Although our SIPP is outside the perimeter of MiFID II, we still offer this facility for all three wrappers in the Modular iPlan.

We also send ex-post personalised statements to your clients annually on the anniversary date of their product or when they close it. This applies to ISA and GIA, but not to SIPP.

Finally, we have a comprehensive MiFID II hub on our website with FAQs and lots of supporting material. You can find it [here](#).

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8.4 Compliance, regulatory supervision and ethics

8.4.1 Who regulates James Hay Online?

The key entities involved in providing James Hay Online are authorised and regulated by the Financial Conduct Authority. A full list is available [here](#). We have a close and continuous relationship – as all major providers do – with the FCA and engage with them regularly on a constructive basis at both a senior and operational level. In addition, our pension scheme is registered with HMRC and we're regulated for data purposes with the Information Commissioner's Office (ICO).

8.4.2 How do you prevent conflicts of interest?

We expect our business to be conducted with integrity and won't offer, give, solicit or accept any inducement likely to conflict with any duties owed to you and your clients. You can find out more about our Conflicts of Interest Policy [here](#).

Controls we have in place around this include:

- **A pay and reward structure that isn't directly linked to product sales.**
- **A Compliance team that approves reward schemes, ensuring that customer outcomes have been fully considered.**
- **A company Anti Bribery Policy and a Gifts, Hospitality and Inducements Policy which includes sections on financial integrity, confidentiality and inducements.**
- **An Audit team which reviews adherence to this procedure.**

8.4.3 Please detail your best execution policy.

We don't 'execute' any transactions, so we're not required to meet the 'best execution' requirements – we don't actually undertake the transactions themselves, but pass them to the investment providers, such as fund managers, who undertake the transactions. These fund managers will each have their own execution arrangements described in their own terms and conditions.

However, we do have an order transmission policy, which is set out in full [here](#).

Stockbrokers and third-party managers who you may access under the 'umbrella' of the Whole of Market module in the Modular iPlan will have their own best execution policies, available directly from them.

8.4.4 James Hay has had some regulatory issues in the past; are these all now resolved?

Yes. We have worked through the various elements of the Elysian Fuels situation with HMRC and have also conducted a thorough review for any other issues.

8.4.5 What benefits do my firm and my clients get by dealing with James Hay Online?

Both of you will benefit from working with a firm which has a strong heritage in dealing with complex client requirements and is now owned by a Group which has significant aspirations to enhance the proposition over time. Great client outcomes are at the heart of what we do, and the Group exists to work with advisers. Specifically, the Modular iPlan delivers the ability to provide clients with consistent outcomes at scale, gives you tools and functionality to make record-keeping easier and – perhaps most importantly – a strong audit trail of everything that happens on platform to help with any future audit requirements.

Want to know more?

You can find out more about James Hay and the detail of what we have to offer at our Group homepage [nucleusfinancial.com](https://www.nucleusfinancial.com)

If you're ready for a more specific discussion about how we might support your business, contact your Business Development Manager who'll be pleased to help. To find out who that is and how to contact them, visit the [Business Development Team](#) contact page on our website.

You can also contact our Customer Service Centre team at:



Phone: 03455 212 414



Address: James Hay Partnership, Dunn's House, St. Paul's Road,
Salisbury SP2 7BF



Secure message: <https://www.jameshay.co.uk/#expandLogin>

Telephone and email support is available Monday to Friday, 8.30am to 5.30pm, excluding bank holidays.

Recommended further reading

These documents are available on our website:

- [Modular iPlan Technical Guide](#)
- [Managed Portfolio Panel Terms and Conditions](#)
- [Modular iPlan Charges Summary](#)
- [Key Features of the Modular iSIPP](#)
- [Key Features of the Modular ISA](#)
- [Key Features of the Modular GIA](#)

We are able to provide literature in alternative formats. For a Braille, large print, audio or E-text version of this document call us on 03455 212 414 (or via the Typetalk service on 18001 03455 212 414).

James Hay Partnership is the trading name of Nucleus Group Services Limited (NGSL) (registered in England number 02538532); James Hay Services Limited (JHS) (registered in Jersey number 77318); IPS Pensions Limited (IPS) (registered in England number 2601833); James Hay Administration Company Limited (JHAC) (registered in England number 4068398); James Hay Pension Trustees Limited (JHPT) (registered in England number 1435887); James Hay Wrap Managers Limited (JHWM) (registered in England number 4773695); James Hay Wrap Nominee Company Limited (JHWNC) (registered in England number 7259308); PAL Trustees Limited (PAL) (registered in England number 1666419); Sarum Trustees Limited (SarumTL) (registered in England number 1003681); The IPS Partnership Plc (IPS Plc) (registered in England number 1458445); Union Pension Trustees Limited (UPT) (registered in England number 2634371). JHS has its registered office at Aztec Group House, 11-15 Seaton Place, St Helier, Jersey, JE4 0QH. NGSL, IPS, JHAC, JHPT, JHWM, JHWNC, PAL, SarumTL, IPS Plc, and UPT have their registered office at Dunn's House, St Paul's Road, Salisbury, SP2 7BF. JHAC, JHWM, IPS and IPS Plc are authorised and regulated by the Financial Conduct Authority. (02/23)