

Due diligence factsheet

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1. Background

1.1 Platform research

The FCA rightly insists that thorough due diligence is undertaken by advisers before recommending a platform to their client. Considerations will understandably include value for money, profitability, financial stability and the quality of service that is provided. Information regarding the platform can be found below, complementing the supporting documentation on our website.

2. Business model

AJ Bell is one of the largest platform providers in the UK, and our platforms are at the core of the AJ Bell business, which has demonstrated a strong track record of consistent, profitable growth ever since it was founded in 1995.

By continually re-investing retained profits, we aim to ensure that our business model remains robust and sustainable for many years to come. More information about the strategic direction of the business, and our financial performance, can be found at: ajbell.co.uk/investor-relations.

2.1 Ownership structure

AJ Bell is a public limited company, listed on the Main Market of the London Stock Exchange.

2.2 Company structure

AJ Bell includes AJ Bell plc and its subsidiaries.

AJ Bell Asset Management Limited is authorised and regulated by the Financial Conduct Authority.

AJ Bell Management Limited is authorised and regulated by the Financial Conduct Authority and is the scheme administrator and operator of all AJ Bell's SIPPs and Retirement Investment Accounts.

AJ Bell Securities Limited is a member of the London Stock Exchange and is authorised and regulated by the Financial Conduct Authority. It is the plan manager for all of AJ Bell's ISAs, and also provides AJ Bell's General Investment Accounts.

See website for full details.

2.3 Staff

AJ Bell employs over 1,500 people, many of whom hold financial services qualifications from various professional bodies. Information about our senior members of staff can be found at [Our people | AJ Bell](#)

2.4 Financial strength

The AJ Bell Group is one of the UK's largest investment platforms, with £90.4 billion of assets under administration and 593,000 customers.

When looking at financial strength, FinalytiQ's Advised Platform Report 2021 stated that:

"... AJ Bell continues to go from strength to strength."

If you would like a copy of the FinalytiQ Advised Platform Report 2021, you can download it from landing.ajbelltouch.co.uk/support/due-diligence

2.5 Financial protection

All client assets are ring-fenced from business assets and held on nominee or by our professional trustee company. Clients also have access to the Financial Services Compensation Scheme (FSCS) for qualifying investments and cash.

AJ Bell Securities Limited (AJBSL) is the custodian for investments held by AJ Bell Touch. In the event of default by AJBSL following which your client incurs a loss, they can make a claim via the FSCS for compensation, subject to certain limits.

AJ Bell Management Limited (AJBML) is the FCA- authorised Scheme Administrator of the Retirement Investment Account. Sippdeal Trustees Limited (STL), a wholly-owned subsidiary of AJBML, is the scheme trustee. If your client incurs a loss as a result of the default of AJBML or STL, a claim could arise under the FSCS subject to limitations.

3. Service

We are committed to providing extremely high levels of service and support. Our Regional Business Development Managers, Business Development Consultants and Business Development Support Team are all on hand to ease the transition of new adviser firms onto the platform, and to provide ongoing training to advisers, administrators and other users within those firms. We also have a range of user guides and videos to assist advisers in getting the most from our functionality. They can also request a 'Goto meeting' or 'Teams' with one of our Business Development Team if they would like to see an online demonstration.

3.1 Award-winning service and products

Each year we consistently win a range of industry awards recognising the quality of our service and products.

Some of the awards that we have recently won are:

Professional Adviser Awards

Best Platform for Advisers (AUA over £25bn) 2021



Money Marketing Awards

Provider of the Year 2023 (2022, 2021)
Best Platform 2022 (2021)
Best Retirement Provider 2022 (2021)
Best Investment Solutions Provider 2024
Best SIPP 2024



UK Platform Awards

Leading Retirement Proposition 2021



3.2 Technical support

In order to help advisers provide their clients with the best possible service, we also offer:

- regular emailed investment pieces and technical updates, as well as analysis of topical industry issues;
- a web-based library, with a wealth of useful articles, updates and technical details;
- online and in-person seminars with our industry experts;
- a wide range of user guides to help advisers get the most from the platform's various features;
- online key features and FAQs – allowing advisers to quickly search for relevant topics without having to review the whole document; and
- co-branding – placing an adviser firm's logo alongside our own on website pages and literature.

We also have a Technical Team in Manchester that can provide additional technical support, while general assistance is available by phone and email from the Adviser Support Team between 9am and 5pm, Monday to Friday.

Our clean funds universe is made up of the cheapest available share class for each fund on the platform.

4. Investment choice

We aim to offer a choice of ways to invest that are appropriate for customers in the product's target market. As well as providing a Retirement Investment Account, we also offer an ISA, and a General Investment Account (GIA).

In 2007, AJ Bell acquired a stockbroker with membership of the London Stock Exchange. This gave us the ability to deal in a wide variety of investments, and to react quickly to any changes in demand. It also allowed us to tackle challenges like the RDR and MiFID II with relative ease.

We use this internal stockbroking ability to power the AJ Bell Touch platform, with all assets purchased for clients via AJ Bell Touch held on our own nominee, Lawshare Nominees Limited.

The range of investments available through our Funds & Shares Service includes around 70 multi-asset funds and will be expanded in future.

5. Functionality

5.1 New business

Applications for all account types can be submitted online. Where possible, we use direct customer interaction with straight-through processing to handle and validate online applications, as it allows us to automatically conduct identity and address verification checks, establishing accounts in the most efficient way possible.

5.1.1 Illustration tools

Our suite of illustration tools helps advisers to provide clients with the information they need when applying for and funding accounts. This illustration functionality is powered by the Imago tool from Dunstan Thomas, which is one of the UK's leading financial services technology providers.

5.1.2 Funding accounts

Additional payments and top-ups to accounts can be made by direct debit, pay-by-bank and electronically. Additional electronic payments to all wrapper types, and cash switches between wrappers, can be instructed online without the need to complete any forms.

5.2 Transferring assets

Transfers of assets to and from our platform are handled by dedicated teams who manage the whole process. By using the Equisoft system to electronically process cash and in specie transfers, we can significantly reduce transfer times wherever possible.

Cash and in specie transfers in and out are allowed, and we also support the re-registration of assets. Any investment transferred in specie must be a permitted investment for the chosen investment option.

5.3 Cash management

Cash management within the AJ Bell Touch is automated, but ensuring that customers have the requisite cash available day-to-day remains the adviser's responsibility.

As we develop the platform, we will continue to provide automated processes to help advisers to ensure that cash is available when needed.

5.4 Withdrawals

We try to make it as easy as possible for clients to access their money. Penalty-free withdrawals are available from our stocks and shares ISA and GIA wrappers. Our Retirement Investment Accounts are currently accumulation only and cannot facilitate pension withdrawals.

5.5 Adviser charging

We make a range of options available for adviser charging, including:

- paying charges on an ad valorem basis; and
- ad hoc and regular payment options.

Charges can be easily instructed or amended online, with customer approval.

6. Price

We aim to compete strongly on price whilst still providing access to comprehensive functionality. To achieve this, our charging structure features a set annual custody charge of 0.2% for ISA and GIA accounts and 0.25% for Retirement Investment Accounts.

6.1 Independent price appraisals

We regularly test the competitiveness of our charges through independent third-party research firms. Full details of the AJ Bell Touch charges and rates can be found at: ajbelltouch.co.uk/legal/charges-and-interest-rates

Our regular pricing reviews also take account of the continuing viability of our business. That means balancing the customer's need for value-for-money charges against our aim to run a profitable, robust business. This ensures we can continue to invest in developing our technology, products and services.

7. Accessibility

AJ Bell Touch can be accessed 24 hours a day, 7 days a week via our website: ajbelltouch.co.uk

7.1 Software and technology

Our platform is powered by proprietary software, supported by specialist packages from other providers including Imago from Dunstan Thomas. For both hardware and software, we use a mixture of owned and bought-in services. All these contracts have regular vendor management meetings, periodic due diligence checks and escrow agreements for software.

AJ Bell takes ultimate responsibility for all administration, and our in-house technology expertise and proprietary technology allow us to react quickly to any necessary changes in the core components of our platform. We have a strong track record of re-investing profits in technology and product development, which we intend to continue.

7.2 Data and MI solutions

We offer links to the adviser back-office system, Intelliflo.

7.3 Client access

The AJ Bell Touch app can be accessed by clients 24 hours a day, 7 days a week. Here they can review and accept any pending proposals and tasks sent by their adviser, view their account balances as well as send any messages to their adviser through the app. The app is accessible through either IOS or Android.

8. Security and access

Our systems and databases are restricted, password-protected and subject to external audit.

Initial registrations and passwords are required for online access to the AJ Bell Touch website before any customer information can be viewed.

Formal systems and controls are in place to ensure that data and system security is robust, with regular reviews and tests carried out. We also arrange for external experts to perform penetration testing on a regular and, if necessary, ad hoc basis.

We recognise that ensuring the safety of clients' data forms a key part of advisers' product review and selection processes. We therefore have clearly documented policies to ensure that we conform to the requirements of all legislation and regulations in this regard, including the UK General Data Protection Regulation (UK GDPR) as well as incorporating best practice where relevant.

8.1 Adviser access levels

Anybody who registers with our platform will automatically be provided with one of two default website permission levels.

FCA-registered advisers will be able to access all web content for any clients that are assigned to them on the system.

The system also allows firms to appoint a 'Firm Administrator', who will be responsible for managing the permissions of all staff.

8.2 How do clients access the app?

Once an adviser has submitted a request to set up a new account on behalf of a client, an email containing an invitation to download the AJ Bell Touch app will be sent to the client's individual email address. They will then be guided through the onboarding process where they can add any outstanding personal details to allow us to verify their identity. This is done by the client uploading identity documentation, such as a driving license or passport, and completing video-based checks so that we can fully verify them within the app. We use a third-party service to verify their identity using the information provided in close to real time.

When setting up the app clients are prompted to create an individual PIN which is used to verify their identity when processing any tasks. Clients can also choose to enable facial biometrics to automatically log in when using the app using their standard phone settings.

8.3 What can clients do in the app?

Within the app clients can review any proposals sent by their adviser, along with any supporting documentation, and choose to accept or reject these proposals; this includes tasks such as deposits and withdrawals. They can use the inbuilt messaging functionality to contact their adviser with any queries. All documents and messages will be stored in the app for the client to refer back to.

Clients can use open banking within the AJ Bell Touch app for straightforward and secure banking purposes including adding bank details, verifying direct debits and making payments into the account.

Within the app clients can also view their cash and portfolio details at any time, including viewing a transaction history of their account.

8.4 Business continuity

AJ Bell Touch has a formal business continuity plan, with procedures in place to ensure that business disruption is kept to a minimum should an event occur that threatens the operation of the business. AJ Bell has a designated disaster recovery site with a leading specialist provider, and key personnel from across the business have been selected to form the core Business Recovery Team if needed. Regular disaster recovery training, testing and simulated events are carried out with the team to ensure the plan remains robust.

We also have the ability to prioritise critical functions to ensure that these can be maintained – this includes our dealers and Dealing Services Team, who are split across offices in London and Manchester.

All our staff have the ability to work remotely and complete all key tasks in a number of locations, including from home. We also maintain close engagement with our core technology providers to ensure that they have robust and reliable contingencies in place.

9. Regulatory compliance

9.1 Anti-money laundering

We have robust anti-money laundering procedures in place, and have embedded Onfido checks within all of our application processes. We follow enhanced AML processes where appropriate, taking a risk-based approach to our responsibility to 'know our customer'.

All employees receive full anti-money laundering training when they start with the business, and this is followed up by regular, computer-based training refresher sessions.

9.2 Consumer Duty

AJ Bell takes the implementation and monitoring of our responsibilities under Consumer Duty very seriously, so we have a nominated senior independent Non-Executive Director who holds the Consumer Duty champion role. They have responsibility for a comprehensive suite of MI and reports that give senior management and the Board the information they need to assess how Consumer Duty has been embedded into the business, and how good customer outcomes are being delivered. An ongoing regime of customer testing helps us ensure that customers understand our products and services, and that they have the right support to achieve good outcomes. Target market statements and fair value assessments for the AJ Bell Touch product are available on the website.

9.3 Dealing with complaints

Every complaint we receive is considered individually, copied to senior management and recorded for FCA reporting purposes. Management information regarding complaints is reviewed by senior management on a monthly basis. This review includes full details of the category type, percentage upheld and time taken to resolution.

9.4 Risk and compliance structure

We have a detailed and robust risk and compliance framework, supported by our internal (Deloitte LLP) and external (PWC) auditors. The Audit Committee and Risk & Compliance Committee of the Board are responsible for formal oversight of our risk management and compliance framework.

A risk register is kept for the purposes of senior management oversight, customer outcome focus and FCA reporting.

The Compliance function is suitably experienced and resourced and reports to the Chief Risk Officer. Within the function, compliance oversight and advisory activities are appropriately segregated, and there is also a designated Money Laundering Reporting Officer who holds FCA Senior Manager Function 17.

The compliance function delivers the Annual Compliance Plan, as approved by the Risk & Compliance Committee, and also provides appropriate reporting / escalations as per the company's formal governance arrangements – including reporting to senior management and the Board.

The Chief Risk Officer holds FCA Senior Manager Functions 3, 4 and 16.

9.5 Regulatory capital

AJ Bell is a financially strong business, and as such we do not envisage any problems with meeting the new FCA's regulatory capital requirements. It is the Board's policy to maintain at least 150% of our regulatory capital requirement. All liquidity provisions are monitored on a monthly basis by our Finance function and formally reported to our Board.

Further information about our capital disclosure can be found here: ajbell.co.uk/group/sites/ajbell.co.uk/files/MIFIDPRU_Regulatory_Disclosures.pdf

10. Further information

If you would like more information on any aspect of our platform, please contact us on 0345 646 1661.