

Benchmark

Value Statement for the Fusion Wealth Platform – April 2023

In this document, we intend to illustrate how we assess value and whether there is fair value between the total price of the Fusion Wealth Platform and the benefits and the quality the client receives.

The value assessment

The FCA confirms that firms have the discretion to decide on the factors they use in their fair value assessments, provided those factors allow them to demonstrate that there remains a reasonable relationship between the total price of the product or service and the benefits the customer receives. The FCA's intention is for "all customers to receive fair value" which extends further than purely price considerations.

The fair value rules require distributors to understand at least the benefits of the product to the target market, the price, and associated fees and whether any of their or other charges cause the product to become poor value.

Summary of requirements

In summary, for manufacturers, the FCA proposes that the assessment of whether the price of a product or service provides fair value must include consideration of at least:

- the nature of the product or service, including the benefits that will be provided or that consumers may reasonably expect, and their quality.
- any limitations that are part of the product or service.
- the expected total price customers will pay.
- any characteristics of vulnerability in the target market for the product or service.

Fair Value Assessment Methodology

Our Fair Value Assessment methodology is formed by three key areas:

1. Analysis of how the product or service's benefits, and their quality, compare to its price;
2. Analysis of different cohorts or group of clients; and
3. Analysis of price drivers and how the product or service perform against comparable products or services.

Fair Value Assessment

We are the manufacturer for the Fusion Wealth GIA, Fusion Wealth Stocks and Shares ISA, Fusion Wealth Junior ISA, Fusion Wealth SIPP, Bespoke Partners MPS and co-manufacturer for the Fusion Wealth Offshore Bond (with RL360). All other Third-Party products distributed through our platform (Pensions, Offshore Bonds and Onshore Bonds) are manufactured by the relevant product providers. The target market for our platform and products is detailed in our Target Market Statement which is available on our website or accessible via the Fusion and Enable libraries.

Overall Conclusion

Taking into account all areas included in the assessment of value, we believe the Fusion Wealth Platform is demonstrating value overall. We have provided a summary below.

Assessment Area	Fusion Wealth Platform
How does the Fusion Wealth Platform's benefits, and their quality, compare to its price?	<p>The Fusion Wealth Platform, as an intermediated platform, has an associated platform fee which is agreed with adviser firms at onboarding and reviewed on a regular basis as deemed relevant.</p> <p>We assessed the quality of the benefits across advised clients (our target market and main client group) and have concluded that these are commensurate with the overall price.</p> <p>We have no concerns about the quality of the benefits and services. Complaints and error volumes are low (compared with the size of the book) and do not highlight any notable issues, however, we continue to assess the benefits to ensure we provide a high-quality service at a fair price.</p> <p>We have no reason to think that any of the benefits or features put vulnerable customers at any disadvantage.</p>
Is the cost of additional features proportionate to the benefit and the quality of the benefit our clients receive?	<p>There is no cost to any additional features, however, we continue to evaluate these to identify areas where we can improve the client experience.</p>
Does the Fusion Wealth Platform have any limitations?	<p>Whilst we have not identified any limitations with our platform services during our review, we continue to evaluate to assess and resolve any that may be identified.</p>
Are different cohorts of customers each receiving fair value?	<p>Each cohort of advised clients may be subject to varying terms that are dependent on the adviser firm. Whilst we believe that each and every cohort, despite the differences between them, is receiving fair value from the platform service. We continue to assess the benefits of the platform to ensure we provide the platform service at a fair price.</p> <p>We have a small number of legacy clients who are externally advised or Non-Advised. We recognise that these groups may be limited in terms of benefits and we continue to assess these to ensure we provide the platform services offered at a fair price.</p>
Does this particular product or service represent fair value against comparable platforms ?	<p>A comparative pricing analysis conducted against other investment platform shows we are in the top quartile for pricing.</p>