
COME AND HAVE A GO
ARE YOU BEING SERVED?
the lang cat

CONTENTS

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thank you for shopping!

FOREWORD

Hello and we're proud to open our doors to COME AND HAVE A GO: ARE YOU BEING SERVED? It might sound a bit weird but service is at the heart of direct platform investment. The sector has moved on from the days when a bunch of stockbrokers slapped a customer-facing green screen on top of their dealing tech and called it a platform. And thank goodness for that say we. While there is still ample scope for improvement, we're now seeing lots more offerings aimed at different investors with different needs. Like you. Yes you, skulking around the perfumes.

Which brings us to the point, and the central theme of this Guide.

Just as some shoppers like to browse, do their own research and make up their mind, others will go straight to a comparison website and others still will let a personal shopper take the strain, so different investors want different levels of choice and support. The key to it all is that you understand your needs (which isn't as obvious as it sounds) and that those needs are being met in a way that helps achieve your investing goals. In short, that you are being served. (See what we did there? With the theme? And the shopping references? No? Rest assured we will hammer it home repeatedly in the coming pages.)

This year's Guide, then, is less about 'what might be a good home for my ISA this year?' and more about 'what do I really want and need from a platform?', then narrowing down the options to a final choice. You'll still find a good home for your ISA but if we've done this right it's likely to be a better fit for you as an investor.

We don't cover the basics of investing and platforms here, as we've done that before. The basics don't change all that much, so the COME AND HAVE A GO back catalogue will fill in any gaps. They're artfully and temptingly displayed on our shiny new website www.langcatfinancial.com. All forever free.

Finally, there does seem to be some inextricable link between our Guide and major political events. Last year it was the EU Referendum. This year the General Election, the aftermath of which is rumbling on as we finalise the Guide. We're not sure whether we're looking to next year with enthusiasm or dread.

Time to press the lift button for level one: gents' readymade suits, shirts, ties and direct investment platforms. Going up…

Enjoy the Guide

Mark Polson

principal, the lang cat

WHAT YOU'RE GETTING

In our department store of a Guide you won't need to spend a penny[1] to take home an environmentally-friendly paper carrier bag full of direct platform investment know-how. Our choice merchandise includes...

- Taking stock of the direct platform investment market. Building on the definitions we introduced last year, we break the market down based on how much help platforms offer when it comes to making decisions, setting things up and then keeping an eye on it all. Not sure what you really want from a platform? No problem, we'll help you work it out. And if you work in the industry, you might find this a handy way to start thinking about the market.
- The banks are back and aiming to make their mark on direct investment. We'll take a look at how they're faring and whether their impressive XXL girth may prove to be a blessing, a curse, or a bit of both.
- It seems the industry regulator has been having some kind of end-of-season sale given the rate at which consultations, reviews and guidance have been flying about in recent months. We'll take a look at the bits you need to know, including the continuing work to separate out guidance and advice and make sure everyone can tell the two apart. It's a bit like Pepsi and Coke, except this actually matters.
- There's been a steady procession of new entrants to the direct investment market and we're pleased to welcome them both to the Guide and to our pricing section (affectionately titled Wounded Bull[2]).
- Finally, we'll celebrate all that is great about direct platforms (and direct[3] the not-so-great to the returns counter) in the lang cat direct platform awards 2017.

And there may be a few appropriately themed cat pictures along the way. You'll just have to wait and see.

I'M FREE![4]

You knew we had to do it somewhere. Best to just get it out of the way and then we can all get on.

So, free. It's a word that sometimes fills us with positive feelings ('Your next coffee is free.') but more often with an innate sense of mis-trust ('You've won a free holiday! We just need £500 to cover the admin costs.'). But we believe that free means free. And that means no sponsorship, no advertising, no profit and no ulterior motives. We make a loss on doing this, but that's ok.

What matters to us is that anyone who wants to access the Guide can do so. No 'ifs', no 'buts' and no download charges. We value our independence (in an entirely non-threatening, non-political manner) and will never compromise it for cold hard cash, although a few of the lang cat team are susceptible to nice bags.

Everyone happy? No? Well we'll settle for a two-thirds majority. Make sure your reading trousers are belted to a comfortable notch and off we go.

1. Although if you do have to, they're on the second floor.
2. Because of all the charging, you see?
3. Pun.
4. Older readers will know this as the catchphrase of Mr Humphries, played by John Inman, not to be confused with modern day doppelganger Julian Assange.

MARKET OVERVIEW: OUR SPECIAL OFFERS IN-STORE TODAY INCLUDE...

Despite our furious work ethic, lang cat HQ does – very occasionally – resound with discussions stemming from high-end nonsense sourced from Twitter. One of our favourite accounts is @BoredElonMusk, a parody of the futuristic visionary offering inventions from the leftfield.

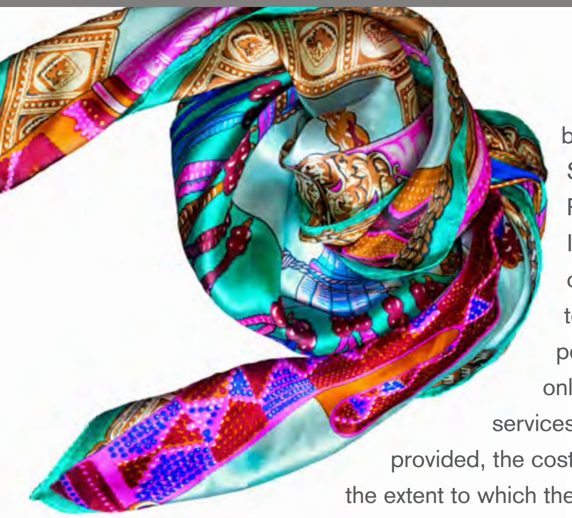
'Coffee cup lids that change colour when you've *actually* sealed them', is good. As is a 'doorbell only audible to humans so your dog doesn't freak out every time a package gets delivered', though this is a bit off-brand for us. Not to mention a 'fridge that connects to your scale and pushes healthier food to the front depending on your weight'.

There's also the plan for easing city congestion by building an underground network of tunnels transporting cars on high speed skates. Actually, that one's from the real Elon Musk, and he's working on it already. Well, Elon, me old china, we've got news for you – the London Victorians got there first. And they did it in frock coats.

What does this have to do with online investment advice? Fair question. Well, the link is that for all the hype around the possibilities, very little of the development in what the industry calls the robo-advice market (and see our discussion on 'redefining the robos' on page 20 for more on this) has dared to stray very far from what's already available. Truly there is no new thing under the sun.

CONFUSED CONSUMERS MAKE A STAND

For instance, most if not all services are designed by financial industry insiders who don't communicate in the same way as 'normal' people (for are we not all abnormal in our own ways?) The industry has long struggled to talk to consumers in a language they understand and there's little sign of the new breed being much different. The same goes for transparency of costs and charges, judging by a report published in December 2016



by the Financial Services Consumer Panel (FSCP)[5]. It carried out consumer research to find out how well people understand online investment services, what's being provided, the costs and charges and the extent to which they are protected.

And the results were damning. The good news is that most services – from the newest robo-advice start-ups to life office platforms – are making a genuine effort. The bad news is they are still falling short. A long way short in some cases. The lack of clarity around charges disclosure was particularly stark. 'Costs and charges were poorly communicated, often misleading and difficult to find', while virtually all the services covered in the research promoted 'all-in fees' that most certainly were not.

This is where online services have an opportunity to raise the bar. And we're pleased to say we've seen evidence of some big improvements from those involved in the robo-advice market, in terms of cost disclosure – the old guard could learn a lot from them. Almost all of the robos we've looked at have account charges and fund charges prominently displayed on their websites. But more gumption is needed. The newbies need to keep improving on communication of charges lest the banks succeed in their attempts to hoover up the mass market (something we'll be discussing in more depth later in the Guide).

THE BEST THINGS IN LIFE ARE FREE (OFFER EXCLUDES INVESTMENT PLATFORMS)

The FSCP report may have had some influence on the shape of the FCA's study of the direct and advised platform market, which was announced in its 2017/18 business plan. However, a far bigger influence on the platform work is the regulator's Asset Management Market Study (AMMS), the final report for which was published just ahead of this Guide. It includes issues relating to competition in the platform sector, referring to concerns around charging structures, whether the incentives of asset managers are aligned with those of investors and customer choice.

The FCA has clearly noticed with interest the increased tendency across both the direct and advised platform markets for investment fund prices to be 'clustered' at certain points, which betrays a lack of competitive pressure. The final report also points to barriers faced by customers wanting to move around. There is a suggestion too that platforms do too little on behalf of investors to put pressure on asset management costs. In short, all is not well and the FCA has decided that now is the time for action. Which means a few more consultations. Maybe a working group or two. Anyway, we'll get into the fine print about it all in the next section.

UNBELIEVABLE (LACK OF) SAVINGS!

What, how and where are people saving? Or, perhaps more to the point, ARE people saving? The savings ratio fell to a record low of 1.7% at the end of March 2017, according to the Office for National Statistics[6], with consumers spending more as prices rose. The Bank of England expects inflation to push it down further in 2017.

The savings ratio is the amount that households have available to save as a percentage of total disposable income. While it doesn't show what's actually being saved it does give an indication of the maximum that *could* be saved. And that in turn indicates a worrying level of under-saving.

Low savings levels may also be something to do with the lack of cash returns since interest rates fell in the wake of the financial crisis that dominated the latter part of the last decade. Yet cash remains king even though stock markets have hit record highs. Stats published in May by HMRC showed that stocks and shares ISAs accounted for just £21bn of almost £80bn saved into ISAs in the 2015/16 tax year. Of the 12.7m savers who paid into an ISA over the 12 months, 80% put their money in a cash ISA[7].

5. www.fs-cp.org.uk/sites/default/files/final_online_investment_and_advice_services_summary_report_bm_30_regulator_doc_05_12_2016.pdf
6. www.ons.gov.uk/economy/nationalaccounts/uksectoraccounts/articles/monthlyeconomiccommentary/june2017
7. www.gov.uk/government/statistics/individual-savings-account-statistics

That preference for cash has been an expensive one, according to recent research from Royal London. It reported that investors had lost an estimated £100bn in returns over the past decade by sticking with cash rather than investing in a diversified stocks and shares ISA. There are clear income and age differences too. HMRC's data show that lower income groups and under 25s are most likely to hold all their ISAs in cash products, widening the gulf between those benefiting from rising asset prices and those missing out.

The generational divide may be of interest to the robo services targeting younger savers and who believe they can reach parts that traditional providers cannot. Some believe the launch of the **Lifetime ISA (LISA)** will have a similar effect, offering a long-term investment option that may seem more appealing than boring old pensions.

But LISA hasn't started well. A handful of direct platforms (such as **Hargreaves Lansdown, Nutmeg** and **The Share Centre**) have launched LISA propositions along with one in the advised market, but most platforms and all the high street banks have decided to either stay out, or enter the fray when they get a better idea of the likely demand.

Yet there's still a concern in the industry that the LISA could undermine the pensions system, and in particular the success of automatic enrolment. Former pensions ministers Baroness Ros Altmann and Sir Steve Webb have both issued dark warnings and the Work and Pensions Select Committee has called for 'urgent research' on the impact of the LISA on auto-enrolment. The LISA could be good news if it reaches parts that pensions can't reach. Not so great if it's simply seen as a better alternative.

MADE TO MEASURE OR OFF THE PEG?

While this may all make it sound as though platforms have been doing little more than fretting about the next regulatory emission and its potential impact, nothing could be further from the truth. A veritable flurry of platforms has emerged blinking into the light since our last outing. And that's not even all…

Barclays has added a new range of portfolios, **Ready Made Investments**, to the (really quite impressive) direct offering it recently launched to existing bank customers. The risk-rated funds allow investors to target growth or income with an annual charge of 0.45% for the growth funds (which are passive) and 1.45% to 1.48% for the actively managed income funds, alongside the standard platform charges that also apply. If you're not clear on the whole active and passive thing, head on over to page 35 for enlightenment.

NatWest also launched its **Invest** service to existing customers. There are only five funds to choose from but they're run by Coutts & Co so we're sure that makes a difference. Charges are 0.95% up to £500k and 0.70% above that but you get to say that you're invested with Coutts & Co. Like the Queen and that.

Banks aside, the vast majority of new entrants to the direct market are of the robo ilk. The roll call looks like this:

evestor – aimed at beginners, there's more of a focus on advice here than on the investment end of things. Online advice is available but you can access a chartered financial adviser by phone or Skype for free.

ETFmatic – as the name may suggest, this one is all about the exchange traded funds (ETFs)[8]. You can build your own portfolio based on your desired goal, timescale and appetite for risk, or opt for something ready-made.

Investec Click & Save – for those who like their investment platforms with stripes. Just making it into the Guide is this new robo offering. It's simplified advice so doesn't take other investments or your overall finances into account. Portfolios are actively managed and it revisits your answers to initial fact finding questions on an annual basis to capture any changes so you can adjust your investment accordingly. As well it might at a total cost of about 1.25%.

Munnypot – is goal-based, so everything works towards achieving a set return by a set date. You'll be kept up-to-date on progress, whether that's a milestone checked off or alerting you that things have gone a little off-plan and what can be done about it. Investments are from Vanguard.

Scalable Capital – one for the more sophisticated investor (hence a £10,000 minimum), Scalable is also all about ETFs, and has a very different risk control methodology to the others on the list, which is far, far too pointy-headed to go into here.

UBS Smartwealth – comes with a £15,000 minimum investment, which might deter some. Once you're past that you work through a goal-based advice process, ending up in one of five investment funds with passive or active management available for each.

Netwealth – another aimed at the higher end, this time with a £50,000 minimum. It's sort of a discretionary manager without the wood-panelled office, and offers human-being based advice if you want it or not if you don't.

Beyond the new robos, there have been a couple of notable fund range launches by existing platforms. It may come as a shock to learn that the **AJ Bell Passive** fund range is brought to you by **AJ Bell** and is made up of passive funds. Managed in-house and rebalanced for you, the funds – and specifically their pricing – have been developed with the FCA's Asset Management Market Study in mind. A key aim is to make the charging structures as easy to understand as possible (you also get the platform charge thrown in for free if you opt for the new range). Our favourite Mancunians also plan to launch an active fund range.

Also bringing a new fund range to market is **Charles Stanley Direct**, with its own range of risk-rated multi-asset funds, available across the product range with a minimum investment of £500. Total annual costs range from 1.25% to 1.34%

Interactive Investor and **TD Direct Investing** are continuing the slightly awkward process of moving in together. Between deciding who gets what shelf in the fridge and establishing a workable routine for the bathroom, they're busy agreeing how the combined offering will be priced.

The FCA has announced the second cohort of firms to test products in its '**regulatory sandbox**'. This is part of its Project Innovate work. The idea of the sandbox is encouraging firms to test new products in a set-up that enables real world access to consumers while making sure those consumers stay protected. A total of 77 firms applied to test products. Of the 31 who were accepted, 24 are ready to start the testing period which was due to get underway as we finalised the Guide. The test period for the first cohort has now closed and final reports are being compiled, with the regulator expecting most of the firms involved to progress their offerings beyond the sandbox to the real world.

8. Good source of info here… www.investopedia.com/terms/e/etf.asp

A SURPRISE IN STORE

Right smack bang as we were due to go to press, the FCA published the final report of its Asset Management Market Study[9]. Under normal circumstances the doors close at 5.30pm prompt with no exceptions, certainly not for a mere regulatory update. But these were not normal circumstances and this was no mere update. It was a genuinely exciting prospect. Event regulation if you will, with the potential to improve the life of anyone investing their hard-earned. So, just this once we kept the doors open for a little late night shopping to explain what's going on.

The new paper is a follow up to the interim report issued in November 2016, outlining the ways in which the FCA considered the asset management market to not be working well for consumers. The industry got to have its say in return and the final report is the FCA's say on the industry's say. The next step will involve some consultations and general soul searching about the way forward and then maybe, just maybe, we'll see some action.

One critical issue is at the heart of this paper and will carry through all the subsequent regulatory work – charges. Specifically, how they are disclosed to investors, and whether they are reasonable. Some investors understand all too well the impact charges can have on investment returns when compounded over the long term. Worryingly however, the FCA's own research indicates that around 51% of the population either 'don't know' or 'don't think' they are paying any fund charges.

Small differences in charges can make a huge difference over the long term. So the FCA is determined to make sure that charges are more clearly disclosed, and their impact is better understood. In our example below, a 1.00% difference in charges paid (and it doesn't matter to whom) can make a difference of over £100,000 over a 30 year investment period. This stuff matters, and it's encouraging to see the FCA recognising that fact.

	5 YEARS	10 YEARS	20 YEARS	30 YEARS
1.0%	£127,628	£162,889	£265,330	£432,194
1.5%	£124,618	£155,297	£241,171	£374,532
2.0%	£121,665	£148,024	£219,112	£324,340

Assumptions: £100,000 invested, 30 year term, 6.00% annual growth.

So, what improvements can investors look forward to? The final report suggests 10 remedies for what is ailing the asset management industry, with the overall objective of ensuring the market works well and that the investment products consumers buy offer value for money.

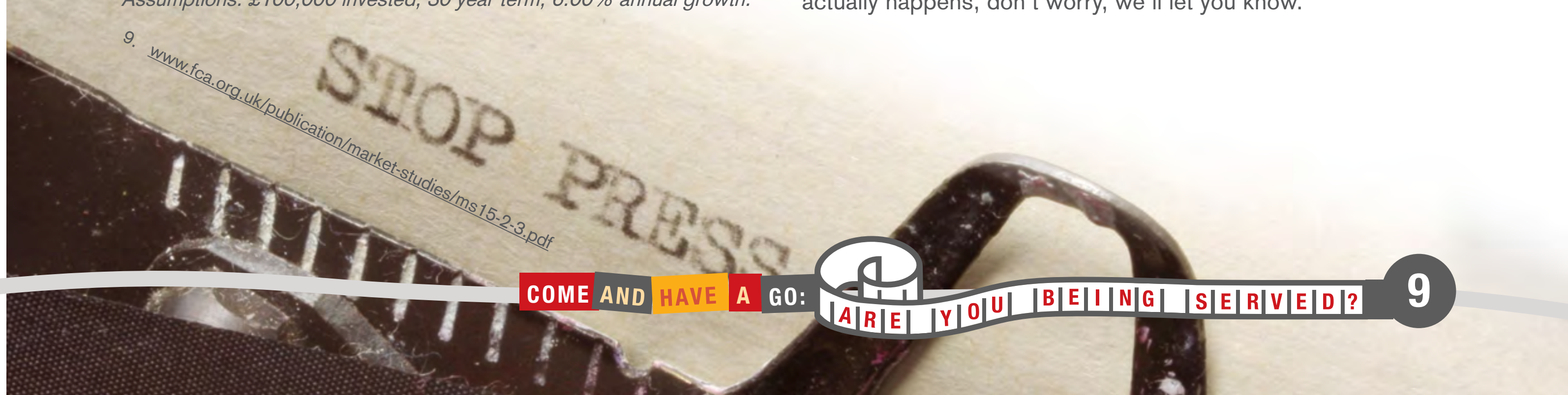
The remedies fall broadly into three areas: Governance, Competitive Pressures and Intermediaries. If implemented, all 10 will impact investors, however the most visible change will probably be the proposed introduction of the 'single all-in fee'. As the name suggests, this should make it easier for investors to work out exactly what they are paying, and the effect that will have on their investment over the long term. Whilst the details of exactly how and when this will be introduced are not yet known, there are some changes coming in at the start of 2018 as a result of a European-level regulation known as the Markets in Financial Instruments Directive (MiFID to its friends), so by this time next year improvements in cost disclosure should be in place. And we can all be grateful for that.

Another issue on the FCA's to-do list, or at least its to-consult on list, is the role platforms play when it comes to influencing the funds consumers invest in. This raises a number of questions, such as:

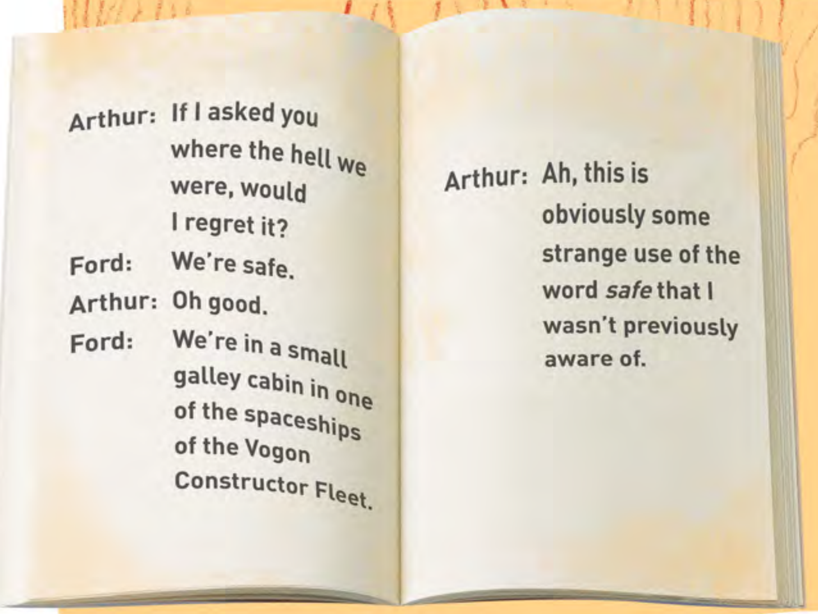
- How do funds come to appear on 'recommended best buy' lists, and are these lists genuinely good ranges for investors to select from?
- How many of these lists contain a full range of funds and asset classes, covering active and passive strategies?
- Are platforms doing enough to get the best possible price on behalf of their customers?

All these questions, and many more points, will be debated by the industry at length over the coming months. If anything actually happens, don't worry, we'll let you know.

9. www.fca.org.uk/publication/market-studies/ms15-2-3.pdf



ADVICE AND GUIDANCE: NOW WITH ADDED EXPLANATIONS



Will consumers soon be asking if they've come across some strange use of the word 'guidance' that they hadn't previously been aware of?

Anyone who has engaged in the debate over the real meanings of 'guidance' and 'advice' will have sympathy for Arthur Dent, the hero of Douglas Adams' classic, 'Hitchhiker's Guide to the Galaxy'. They'll sympathise too with the working group tasked by the Financial Advice Market Review (FAMR) with making it better.

IS IT WHAT YOU SAY OR HOW YOU SAY IT?

In March we were treated to the findings of the working group[10] who had been asked to explore potential new terms for 'advice' and 'guidance' that would help you, the investor, understand what those services do and don't provide and how to tell them apart. It turns out that changing the language wouldn't make much difference. Instead the working group found that, while understanding of 'advice' and 'guidance' as they are currently used in financial services was poor, it improved markedly when paired with clear explanations of the terms. Go figure.

And that's the outcome – that clear, consumer-friendly explanations of 'advice' and 'guidance' should be used consistently throughout the industry, both by firms that provide regulated advice and those that do not. While the explanations are still a work in progress (and will be throughout an FCA consultation process, still to come), the current drafts are easy to understand and set out the main distinctions. We remain worried though that consumers using guidance may not be clear that they are less likely to be protected than when they are taking regulated advice.

Another concern is that the onus is still on you – the consumer – to ensure you understand where the boundary between advice and guidance lies, rather than on the provider to tell you where it is in a manner you will understand. We don't think this is fair, especially because you probably don't have your own marketing department.

These points may well crop up when the FCA comes to consult on the new explanations. As might the question of why views are being sought on two terms when there's clear scope for a third that covers services that offer neither guidance nor advice. Like 'sales', for example, or 'guided sales'. The definition of guidance is, as it stands, sufficiently broad to include the most basic online investment services being offered and developed by the high street banks. Those services and many of the more hands-off robo propositions would sit very comfortably in a 'guided sales' category, if only one existed.

YOU HAD TO MAKE IT PERSONAL, DIDN'T YOU?

(You can skip the next few paragraphs if you're not interested in regulation, otherwise known as 'what's going to happen to your money'. But don't moan later.)

Further clarity may come out of the FCA's current consultation GC17/4: Financial Advice Market Review (FAMR): Implementation part 1[11] and upcoming changes to the Regulated Activities Order (RAO), a piece of legislation that sets the rules around when firms have to be regulated to provide a service. And if you followed that you win a trip to the café for a pot of tea and a slice of millionaire shortbread.

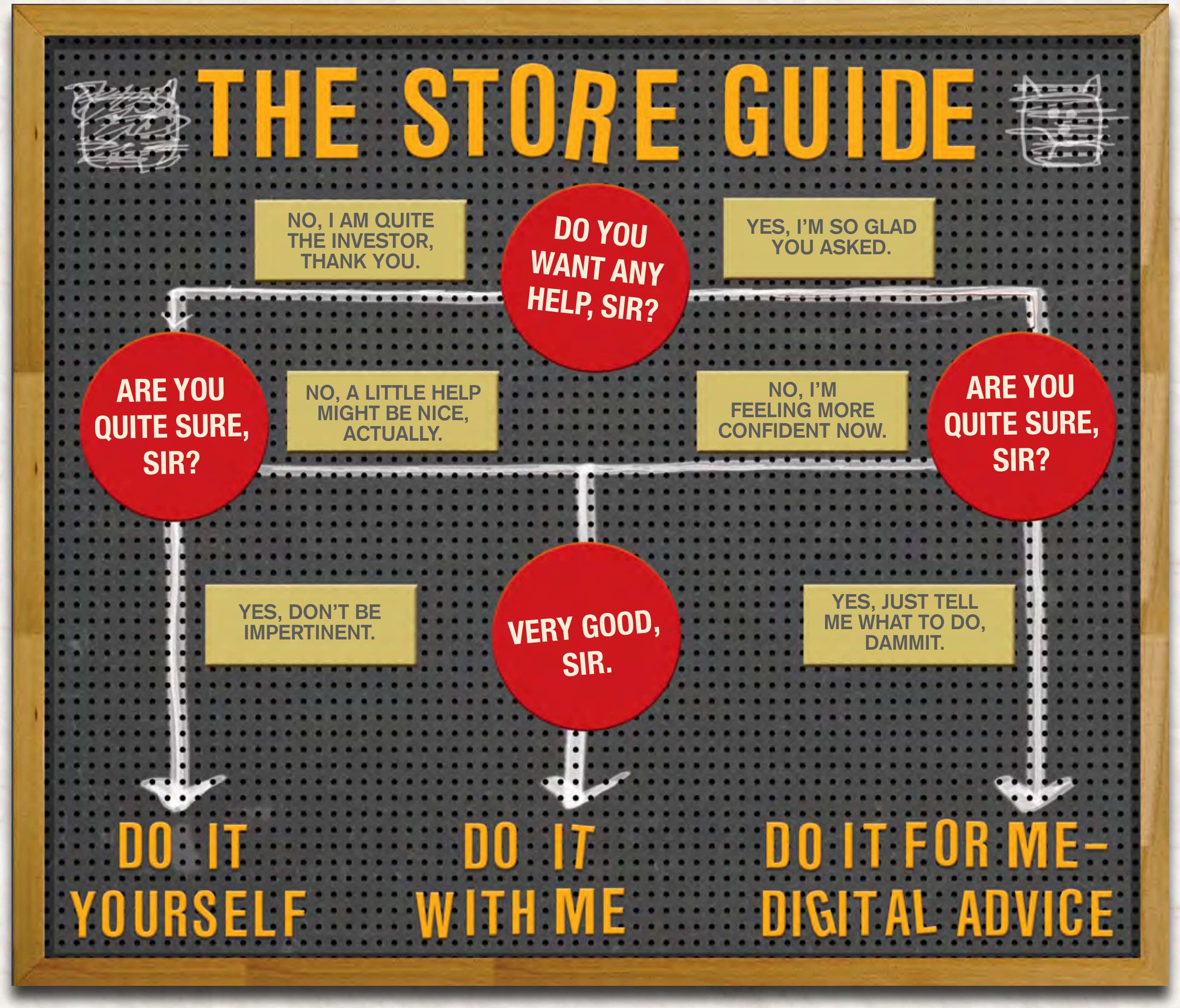
The updating of the RAO in January 2018 will bring the definition of advice into line with MiFID, which applies across Europe. The chief difference is that 'most regulated firms will be exempt from the need to hold a permission to advise on investments under Article 53(1) unless the firm is providing a personal recommendation'[12]. In other words, advice will only be 'regulated advice' when it comes with a personal recommendation. Scrutiny will therefore turn over the coming months to what *exactly* a personal recommendation is.

Some things we know are that personal recommendations are likely to include:

- Implicit recommendations, such as telling you what people like you usually do in relation to a particular product.
- Investment solutions being offered on the basis of your risk profile. That would cover model portfolios, so we'd imagine that an awful lot of automated investment services will have to make significant changes to how they work or accept that they are falling into the regulated advice bracket that they are so eager to remain outside.

There's undoubtedly been progress, but the industry and the regulator won't have many opportunities to get this right. Getting guidance right means making it easy to govern and helping both consumers and firms to know exactly where they stand and what they can expect. It also means providing a level playing field, so that robos offering fully regulated advice can compete fairly with those taking the quicker, cheaper route.

10. www.fca.org.uk/publication/research/fawg-consumer-explanations-advice-guidance.pdf
11. www.fca.org.uk/publication/guidance-consultation/gc17-04.pdf
12. www.fca.org.uk/firms/financial-advice-market-review-famr/changes-regulated-activities-order



Service is key to any shopping experience. No matter how happy you are with the end product, if the assistant is an irretrievable beeatch[13] (or male equivalent thereof) it's not the same. The whole experience is somehow sullied.

Of course, not everyone wants to be 'served' in the traditional sense of the word. If that was the case we'd still have thriving high streets and Amazon would never have happened. And when it comes to direct investment, service is very much in the eye of the beholder.

As a result, this year we thought we'd try to break down the 52 – 52! – providers that make up this market into segments based on the level of assistance you can expect. We've come up with three levels:

- **DO IT YOURSELF**
- **DO IT WITH ME**
- **DO IT FOR ME.**

'It' being the decision-making part of things. We thought about having a 'do it to me' section for the more expensive offerings, but our lawyers became sadface and we had to take it out.

So what do our segments really mean? And how do you know which might be the right one for you as an investor?

If you cast an eye over the helpfully positioned diagram above, you'll get an idea of where they sit in relation to one another and how you might find your way to any particular one.

Now, some people are very clear as to whether they want help with making investment decisions and then putting them into action. These are the people who stride purposefully through the store avoiding eye contact with the staff. Others are less bullish and can generally be seen casting hopeful expressions around the till area while a bored millennial shop assistant WhatsApps her friends about how lush some utter Neanderthal is.

As with so many things, the lang cat's solution to this lack of certainty is a guide. A store guide if you will, to help you find the right department. You get the point? With the theme and everything? We like to check in from time to time.

The simple question at the heart of it all is whether Sir (or indeed Madam) would like any help. You might think the answer would be binary – but it's not that straightforward. Or final. There's much more to it than that…

13. Fourth wall break – you have no idea how funny it is to hear this language from the person that actually wrote this bit. Right, back up the page you go.

SIR CERTAINLY KNOWS HIS OWN MIND

For instance, if you're thinking of pure **DO IT YOURSELF** you need to consider:

- being clear on why you are investing, what you hope to achieve by the end and when that will be;
- deciding how much you want (and can afford) to invest, allowing for life's unexpected expenses;
- understanding your attitude to risk and how much money you can emotionally bear to lose for the potential of gaining more;
- understanding your capacity for loss and how much money you could actually afford to lose in pursuit of growth;
- researching your investment options from the myriad funds, ETFs, equities and whatever else is out there;
- building a portfolio from those options; and
- having done all this, keeping track of both your portfolio and anything in the big wide world which may potentially affect it, and what (if anything) you should do about that. It's fair to say that the real work begins after you've placed your investment.

If that all sounds like a fun weekend project, then you're likely to feel at home in the **DO IT YOURSELF** department. Just remember that with great power comes great responsibility and it all (good and bad) rests on you.

THAT MID-RISK TRACKER WAS MADE FOR MADAM

Those good readers who failed to make it to the end of the last list without a fit of the shudders and a couple of trips to a dictionary may find yourselves heading straight towards **DO IT FOR ME.**

If you really don't want the responsibility of decision making, or would rather put your investment decisions in the hands of an expert (and there's nothing wrong with that) then this is a good mid-point between direct investing and full advice. You can access digital advice, although this may not cover your whole financial situation, just the investment in question. The outcome will be in the form of a portfolio which is based not only on your attitude to risk but also on your goals and what you can afford to invest. The other option is digital guidance, a process which will guide you through much of the same material and ask many of the same questions but stops short of taking responsibility for what it suggests.

EQUITY TRACKERS ARE VERY THIS SEASON

We've dealt with two extremes – doing it all yourself or handing it all over. But for some, a moment of reflection may lead to the conclusion that you don't *want* extremes. You want the mid-range dresses, not the high-end couture stick insect stuff.

So at this point, whichever end of the store you are headed for, we like to take a moment to ask whether Sir (or Madam) is quite sure about their decision.

If you're sure then you're sure and that's all good. We'll roll up our tape measure and head off to where we can do some good.

If not, then that's where our third option of **DO IT WITH ME** comes into its own. In this department, the investment decisions are yours to make but there is help available. That help tends to take one of two main forms:

Fund lists – some offerings may have 'preferred' funds, detail the top-selling funds or there may be selections targeting broader objectives (growth being a common one). In short, big lists of funds are narrowed down into smaller lists of funds – but you're still in the hot seat for choosing.

Risk-based investments – there will be a scale from low to high with a fund or portfolio matched to each level. However, it's for you to determine your risk-level; there is no process to work though and generate a rating. You'll need the **DO IT FOR YOU** department for that option. Take the lift to the third floor.

So, that's how things stand in terms of help to make your investment decisions. In the next section, we'll look at the platforms themselves and their vital statistics, inside leg measurements and preferred colours and fabrics.

THE SEGMENTS: VITAL STATISTICS

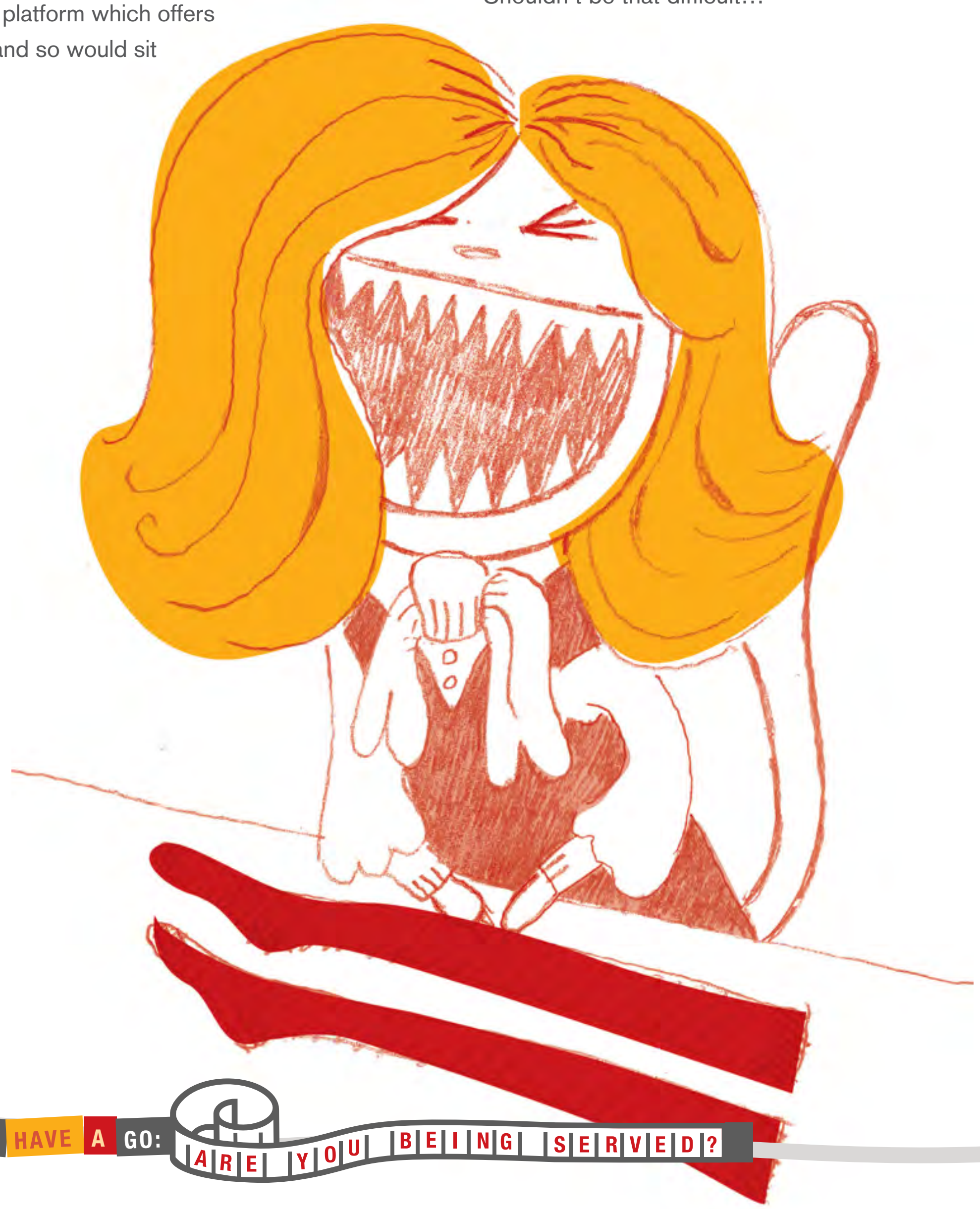
Consulting our store guide and finding your way to the correct department is by no means the end of the process. It's narrowed down the options certainly but you still have a good range to choose from in each case.

To help you with that we've been busy with our trusty tape measure. Over the next few pages you'll find details of what you can expect from platforms in each of our **DO IT YOURSELF**, **DO IT WITH ME** or **DO IT FOR ME** segments. We'll run though what they tend to offer as well as any exceptions to those rules.

And there are exceptions. Annoyingly, not all platforms fit neatly into one segment. A platform which offers risk-rated fund lists and so would sit happily in **DO IT WITH ME** will, in nearly all cases, also offer a full **DO IT YOURSELF** service where you can pick and choose investments unfettered, but also unsupported.

We talk about pricing in great and graphic detail a little further on in the Guide so there's very little of that here. By understanding your needs as an investor and then which type of platform might best serve those needs, you'll naturally come to a short-list. Then price can come into play to help whittle that short list down.

Finally, we'll delve a little deeper into the robo-advisers and see if we can't come up with a better way of describing them. Shouldn't be that difficult…



Who is in this segment?

You'll see the full breakdown on page 22 but big names in this part of the market include industry stalwarts such as Alliance Trust Savings, Selftrade and Willis Owen, alongside newer entrants like Santander and Telegraph Investor. Collectively they are responsible for around £25bn assets under administration (AUA).

I like choosing things myself, this sounds like my kind of thing. What do I have to choose from?

Excellent question. There are many, many different investment choices out there. Literally thousands upon thousands of individual investments from a library of funds, ETFs, investment trusts (ITs), equities, bonds, gilts etc. Typically, there tends to be a full-fat range of account types (dealing account/trading account/general investment account (GIA)), ISA range, pension and esoteric stuff like spread-betting too).

I don't know what any of those things are

Sir/Madam may be in the wrong department.

I'm only joking. I know my onions – tell the good people how you go about picking though.

Well, like we said, these platforms link to a universe of several thousand investment choices via dealing desks and custodians (which are either a part of the same business or provided by a specialist). There are usually facilities to research an investment – often with a tonne of associated information around the cost, performance history, underlying holdings etc. In short, while you won't be directed to a choice, you won't be short of information to help you make your own decisions.

Who will I find here then?

This is your who's who of mainstream providers, with household names such as Barclays, Fidelity, HSBC, NatWest, Prudential and Standard Life all lined up to offer their wares. One provider however, sticks out like the metaphorical Death Star. This segment accounts for around £150bn AUA, with our old friend Hargreaves Lansdown accounting for close to half of that.

Wait a minute, I've looked into some of these. I thought you could pick your own investments too?

Indeed you can. All providers in this segment bar a handful[14] also offer you an open choice of investments.

What makes them different then?

The crucial difference here is that you can take the providers up on the offer of a helping hand if you're stuck choosing or just don't want to make your own choice. This takes two distinct forms:

- A subset of funds that have been researched and highlighted as being particularly good. Ranges are typically in the region of 50 to 100 funds and around half the providers in this segment offer this option. Crucially though, you're still on the hook for your own choice from there.
- A range of risk-rated investments along with some information to help you choose. By 'risk-rated' we mean the provider presents a range of investments and grades them from low to high in terms of how volatile they are.

That's sounds very charitable of them. Is there some kind of catch?

Yes. No. Well, not really. It depends on how you look at things. Looking at the risk-rated choices, in many instances providers are linking to[15] investment choices from within their own group of companies. That means that when you place your money on the platform and choose these investments, then you're directing a bigger proportion of your cash towards them than if you were choosing from a completely separate range of asset managers. There's nothing wrong with this at all (unless the fund choice turns out to be a total dog) but it's only fairsies that you know.

There seems to be lots of information to digest here. What would be really useful to me is if it was collated and presented in, say, tabular form?

Coughs and looks meaningfully in the direction of the next page

	DO IT WITH ME	
PLATFORM	**FUND LISTS**	**SUGGESTED PORTFOLIOS**
AJ Bell Youinvest	A list of 72 funds marketed as AJ Bell Favourite funds.	A list of 5 risk-graded passive funds, managed by AJ Bell. The platform fee will be waived until January 2019 if you invest in these. Funds cost 0.50% per annum.
Aviva Consumer Platform	A shortlist of around 70 funds, selected by Aviva Investors (the investment arm of the Aviva Group).	A selection of 6 risk-graded funds managed by Aviva Investors. There are 4 funds targeting growth and costing 0.35% each and 2 funds targeting income, which cost 0.73% and 0.80% respectively.
Barclays	A shortlist of around 50 funds, marketed as The Barclays Funds List.	A selection of 5 risk-graded growth funds and 2 income funds, managed by Barclays. Growth funds cost 0.45% per annum and income funds cost 1.45%/1.48%.
Bestinvest	No	A selection of 4 risk-graded funds managed by Tilney (Bestinvest is part of the Tilney Group). Funds cost between 1.37% and 1.50%.
Cavendish Online	No	A range of 12 portfolios. 3 risk-grades and 4 underlying options (income, growth, ethical and tracker).
Charles Stanley Direct	The Foundation Fundlist, a shortlist of around 60 funds.	A range of 9 portfolios. 3 risk grades and 3 underlying options (income, growth, income and growth).
Close Brothers	Close 50, a shortlist made up of, unsurprisingly, 50 funds. Otherwise it would be called something else.	A selection of 4 risk-graded funds managed by Close Brothers. Funds cost around 1.10% per annum.
Fidelity Personal Investing	Select 50, a shortlist of around 50 funds (currently 48 as the range is subject to constant review).	Pathfinder range of risk-graded funds, managed by Fidelity. Costs vary depending on the underlying option chosen. Investors pick between Fidelity actively managed, Fidelity passive managed and funds that are a mix of Fidelity and open market managed.
Hargreaves Lansdown	The Wealth 150+ shortlist of funds. Reviewed against criteria and includes only those that 'have delivered consistent outperformance'.	A few offerings from HL: A range of multi-manager portfolios, managed by HL. 2 HL Select Funds, made up of around 30 stocks each. A range of risk-graded ready-made portfolios.
HSBC	No	A range of risk-graded ready-made World Selection portfolios. Portfolios cost between 0.81% and 1.02%.
IG	No	IG Smart Portfolios, risk-graded portfolios comprised of a range of underlying ETFs. Average portfolio cost is 0.22%.
Interactive Investor	A range of ready-made fund selections split by sector.	A range of 12 risk-graded and time-bound model portfolios selected by Money Observer associate editor, Andrew Pitts.
NatWest Invest	No	A range of risk-graded portfolios provided by RBS Asset Management. Coutts & Co do the investment management. Portfolios cost a maximum of 0.60%.
Prudential	The entire proposition centres around 4 risk-graded funds, managed by Prudential.	

14. With NatWest, Prudential and Vanguard, you're restricted to a limited range of funds.
15. And by 'linking to' we mean, 'selling you'.

	DO IT WITH ME	
PLATFORM	**FUND LISTS**	**SUGGESTED PORTFOLIOS**
rplan	No	A selection of 8 risk-graded portfolios created by Rayner Spencer Mills. These consist of 4 risk levels, each with an active or passive option.
Saga Investment Services	Saga Select, a range of 62 funds.	A selection of 4 risk-graded funds managed by Tilney (SIS is part of the Tilney Group). Fund cost ranges between 1.27% and 1.48%.
Standard Life Savings	No	A range of 5 risk-graded funds offered by Standard Life Investments (the MyFolio range). Funds cost between 0.70% and 0.90%.
TD Direct Investing	A selection of just over 50 funds, based on research in association with Morningstar.	A selection of 3 risk-rated funds, managed by Vanguard.
The Share Centre	The Platinum 120 shortlist of funds.	A ready-made ISA option, using 3 risk-graded funds managed by sister company, Sharefunds. The funds cost around 1.60% per annum. Platform charge is waived if you select one of these funds.
True Potential Investor	The whole True Potential Investor service revolves around the range of 10 risk-graded portfolios.	
Trustnet Direct	The Trustnet Direct 100 is a range of funds that FE (the parent company of Trustnet Direct) believes are the best in their respective sectors.	A range of 4 goal-based portfolios and a range of 3 risk-graded model portfolios.
Vanguard Investor	By its nature, the full fund range is a subset of the wider investment universe as the platform offers Vanguard funds and ETFs only. Each is given a risk rating.	

Is this the robot thing?

Ah, you mean 'robo-advice'. Yes, this is the segment whereby the investment choice is taken out of your hands. You are taken through a process – usually some fact finding questions with risk-profiling – that leads you to an investment portfolio. It is then managed for you on an ongoing basis leaving you with literally nothing to worry about[16].

If you don't want actual advice, you can also opt for digital guidance which follows much the same process but with a suggestion at the end rather than a personal recommendation (i.e. you're responsible for the consequences of that decision, not the robo).

Are there actual robots?

No, there are no robots. It was called robo-advice because much of the underlying mechanics are driven by very clever algorithms.

That's a big disappointment. Say something to cheer me up.

Well, despite it being the segment that offers the greatest degree of help, more often than not it's actually the cheapest overall. This is because the underlying investments tend to be in ETFs, which are low cost in nature. Typically your investment portfolio costs around 0.20% pa as opposed to an actively managed fund which costs many multiples of this. However, few providers in this segment offer a pension at this moment in time, so bear that in mind.

Sounds great, how do I tell them apart?

That's a very good question. You could argue that it's easy to quickly define this segment by saying it's 'risk-profiling plus a basket of ETFs' and that, without a bit of research, you could get lost trying to distinguish them from one another. A bit like that scene in I Robot where Will Smith is trying to find Sonny.

I thought you said there were no rob…

Oh shut up. Read the next bit. It explains it better.

16. Except the crushing futility of modern life, the overbearing dread of your own mortality and why Thom Yorke thought a man-bun was a good choice.

REDEFINING THE ROBOS

We do our best to keep this Guide as jargon-free as possible. There is, however, one term that keeps creeping back in, like, oh, like a shoplifter doing shopliftery things on a repeated basis. Look, we didn't say we'd keep this theme going all the way through, did we?

That term is 'robo-advice'. Now, at the lang cat we've liked this term for a long time, mainly because it gets people in the industry quite cross and that's usually a good thing. However, we now have quite a lot of these new-fangled online investment thingies to deal with, and they have some important differences which you probably need to know about. Robo-advice as a term has served its purpose. If you love something, set it free.

So we're going to have a shot at redefining the robo-advice market in a more meaningful way. Maybe our shot at this will catch on; maybe not. If nothing else, it can't be less accurate than robo-advice. After all, not only are there no robots, much of the time they aren't giving advice. And we feel let down by that. Mainly the robot aspect.

Here's how we think it breaks down:

DIGITAL INVESTMENT MANAGERS	DIGITAL ADVISERS	DIGITAL WEALTH MANAGERS
These guys don't give you much of anything beyond some help and encouragement, and an investment range (usually small) of funds or portfolios that you can buy online. No advice, no hassle, nice and easy, nothing to it.	These are your proper robo-advisers. You get a personal recommendation after going through a series of questions on your circumstances, and another set about your attitude to risk. The recommendation will cover a product and an investment; normally a model portfolio of ETFs but sometimes a multi-asset fund or a wider range.	These guys don't give financial advice, but they do have discretionary investment permissions. That means you pick one of their portfolios, which they will maintain for you without you needing to be involved. Some are aimed at wealthier investors, sometimes with £50k or more to invest, while others are more democratic.
Moneybox	Fiver A Day	Moola
True Potential Investor	Investec Click & Invest	Netwealth
Vanguard Investor	Moneyfarm	Scalable Capital
	Nutmeg	Wealthify
	UBS Smartwealth	
	Wealth Horizon	
	Various others…	

Now, some of these might see themselves in different columns, but that doesn't matter because they're our columns and we get to decide. But hopefully you get the sense that the bulk of the market offers some kind of online check as to whether you should be investing, and what you should be investing in. Some stop just short of that, and in fact could fall into our **DO IT WITH ME** category rather than our **DO IT FOR ME** one, but they look different enough to guys like Hargreaves Lansdown for us to put them in here.

One thing they all are is quite good fun to play with. Go play.

WOULD SIR/MADAM LIKE TO KNOW THE PRICE?

Having got up close and personal[17] with this season's direct investment platforms, we're now going to focus on what they charge for their various services. We've said it many times and often and once more won't hurt: price is not the be-all and end-all of choosing a home for your investments. But it is one way of making a choice between platforms once you've narrowed down your selection based on who does what and how well that works for you as an investor.

As with many things, platform pricing isn't straightforward. We live in hope but we're not there yet.

Our way of simplifying things slightly is to keep the platforms in their segments so you're comparing like for like. Just to show that we're always thinking of you – yes, you. When you get to our proper platform charging section very shortly, you'll see the same structure there. You're welcome.

But let's live in the moment and not get ahead of ourselves. The **DO IT YOURSELF** and **DO IT WITH ME** tables each follow the same layout. We look at core charges first. That's what the platform charges for looking after your investment: custody, administration and such like. Every one of our platforms offers an ISA and if an extra charge is levied for the privilege then we'll mention it here. Then we see whether they offer a pension and what, if any, extra charges apply for that. Finally, we detail the fund switching and equity trading charges for each platform.

A good number of platforms don't charge explicitly for fund switches. But there's no such thing as a free lunch, or a free fund switch, and the majority of platforms bundle the most common fund investment activities into that one core platform charge. Just be aware that where you do see a charge, that's per trade so a full buy and sell (adding up to a switch) will be double what's in the table. Saves any awkward conversations with the customer service team when you're checking your account deductions.

Very nearly all our platforms charge for equity trades. Again, it's per trade but a lot of platforms offer frequent trading discounts.

Things are a little different for the **DO IT FOR ME** table as you won't personally be switching funds or trading equites there. The whole point is that you end up in a portfolio, which is monitored and rebalanced for you as part of the service. So you'll just find a column detailing the investment costs in this table.

Time to warm up your calculator, check your pencil is properly sharpened and dive on in.

17. There's no alternative when you're measuring a platform's inside leg.

DO IT YOURSELF

PLATFORM	CORE CHARGES	PENSION	FUND SWITCHING	EQUITY TRADING
Alliance Trust Savings	£10.00 a month = £120.00 pa (comes with 4 free trades bundled in). Applies to each wrapper if you have both an ISA and a dealing account.	Yes £17.50 + VAT a month = £252.00 pa (comes with 4 free trades bundled in)	£9.99 per trade	£9.99 per trade
Clubfinance	No fee providing you trade 3 times in a quarter. Otherwise, £15.00 per quarter.		£4.95 per trade	£4.95 per trade
EQ Shareview	0.50% pa with a £24.00 minimum and £90.00 maximum for ISA. No annual charge for dealing account.			£12.50 per trade
Halifax Share Dealing	£12.50 per annum charge for ISA. No annual charge for dealing account.	Yes **Value** / **Charge (pa)** Up to £50k / £90.00 Above £50k / £180.00	£12.50 per trade	£12.50 per trade
iDealing	£20.00 per annum admin fee per account.	Yes, £20.00 per annum admin fee.		£9.90 per trade
IWeb	£25.00 one-off account opening fee for ISA and dealing account.	Yes **Value** / **Charge (pa)** Up to £50k / £90.00 Above £50k / £180.00	£5.00 per trade	£5.00 per trade
James Hay Modular iPlan	**Value** / **Charge (pa)** Up to £300k / 0.25% £300k to £600k / 0.20% £600k to £1m / 0.15% £1m to £1.5m / 0.05% Above £1.5m / 0.01% Annual fee of £175.00 also applies if your overall balance (across all accounts) is less than £200k.	Yes	£0.00	Depends on stockbroker used but typically £15.00 per trade. Using a panel stockbroker carries a charge of £20.00 per annum for the pension account.
Santander	**Value** / **Charge (pa)** Up to £50,000 / 0.35% £50,001 to £500,000 / 0.20% Above £500,001 / 0.10%		£0.00	
Selftrade	**Value** / **Charge (pa)** Up to £50k / 0.30% £50k to £250k / 0.25% Above £250k / 0.15% Maximum charge of £250.00 per quarter.	Yes, £118.80 pa fee applies.	Free for buys but £11.75 per sell.	£11.75 (£9.99 for ETFs) reducing to £6.00 if 20 trades are placed in a month (across all accounts).
Strawberry	**Value** / **Charge (pa)** Up to £50k / 0.35% £50k to £1m / 0.25% Above £1m / 0.10% Minimum charge of £30.00 pa. There is also an annual platform charge of £10.00.	Yes, £120.00 pa fee applies.	£0.00	£9.50 a trade
SVS XO	£0.00			£7.95 a trade
Telegraph Investor	0.30% with a minimum of £20.00 and maximum of £300.00 per year.	Yes, £96.00 pa. However, the £300.00 cap is still in force i.e. the SIPP fee effectively reduces the platform cap to £204.00.	£0.00	£10.00 a trade
Willis Owen	**Value** / **Charge (pa)** Up to £50k / 0.40% £50k to £100k / 0.30% £100k to £250k / 0.20% Above £250k / 0.15%	Yes, £132.00 pa fee applies.	£0.00	£7.50 per trade
X-O	£0.00	Yes, £118.80 pa fee applies although this will be refunded in full providing you invest your SIPP in the X-O dealing account.		£5.95 per trade

DO IT WITH ME

PLATFORM	CORE CHARGES	PENSION	FUND SWITCHING	EQUITY TRADING
AJ Bell Youinvest	For funds: **Value** / **Charge (pa)** Up to £250k / 0.25% £250k to £1m / 0.10% £1m to £2m / 0.05% Above £2m / 0.00% 0.25% additional platform charge for non-fund investment (capped at £30.00 for GIA/ISA and £100.00 for pension).	Yes	£1.50 per trade	£9.95 a trade, reducing to £4.95 if there were 10 or more trades in the previous month.
Aviva Consumer Platform	**Value** / **Charge (pa)** Up to £50k / 0.40% £50k to £250k / 0.35% £250k to £500k / 0.25% Above £500k / 0.00%	Yes	£0.00	
Barclays	0.20% for funds, 0.10% for exchange traded instruments (ETIs)[18]. Minimum of £48.00 pa and maximum of £1,500.00 pa. Collected monthly	Yes, additional £150.00 annual fee applies.	£3.00 per trade	£6.00 per trade
BestInvest	**Value** / **Charge (pa)** Up to £250k / 0.40%* £250k to £1m / 0.20% Above £1m / 0.00%	Yes, *pension investment is charged at 0.30% for the first £250k rather than 0.40%.	£0.00	£7.50 per trade
Cavendish Online	0.25% (0.20% platform fee and 0.05% Cavendish ongoing fee) Whole portfolio charge reduces to 0.20% if you have more than £200k (platform fee reduces to 0.15%).	Yes	£0.00	
Charles Stanley Direct	For funds: **Value** / **Charge (pa)** Up to £250k / 0.25% £250k to £500k / 0.20% £500k to £1m / 0.15% £1m to £2m / 0.05% Over £2m / 0.00% For shares: There is a charge of 0.25% for equity investment with a minimum of £24.00 and maximum of £240.00 per year. This is waived if you trade in the month.	Yes, £120.00 annual fee applies, which is waived if you hold a total portfolio (across all investment and wrapper types) of £30,000 or more.	£0.00	£11.50 per trade There is a charge of 0.25% for equity investment with a minimum of £24.00 and maximum of £240.00 per year. This is waived if you trade in the month.
Close Brothers	0.25% pa	Yes	£0.00	£8.95 per trade 0.25% pa charge
Fidelity Personal Investing	**Value** / **Charge (pa)** Up to £7.5k / £45.00 £7.5k to £250k / 0.35% £250k to £1m / 0.20% Above £1m / 0.00% Once £7.5k/£250k is reached, the 0.35%/0.20% charge applies to the whole portfolio.	Yes	£0.00	0.10% dealing charge. The service fee for ETFs and investment trusts is capped at £45.00. Dealing accounts are not subject to this fee.

18. That's share dealing, ETFs, ITs, bonds, gilts etc.

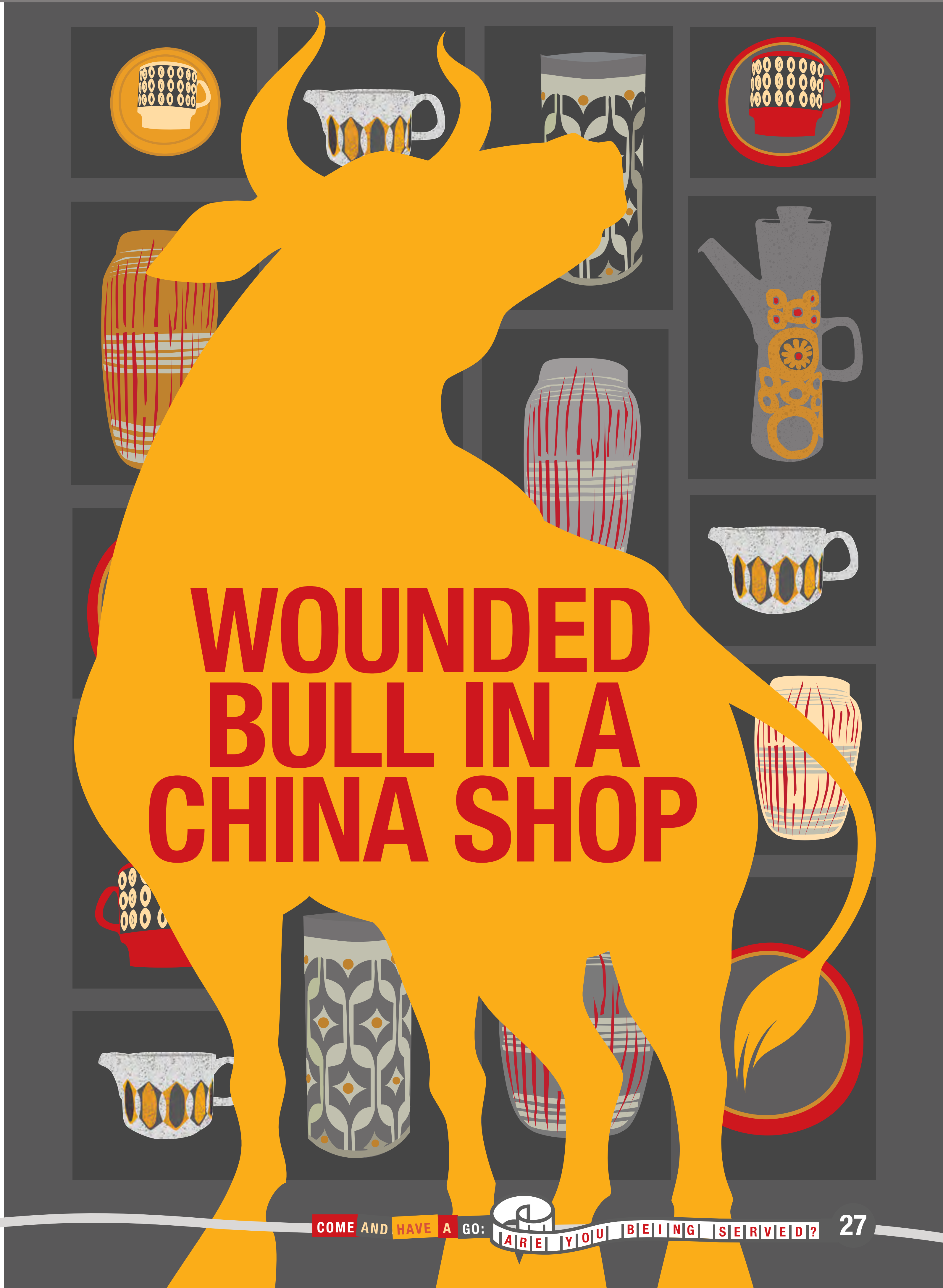
PLATFORM	CORE CHARGES	PENSION	FUND SWITCHING	EQUITY TRADING
Hargreaves Lansdown	0.45% pa for equities, gilts and bonds (capped at £45.00 for ISA and £200.00 for SIPP with no charge for GIA.) For investment in funds: **Value** / **Charge (pa)** Up to £250k: 0.45% £250k to £1m: 0.25% £1m to £2m: 0.10% Above £2m: 0.00%	Yes	£0.00	£11.95 a trade reducing to £8.95 if there were 10-19 trades in the previous month, reducing further to £5.95 if there were 20 trades or more.
HSBC	0.25% for using the ready-made service. 0.39% for using the DIY fund service. £10.50 quarterly account fee for dealing in shares.	No	£0.00	£10.50 per trade
IG	£0.00 Management fee for investing in the IG Smart Portfolios: **Value** / **Charge (pa)** Up to £50k: 0.65% £50k to £250k: 0.35% Above £250k: 0.10%	Yes, additional £195.00 annual fee applies.		£8.00 per trade reducing to £5.00 if 10+ trades were placed in the previous month.
Interactive Investor	Quarterly £20.00 account fee (comes with credit for 2 free trades each quarter).	Yes, £96.00 annual fee applies.	£10.00 per trade reducing to £5.00 for the rest of the month if you've paid for 10 full price trades that month.	
NatWest Invest	0.35% pa	No	£0.00	
Prudential	Product and investment costs are bundled together to form an annual charge of 1.35%.	No	£0.00	
rplan	0.35% pa		£0.00	
Saga Investment Services	**Value** / **Charge (pa)** Up to £250k: 0.40%* £250k to £1m: 0.20% Above £1m: 0.00%	Yes,*pension investment is charged at 0.30% for the first £250k rather than 0.40%.	£0.00	£11.95 per trade
Standard Life Savings	**Value** / **Charge (pa)** Up to £100k: 0.60% £150k to £250k: 0.55% £250k to £500k: 0.50% £500k to £750k: 0.45% £750k to £1m: 0.35% Over £1m: 0.30%		£0.00	
TD Direct Investing	**Value** / **Charge (pa)** Up to £250k: 0.30% Above £250k: 0.20% Maximum collection per year of £1.5k. ISA has a £36.00 annual charge for balances below £5.1k.	Yes, additional product charge of 0.25% taken twice a year. Minimum of £96.00 and maximum of £240.00 per annum.	£0.00	£12.50 a trade reducing to £8.95 if there were 10-19 trades in the previous 3 consecutive months, reducing further to £5.95 if there were 20 trades or more.
The Share Centre	£57.60 charge for ISA (£4.00 + VAT per month). £21.60 charge for GIA (£1.50 + VAT per month). The ISA admin charge is waived if you select the Ready-made ISA option.	Yes, £172.80 pa (£12.00 + VAT per month)	Standard option – a minimum of £7.50 a trade or 1%. Frequent dealing option – a flat rate of £7.50 a trade plus £96.00 pa admin fee.	
True Potential Investor	0.40% pa	Yes	£0.00	
Trustnet Direct	0.25% pa with a minimum of £20.00 and a maximum of £200.00.	Yes, £96.00 fee applies.	£10.00 per trade reducing to £6.00 for the rest of the month if you've paid for 10 full price trades that month.	£10.00 per trade reducing to £6.00 for the rest of the month if you've paid for 10 full price trades that month.
Vanguard Investor	0.15% of the first £250k. No charges above this point, meaning an effective annual cap of £375.00.	Yes	£0.00	£0.00

DO IT FOR ME

PLATFORM	CORE CHARGES	PENSION	INVESTMENT COSTS
ETFmatic	**Value** / **Charge (pa)** Up to £25k: 0.50% Above £25k: 0.30%		Average portfolio cost is 0.22%.
evestor	Annual fee of 0.25%. Additional product fee of 0.10%.	Yes	Portfolio cost is a maximum of 0.13%.
Fiver a Day	Each contribution has an initial charge of 0.25%. Ongoing charge of 0.34%.		Initial charge of 0.25% on each contribution plus ongoing portfolio charges of between 0.46% and 0.52%.
Investec Click & Invest	**Value** / **Charge (pa)** Up to £100k: 0.65% £100k to £250k: 0.50% Above £250k: 0.35%		Average portfolio cost is 0.60%.
Moneyfarm	**Value** / **Charge (pa)** Up to £10k: 0.00% £10k to £100k: 0.60% £100k to £1m: 0.40% Above £1m: 0.00%		Average portfolio cost is 0.30%.
Moneybox	Subscription cost of £1.00 per month. Annual fee of 0.45%.		Portfolios range between 0.22% and 0.24%.
Moola	Annual fee of 0.75%.		Portfolios range between 0.19% and 0.25%.
Munnypot	Ongoing annual platform fee of 0.11%. One-off advice fees of between £5.00 and £500.00. Monthly monitoring fee of between £0.42 and £41.66. There's an eye-watering 12 tiers of charges – visit Munnypot.com/simple-fees for details. 'Simple fees'		Portfolio cost is a maximum of 0.22%.
Netwealth	**Value** / **Charge (pa)** £50k to £250k: 0.65% £250k to £500k: 0.50% Above £500k: 0.35% Advice is available at a rate of £125.00 per hour (subject to £250.00 minimum) for one-off advice or 0.20% per annum for ongoing advice (£1,000 minimum).	Yes, additional annual fee of £195.00 applies.	Average portfolio cost is 0.25%.
Nutmeg – fixed allocation	**Value** / **Charge (pa)** Up to £100k: 0.45% Above £100k: 0.25%		Average portfolio cost is 0.17%.
Nutmeg – fully managed	**Value** / **Charge (pa)** Up to £100k: 0.75% Above £100k: 0.35%	Yes	Average portfolio cost is 0.19%.
Scalable Capital	Annual fee of 0.75%.	In development	Average portfolio cost is 0.25%.
Simply EQ	**Value** / **Charge (pa)** Up to £100k: 0.99% £100k to £250k: 0.79% £250k to £500k: 0.69% £500k to £1m: 0.59% Above £1m: 0.49% The charge for any tier applies to the whole portfolio once you reach that tier. Applies to the Low Cost portfolio range. The Best Ideas and Positive Impact ranges charge an additional 0.20% at all price points.	Yes	Depends on the portfolio range chosen. Best Ideas: 0.80% Low Cost: 0.15% Income: 0.72% Positive Impact (Ethical): 0.70%

PLATFORM	CORE CHARGES	PENSION	INVESTMENT COSTS
UBS Smartwealth	**Value** / **Charge (pa)** Up to £100k: 0.25% £100k to £250k: 0.15% Above £250k: 0.10% The charge for each tier applies to the whole portfolio value once you reach that tier.		Charges for the passive range are between 0.80% and 0.95%. Charges for the active range are between 1.15% and 1.75%.
Wealth Horizon	Each contribution has an initial charge of 0.25%. Ongoing annual charge of 0.75%.		Average portfolio cost is 0.18%.
Wealthify	**Value** / **Charge (pa)** Up to £15k: 0.70% £15k to £100k: 0.60% Above £100k: 0.50% The charge for each tier applies to the full portfolio value once you reach that tier.		Average portfolio cost is 0.17%.

WOUNDED BULL IN A CHINA SHOP



Stop groaning at the title. It had to be done, ok? There are very few moments in life when something quite so pure and perfect is handed to you. Gift wrapped. With a bow. Anyway, this is one of them and we're grabbing it with both hands[19].

Those of you who have savoured these pages in years past will be familiar with the lang cat's famous platform charging #heatmaps and what they're all about. We've said it before but, if you're new to all this, you could do worse things with the next ten minutes than download the previous Guides and get yourself up to speed on the basics. Get yourself a decent coffee. Maybe a snack. If you're nice to the lady in the café she might give you extra jam and butter on your scone.

We've changed this section around this year, but it'll all become clear as you weave your way through. Before we get started, though, we still have our rules of engagement, which reign supreme.

THE RULES OF ENGAGEMENT

We include the main platform custody charge as well as any annual product charges. These are seamlessly embedded into the patented[20] and award-winning[21] lang cat pricing engine using an indefatigably complicated and closely guarded data analysis technique we call 'squishing'.

We exclude event-driven charges such as re-registration, drawdown or exit fees.

Before each table, you'll see a short description of the assumptions we use in that case. One is worth a little extra attention. In the interest of a fair comparison, we exclude underlying investment costs from the **DO IT YOURSELF** tables, whereas we include it in the other two sets. While there are discounted fund deals out there with fund managers offering some platforms better deals than others, you get the same price on the overwhelming majority of investments across the overwhelming majority of platforms.

If you put all that together, the end result is our tables or heatmaps. The heatmaps are in glorious technicolour – a veritable symphony of red, amber and green. Hold your horses though! Red doesn't mean 'head for the hills' and green doesn't mean 'add to basket forthwith'. The colours are based on an algorithm that compares the cost of each platform for each of the investment amounts. So, we compare them to each other and not to any one standard. Which means no hard standards of good and bad, just a spectrum of pricing. If everyone was expensive, there would still be some less pricey than the others and they would be green. And vice versa, except we were laughing too much to actually write that in full.

One last thing: while you are free to handle the merchandise, if you break it, you buy it.

Let's kick things off by looking at a **DO IT YOURSELF** ISA where you're invested solely in funds (no shares, exchange traded funds, investment trusts or funny business).

19. Because it just got knocked over.
20. Not really.
21. Or that.

DO IT YOURSELF – ISA

ASSUMPTIONS

- We take core platform charges and any annual ISA administration costs into account.
- The exception to this is IWeb, which charges £25 to open an ISA but doesn't charge an ongoing fee.
- We assume investment in funds and add in the cost of four ad-hoc fund transactions in the year. These could be buys or sells, or two full switches.

PROVIDER	£5k	£15k	£25k	£50k	£100k	£250k	£500k	£1m
AJ Bell Youinvest	0.37%	0.29%	0.27%	0.26%	0.26%	0.25%	0.18%	0.14%
Alliance Trust Savings	2.40%	0.80%	0.48%	0.24%	0.12%	0.05%	0.02%	0.01%
Aviva Consumer Platform	0.40%	0.40%	0.40%	0.40%	0.38%	0.36%	0.31%	0.15%
Barclays	1.20%	0.40%	0.25%	0.22%	0.21%	0.20%	0.20%	0.15%
Bestinvest	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.30%	0.25%
Cavendish Online	0.25%	0.25%	0.25%	0.25%	0.25%	0.20%	0.20%	0.20%
Charles Stanley Direct	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.22%	0.19%
Close Brothers	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Clubfinance	1.60%	0.53%	0.32%	0.16%	0.08%	0.03%	0.02%	0.01%
Fidelity Personal Investing	0.90%	0.35%	0.35%	0.35%	0.35%	0.20%	0.20%	0.20%
Halifax Share Dealing	1.25%	0.42%	0.25%	0.13%	0.06%	0.03%	0.01%	0.01%
Hargreaves Lansdown	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%	0.35%	0.30%
Interactive Investor	1.60%	0.53%	0.32%	0.16%	0.08%	0.03%	0.02%	0.01%
IWeb	0.90%	0.30%	0.18%	0.09%	0.05%	0.02%	0.01%	0.00%
James Hay Modular iPlan	3.75%	1.42%	0.95%	0.60%	0.43%	0.25%	0.23%	0.20%
rplan	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
Saga Investment Services	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.30%	0.25%
Santander	0.35%	0.35%	0.35%	0.35%	0.28%	0.23%	0.22%	0.16%
Selftrade	0.77%	0.46%	0.39%	0.35%	0.30%	0.27%	0.20%	0.10%
Strawberry	0.80%	0.42%	0.39%	0.37%	0.31%	0.27%	0.26%	0.26%
TD Direct Investing	1.02%	0.30%	0.30%	0.30%	0.30%	0.30%	0.25%	0.15%
Telegraph Investor	0.40%	0.30%	0.30%	0.30%	0.30%	0.12%	0.06%	0.03%
The Share Centre	1.75%	0.58%	0.35%	0.18%	0.18%	0.07%	0.04%	0.02%
Trustnet Direct	1.20%	0.52%	0.41%	0.33%	0.24%	0.10%	0.05%	0.02%
Willis Owen	0.40%	0.40%	0.40%	0.40%	0.35%	0.26%	0.21%	0.18%

- The first thing that sticks out in this table is that no single platform is consistently inexpensive or costly across the board, although a couple come close. This is a great example of a market doing different things at different segments. For those of you who aren't fluent in boring industry speak, that translates as 'it pays to shop around'. It also suggests some healthy competition.
- The eagle-eyed among you will notice that **IWeb** looks like it doesn't charge anything at all at the £1million point. That's because total fees are so low (£25 fee + fiver a trade) that the equivalent percentage fee is visible only to eagles, or 3 decimal places.
- We say this every year, if only because it remains reassuringly true: the market is polarised between fixed fee and percentage based charging. If you have a modest[22] amount to save then it's likely you'll be drawn towards percentage based charging, whereas if you have lots of cash then the siren of fixed fees may well sing to you. **But that's only if cost is your number one thing. This is arithmetic, not a recommendation.**

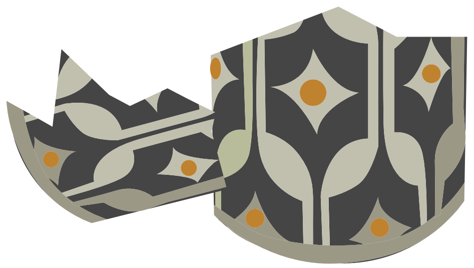
Let's move on to see how this looks in pounds...

22. We're writing this pre-Brexit of course. Who knows what a million quid will buy you in a few years. A multi-pack of crisps and a pack of Polos probably. And you'll be grateful for them.

AND IN POUNDS

PROVIDER	£5k	£15k	£25k	£50k	£100k	£250k	£500k	£1m
AJ Bell Youinvest	£19	£44	£69	£131	£256	£631	£881	£1,381
Alliance Trust Savings	£120	£120	£120	£120	£120	£120	£120	£120
Aviva Consumer Platform	£20	£60	£100	£200	£375	£900	£1,525	£1,525
Barclays	£60	£60	£62	£112	£212	£512	£1,012	£1,512
Bestinvest	£20	£60	£100	£200	£400	£1,000	£1,500	£2,500
Cavendish Online	£13	£38	£63	£125	£250	£500	£1,000	£2,000
Charles Stanley Direct	£13	£38	£63	£125	£250	£625	£1,125	£1,875
Close Brothers	£13	£38	£63	£125	£250	£625	£1,250	£2,500
Clubfinance	£80	£80	£80	£80	£80	£80	£80	£80
Fidelity Personal Investing	£45	£53	£88	£175	£350	£500	£1,000	£2,000
Halifax Share Dealing	£63	£63	£63	£63	£63	£63	£63	£63
Hargreaves Lansdown	£23	£68	£113	£225	£450	£1,125	£1,750	£3,000
Interactive Investor	£80	£80	£80	£80	£80	£80	£80	£80
IWeb	£45	£45	£45	£45	£45	£45	£45	£45
James Hay Modular iPlan	£188	£213	£238	£300	£425	£625	£1,150	£1,950
rplan	£18	£53	£88	£175	£350	£875	£1,750	£3,500
Saga Investment Services	£20	£60	£100	£200	£400	£1,000	£1,500	£2,500
Santander	£18	£53	£88	£175	£275	£575	£1,075	£1,575
Selftrade	£39	£69	£99	£174	£299	£674	£1,023	£1,023
Strawberry	£40	£63	£98	£185	£310	£685	£1,310	£2,560
TD Direct Investing	£51	£45	£75	£150	£300	£750	£1,250	£1,500
Telegraph Investor	£20	£45	£75	£150	£300	£300	£300	£300
The Share Centre	£88	£88	£88	£88	£184	£184	£184	£184
Trustnet Direct	£60	£78	£103	£165	£240	£240	£240	£240
Willis Owen	£20	£60	£100	£200	£350	£650	£1,025	£1,775

- Sticking out at the lower end of the investment scale are the likes of **Cavendish Online, Charles Stanley Direct** and **Close Brothers** proving that if you want low charges, just pick a platform beginning with C[23]. All three start at 0.25%, meaning they take 25p for every £100 you invest in an ISA.
- Fixed fees dominate at the other end of the table, due to the glorious dependability of basic arithmetic. **Alliance Trust Savings** (£120), **Clubfinance** (trading fees only), **Interactive Investor** (£80), **Halifax Share Dealing** (£12.50 plus trading fees) and **The Share Centre** (£57.60 plus trading fees) are good examples of this.
- It's never as simple as that though, is it Timmy? The devil is in the detail and he's currently lurking behind a variegated hydrangea[24]. Some platforms charge a percentage and others charge a fixed fee. But a number of trailblazers are opting for a hybrid approach. No, not the cars. We mean those providers who charge on a percentage basis, but cap their charges. **Telegraph Investor** (£300) and **Trustnet Direct** (£200 + trading charges) are two examples.



23. Does not constitute advice. Possibly on Sesame Street but probably not even there.
24. Are these a thing? We should probably have checked. Too late now.

And that's it for ISAs. Let's see how things shape up for pensions.

DO IT YOURSELF – SIPP

ASSUMPTIONS

- Investment in a pension this time around.
- All other assumptions stay the same, so if a provider charges an annual pension administration charge, we add it in here.
- Still invested in funds, so we still add in the cost of four ad-hoc fund transactions in the year. These could be buys or sells. Or two full switches. You've got it by now, yeah?

PROVIDER	£5k	£15k	£25k	£50k	£100k	£250k	£500k	£1m
AJ Bell Youinvest	0.37%	0.29%	0.27%	0.26%	0.26%	0.25%	0.18%	0.14%
Alliance Trust Savings	5.04%	1.68%	1.01%	0.50%	0.25%	0.10%	0.05%	0.03%
Aviva Consumer Platform	0.40%	0.40%	0.40%	0.40%	0.38%	0.36%	0.31%	0.15%
Barclays	4.20%	1.40%	0.85%	0.52%	0.36%	0.26%	0.23%	0.17%
Bestinvest	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.25%	0.23%
Cavendish Online	0.25%	0.25%	0.25%	0.25%	0.25%	0.20%	0.20%	0.20%
Charles Stanley Direct	2.65%	1.05%	0.73%	0.25%	0.25%	0.25%	0.22%	0.19%
Close Brothers	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Fidelity Personal Investing	0.90%	0.35%	0.35%	0.35%	0.35%	0.20%	0.20%	0.20%
Halifax Share Dealing	2.80%	0.93%	0.56%	0.28%	0.23%	0.09%	0.05%	0.02%
Hargreaves Lansdown	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%	0.35%	0.30%
Interactive Investor	3.52%	1.17%	0.70%	0.35%	0.18%	0.07%	0.04%	0.02%
IWeb	2.20%	0.73%	0.44%	0.22%	0.20%	0.08%	0.04%	0.02%
James Hay MiPlan	3.75%	1.42%	0.95%	0.60%	0.43%	0.25%	0.23%	0.20%
Saga Investment Services	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.25%	0.23%
Selftrade	3.15%	1.25%	0.87%	0.59%	0.42%	0.32%	0.23%	0.11%
Strawberry	3.20%	1.22%	0.87%	0.61%	0.43%	0.32%	0.29%	0.27%
TD Direct Investing	2.22%	0.94%	0.80%	0.78%	0.54%	0.40%	0.30%	0.17%
Telegraph Investor	2.32%	0.94%	0.68%	0.49%	0.30%	0.12%	0.06%	0.03%
The Share Centre	4.06%	1.35%	0.81%	0.41%	0.30%	0.12%	0.06%	0.03%
Trustnet Direct	3.12%	1.16%	0.79%	0.52%	0.34%	0.13%	0.07%	0.03%
Willis Owen	3.04%	1.28%	0.93%	0.66%	0.48%	0.31%	0.23%	0.19%

	£5k	£15k	£25k	£50k	£100k	£250k	£500k	£1m
HIGHEST COST	£252	£252	£252	£390	£540	£1,125	£1,750	£3,000
AVERAGE COST	£110	£130	£154	£213	£329	£584	£925	£1,439
LOWEST COST	£13	£38	£63	£110	£176	£176	£176	£176

- You may notice that it's a slightly smaller table this time around. That's because three providers in the ISA table don't offer pension investment (Clubfinance, rplan and Santander)
- Pension charges are higher on average than those for ISA. That's maybe not unreasonable as there is more work involved behind the curtain and many providers charge an explicit annual fee for pension administration[25], including the likes of **Halifax Share Dealing**, **IWeb**, **Selftrade** and **Telegraph Investor**. Fees tend to be in the region of around £100 + VAT. Again, it can pay to shop around.
- The heatmap illustrates quite how much those additional admin fees take a bite out of smaller investment amounts. Ultimately, if you're adamant on keeping costs down and don't have a big lump sum to invest, then you'd look for a provider which doesn't charge an admin fee. As soon as you get into the six-figure ball park, the effect starts to drift away.
- Finally, we've only presented the full SIPP heatmaps in percentages this time. But, the small table underneath the heatmap gives a sense of how that translates into pounds. If you want the full monetary picture, just get in touch and we'll sort you out.

25. For an exhaustive list, please visit the Pricing Tables department on page 21.

DO IT YOURSELF – SHARE DEALING

ASSUMPTIONS

- Investment in a trading account. Some platforms call this a dealing account, others may call it an unwrapped GIA (General Investment Account). It's the same thing in any case.
- We're looking at share dealing rather than fund investing here.
- We add in the cost of 12 ad-hoc trades in the year. These could be buys or sells.

PROVIDER	REGULAR INVESTING	AD-HOC DEALING CHARGE	£15k	£25k	£50k	£100k	£250k	£500k	£1m
AJ Bell Youinvest	£1.50	£9.95	£149	£149	£149	£149	£149	£149	£149
Alliance Trust Savings	£1.50	£9.99 (4 free per year)	£200	£200	£200	£200	£200	£200	£200
Barclays	£1.00	£6.00	£120	£120	£122	£172	£322	£572	£1,072
Bestinvest		£7.50	£150	£190	£290	£490	£1,090	£1,590	£2,590
Charles Stanley Direct		£11.50	£176	£201	£263	£378	£378	£378	£378
Close Brothers		£8.95	£145	£170	£232	£357	£732	£1,357	£2,607
Clubfinance		£4.95	£59	£59	£59	£59	£59	£59	£59
Equiniti Shareview	£1.75	£12.50	£150	£150	£150	£150	£150	£150	£150
Halifax Share Dealing	£2.00	£12.50	£150	£150	£150	£150	£150	£150	£150
Hargreaves Lansdown	£1.50	£11.95	£143	£143	£143	£143	£143	£143	£143
iDealing		£9.90	£139	£139	£139	£139	£139	£139	£139
IG		£8.00	£96	£96	£96	£96	£96	£96	£96
Interactive Investor	£1.50	£10.00 (2 free trades a quarter)	£120	£120	£120	£120	£120	£120	£120
IWeb		£5.00	£85	£85	£85	£85	£85	£85	£85
Saga Investment Services		£11.95	£203	£243	£343	£543	£1,143	£1,643	£2,643
Selftrade	£1.50	£11.75	£141	£141	£141	£141	£141	£141	£141
Strawberry		£9.50	£173	£203	£278	£378	£678	£1,178	£2,178
SVS XO		£7.95	£95	£95	£95	£95	£95	£95	£95
Telegraph Investor	£1.50	£10.00	£165	£195	£270	£420	£420	£420	£420
TD Direct Investing	£1.50	£12.50	£150	£150	£150	£150	£150	£150	£150
The Share Centre	0.50% (min £1.00)	1% or £7.50 with £96.00 annual fee	£208	£208	£208	£208	£208	£208	£208
Trustnet Direct	£2.00	£10.00	£158	£183	£245	£320	£320	£320	£320
Willis Owen	£1.50	£7.50	£150	£190	£290	£390	£690	£1,065	£1,815
X-O		£5.95	£71	£71	£71	£71	£71	£71	£71

	REGULAR INVESTING	AD-HOC DEALING CHARGE	£15k	£25k	£50k	£100k	£250k	£500k	£1m
HIGHEST COST	£2.00	£13.00	£208	£243	£343	£543	£1,143	£1,643	£2,643
AVERAGE COST	£2.00	£9.00	£142	£152	£179	£225	£322	£437	£666
LOWEST COST	£1.00	£5.00	£59	£59	£59	£59	£59	£59	£59

- So, the big difference here is that the majority of platforms do not take an ongoing percentage-based platform charge. That has the effect of reducing much of the table to an exercise in multiplying the ad-hoc dealing charge by the number of trades.
- There are exceptions to every rule. Step up **Bestinvest, Close Brothers, Saga Investment Services, Strawberry** and **Willis Owen**, among others. As you can see, costs start to stick out a mile once you look across the table to the chunkier portfolio sizes.
- As our summary table shows, there is very nearly £2,000 between the most expensive provider (**Saga Investment Services**) and the average cost for a £1 million investment. It's an extreme example of course, but it makes the point.
- While our tables look specifically at the cost of ad-hoc trading, we've added in the cost of squirreling[26] away regular amounts of money. As you can see, while it can cost upwards of a tenner in charges for a single purchase (or sale), costs can be as low as a quid a go if you're able to commit to a regular (typically monthly) schedule. However, not every platform offers this option.

And that's it for the **DO IT YOURSELF** end of things. Next we'll move on to those platforms which offer a helping hand but still leave you to make the decisions and push the buttons.

DO IT WITH ME

This is where we put the 'fun' into a 'fun-damentally different set of assumptions' so please pay attention 007.

This section is all about looking at providers which suggest investment choices for you, although the final decision is yours.

ASSUMPTIONS

- Investment in an ISA.
- No trading or switching costs on an ongoing basis as we assume you stick with your original investments.
- The exception is that where there's a cost at outset to buy the investment, we include it.
- The OCF/TER column needs a special explanation. This stands for 'ongoing charges figure' or 'total expense ratio' respectively but frankly, we prefer 'WYPTTIM' or 'What you pay to the investment manager' i.e. words that might mean something to actual humans. This is the percentage charge that is taken for doing all the clever stuff behind the scenes to try and make your investments grow.
- We take this charge, add it to the platform/product costs and then show the total annual cost at each of the standard portfolio sizes. Us industry people call this the total cost of ownership (TCO)[27].
- Where there is a choice of more than one range of investments, we lean towards the cheapest. And to assume a like-for-like comparison, we pick the option that's in the middle of the risk spectrum[28].

26. Do squirrels use online platforms when they buy shares? They'd be nuts not to. A little squirrel-investing humour there. You don't get this kind of thing in Moneywise.
27. The OTT number of acronyms in this section has exceeded the GDA as set out by the FCA. OMG.
28. This can be slightly tricky as terminology varies from provider to provider. We're typically looking at investment choices labelled 'balanced' or 'mid/medium risk' but, as you'll see in the table, not all are labelled this way.

PROVIDER	FUND/PORTFOLIO	OCF/ TER	PLATFORM + INVESTMENT COST							
			£5k	£15k	£25k	£50k	£100k	£250k	£500k	£1m
AJ Bell Youinvest	AJ Bell Passive Balanced fund	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Aviva Consumer Platform	Aviva Investors Multi-asset Fund II	0.75%	1.15%	1.15%	1.15%	1.15%	1.13%	1.14%	1.06%	0.90%
Barclays	Mid-risk Growth Portfolio	0.45%	1.47%	0.79%	0.66%	0.66%	0.65%	0.65%	0.65%	0.60%
Bestinvest	IFSL Tilney Bestinvest Growth Portfolio	1.47%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.77%	1.72%
Cavendish Online	Mid-Risk Tracker portfolio	0.15%	0.40%	0.40%	0.40%	0.40%	0.40%	0.30%	0.30%	0.30%
Charles Stanley Direct	Balanced Foundation portfolio	0.78%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	1.01%	0.97%
Close Brothers	Close Managed Balanced Fund	1.17%	1.42%	1.42%	1.42%	1.42%	1.42%	1.42%	1.42%	1.42%
Fidelity Personal Investing	Fidelity Multi Asset Allocator Growth Fund	0.25%	1.15%	0.60%	0.60%	0.60%	0.60%	0.45%	0.45%	0.45%
Hargreaves Lansdown	Balanced Growth portfolio	1.44%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%	1.79%	1.74%
HSBC	Balanced Portfolio	0.81%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%
IG	Balanced Portfolio	0.20%	0.85%	0.85%	0.85%	0.85%	0.70%	0.61%	0.46%	0.38%
Interactive Investor	Charlie portfolio (long term, medium risk)	0.82%	2.42%	1.35%	1.14%	0.98%	0.90%	0.85%	0.84%	0.83%
NatWest Invest	Mid-risk Portfolio	0.60%	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%
Prudential	Prudential PruFund Growth	1.35%	1.35%	1.35%	1.35%	1.35%	1.35%	1.35%	1.35%	1.35%
rplan	Medium Risk Hybrid Portfolio	0.26%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%
Saga Investment Services	IFSL Tilney Bestinvest Growth Portfolio	1.47%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.77%	1.72%
Standard Life Savings	MyFolio Managed III Fund	0.83%	1.43%	1.43%	1.43%	1.43%	1.43%	1.40%	1.37%	1.30%
TD Direct Investing	Vanguard LifeStrategy 60%	0.22%	1.24%	0.52%	0.52%	0.52%	0.52%	0.52%	0.47%	0.37%
The Share Centre	SF Positive Fund	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%
True Potential Investor	Balanced Portfolio	0.89%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%
Trustnet Direct	The Consolidator Portfolio	0.78%	2.58%	1.50%	1.31%	1.17%	1.05%	0.89%	0.83%	0.81%
Vanguard Investor	Vanguard LifeStrategy 60%	0.22%	0.37%	0.37%	0.37%	0.37%	0.37%	0.37%	0.30%	0.26%

	OCF/ TER	£5k	£15k	£25k	£50k	£100k	£250k	£500k	£1m
HIGHEST COST	1.94%	£129	£291	£485	£970	£1,940	£4,850	£9,700	£19,400
AVERAGE COST	0.77%	£68	£174	£284	£560	£1,103	£2,690	£5,280	£10,098
LOWEST COST	0.15%	£20	£60	£100	£200	£400	£750	£1,500	£3,000

- The price differentials are stark when you look at the investment costs in isolation, with fund management charges nudging as high as 1.40% – 1.94% for the likes of **Bestinvest, Hargreaves Lansdown, Saga Investment Services** and **The Share Centre**. Ultimately how comfortable you are with this is in direct proportion to how confident you are that the people in charge of your investments can deliver a decent return.
- A further complication is that the investment choices on offer aren't necessarily comparable with one another.
  - For instance, portfolios from the likes of **AJ Bell Youinvest, IG** and **True Potential Investor** are monitored and rebalanced on an ongoing basis.
  - Then there are those who direct you into single funds which, by their nature, will be monitored and managed according to their mandate. Here we include **Aviva Consumer Platform, Bestinvest (Tilney)** and **Prudential (PruFund),**among others.
  - Finally, we have the platforms that direct you into portfolios of funds (**Interactive Investor, rplan** and **Trustnet Direct**) where the onus is on you as a customer to make any changes along the way as you see fit.
- Another thing to keep in mind is that many of the investment choices on offer are effectively managed by the same firm[29] that runs the platform. Examples include funds from **Aviva Platform, Bestinvest, Saga Investment Services** (both Bestinvest and Saga are part of the wider Tilney Group), **Standard Life Savings** and **The Share Centre**. There's nothing necessarily bad about this – commercial organisations try to sell you things – but it's worth watching out for. It's always good to have a full understanding of where your charges are going and you may not want all your eggs in one basket. Or you might. They're your eggs.
- Getting down to the actual charges themselves, it's clear from the colouring of the table (platforms here tend to either be expensive or not, in relative terms, across the board) that the main driving factor is the cost of the investments, rather than the platform charges. You can be all-in across most portfolio sizes, **where the underlying investments are passive**, for around 0.40% to 0.60% (**AJ Bell Youinvest, Fidelity Personal Investing, rplan** and **TD Direct Investing**). Or you can choose something that's actively managed but costs more.

ACTIVE VERSUS PASSIVE MANAGEMENT

Actively managed funds are run by fund managers, usually supported by extensive research teams (the teams are extensive, not the individuals in the teams. They may or may not be extensive. We don't have data on that), who make all the investment decisions. These decisions are mainly around which companies to invest in and when to buy or sell various assets.

The purpose of active management is to deliver a return that is superior to the market, either as a whole or when set against a specific benchmark or target.

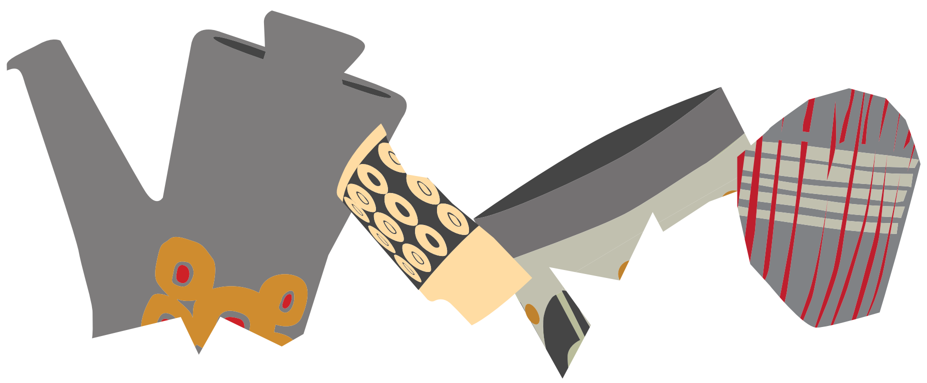
Passive investment funds will simply track a particular market as represented by an index (such as the FTSE 100). The funds are essentially driven by clever-clever algorithms, buying and selling in direct proportion to the market in question, giving you a return that reflects how that market is performing.

An actively managed fund can therefore offer the potential for higher returns than the market – if your fund manager makes the right calls.

And this one sentence is the crux of the debate. Active management costs more but there is the potential for higher returns. Whether you feel this is worth the additional cost is something you need to be comfortable with before investing your hard-earned.

For more information, ask Dr Google. There's loads of accessible reading out there.

Our last selection of platforms covers the area that's currently seeing the most activity: those which either guide you through the digital investing process or offer advice.



29. That's a simplistic way to look at things. It's obviously very, very complicated behind the scenes.

DO IT FOR ME

ASSUMPTIONS

- Assumptions here are the same as for the previous **DO IT WITH ME** table.
- The distinction here is that these providers take you through a process which includes taking your unique circumstances into account before spitting out a recommended investment.
- Again, we take the WYPTTIM (see page 33) cost and show this separately so that you can see the portion of the total charge that's going towards the clever investmenty[30] stuff.
- We then add this to any ongoing product, platform, and in the case of this table, any advice charges that apply.

			PLATFORM + INVESTMENT COST							
PROVIDER	FUND/PORTFOLIO	OCF/ TER	£5k	£15k	£25k	£50k	£100k	£250k	£500k	£1m
ETFmatic	Mid-risk portfolio	0.22%	0.72%	0.72%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%
evestor	Mid-risk portfolio	0.13%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%
Fiver a Day*	Mid-risk portfolio	0.50%	1.34%	1.34%	1.34%	1.34%	1.34%	1.34%	1.34%	1.34%
Investec Click & Invest	Mid-risk portfolio	0.60%		1.25%	1.25%	1.25%	1.25%	1.16%	1.06%	1.00%
Moneybox	Mid-risk portfolio	0.23%	0.92%	0.76%	0.73%	0.70%	0.69%	0.68%	0.68%	0.68%
Moneyfarm	Mid-risk portfolio	0.30%	0.30%	0.50%	0.66%	0.78%	0.84%	0.76%	0.73%	0.71%
Moola	Mid-risk portfolio	0.25%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Munnypot	Mid-risk portfolio	0.22%	1.33%	1.00%	1.13%	1.13%	1.23%	0.73%	0.53%	0.43%
Netwealth	Mid-risk portfolio	0.25%				0.90%	0.90%	0.75%	0.60%	0.60%
Nutmeg – fixed allocation	Mid-risk portfolio	0.17%	0.62%	0.62%	0.62%	0.62%	0.62%	0.50%	0.46%	0.44%
Nutmeg – full service	Mid-risk portfolio	0.19%	0.94%	0.94%	0.94%	0.94%	0.94%	0.70%	0.62%	0.58%
Scalable Capital	Mid-risk portfolio	0.25%		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Simply EQ	Mid-risk portfolio	0.15%	1.14%	1.14%	1.14%	1.14%	0.94%	0.84%	0.74%	0.64%
UBS SmartWealth	Balanced Passive portfolio	0.87%		1.12%	1.12%	1.12%	1.02%	0.97%	0.97%	0.97%
Wealth Horizon	Mid-risk portfolio	0.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%
Wealthify	Mid-risk portfolio	0.17%	0.87%	0.77%	0.77%	0.67%	0.67%	0.67%	0.67%	0.67%

*We include the 0.25% initial Fiver a Day contribution charge and also the 0.25% initial charge that the investment manager levies. For fairness, we should point out that this means that ongoing charges from year 2 onwards are 0.84% (0.34% Fiver a Day management charge + the OCF of around 0.50%).

	OCF/ TER	£5k	£15k	£25k	£50k	£100k	£250k	£500k	£1m
HIGHEST COST	0.87%	£67	£201	£335	£670	£1,340	£3,350	£6,700	£13,400
AVERAGE COST	0.29%	£45	£138	£231	£462	£914	£2,075	£3,930	£7,655
LOWEST COST	0.13%	£15	£72	£120	£240	£480	£1,200	£2,300	£4,300

- If you've read the assumptions (which of course you have) you'll have picked up that this table has a similar feel to the previous one. The overall charges are composed of directed investment choice plus platform/product fee.
- It may sound counterintuitive but, on average, the underlying investment is significantly cheaper this time around. This is due to the fact that the investment choices are predominantly passive, with a big chunk using portfolios made up of exchange traded funds (ETFs).
- This means that while the product/platform fees tend to be slightly higher here, the all-in cost is lower than the previous table, with the added benefit, if it's your thing, of being either fully guided or advised. Although it's wise to keep in mind that, in some cases, this won't be full advice and will only focus on this particular investment.
- There's been a lot of activity in this segment and there are a number of solid offerings that are worth a look. The downside here is a distinct lack of familiar names. We are creatures of habit at heart and handing over your nest egg to someone you've never heard of (as opposed to – picking an example out of thin air – Hargreaves Lansdown) can add an extra layer of doubt. It comes back to the central rule of direct investing: it's your decision so make it a well-informed one.

30. Real industry word.

CAN VANGUARD LIVE UP TO ITS NAME?

In May 2017, a fund group launched its own direct-to-consumer investment service. Normally this wouldn't merit coverage beyond a few financial trade press articles. It certainly wouldn't make the national newspapers and Sky News. But this was not just a fund manager – it was Vanguard. And we'd been expecting its arrival for quite some time (Mr Bond).

Vanguard's funds have of course been available via advised and direct platforms for several years now, but unless you had over £100k to invest you couldn't rock up to Mr Bogle and his mates and go direct; you had to go via a third-party and pay for the privilege, which chipped away at your investment.

The new direct offering changes this. You can now sign up with £500 (or £100 per month) and will only pay an account fee of 15bps (capped at £375 annually) plus the OCFs (ongoing charges figure, since you ask).

Over in platform land (worst theme park ever[31]) the launch of Vanguard Investor coincided with a drop in the value of Hargreaves Lansdown's shares of more than 8%. How directly correlated Vanguard's news was to that drop is something only those trading the shares will know. Why does it matter? Because Hargreaves is the direct platform market's Head of Department. With no-one else in contention for its key to the executive washroom. If we want to gauge how the market might be affected, it's as good a place to start looking as any.

We should probably pause here to note that Vanguard Investor is not *actually* a platform. A technical point perhaps, but it does mean that comparing it to the existing direct platform market is less simple than it sounds. Most platforms offer a wide range of funds and access to a SIPP; Vanguard Investor currently offers neither of these. If/when this changes the comparisons with existing platforms will become more valid, but for now you need to be comfortable with these constraints.

So, Vanguard Investor is unlikely to disturb the platform market too much when it comes to product wrappers and investment options. Price could be a different story. One of the biggest talking points generated by the launch is the potential price pressure it could unleash across the industry (both advised and direct).

However, Hargreaves Lansdown makes a pretty convincing case for the platform market not being terribly price sensitive. It's been more expensive than its main rivals for a long time, yet is still the biggest platform for AUA by miles. The impact could be greater over in the advised market, where the average amounts being invested tend to be much higher. Whether the difference in price is worth the compromises involved is down to the individual and their adviser.

We've stocked up on popcorn and will be keeping an eye on what happens over the next few months.

31. We will only stop making this joke when it stops being funny (to us).

BANKING ON IT

Fans of our work (hello, lang cat mums) might recall that in last year's Guide we wrote about banks. Specifically, that several were about to unleash their new investment offerings on the direct market, and we wondered what might happen if they didn't 'mess it up'. With familiar brand names and a ready-made customer base in the form of existing bank customers, banks had the potential to really shake up the direct investment market if they could come up with the right offering and get consumers on side. Either of these is a challenge. Achieving both is tricky indeed.

Fast forward twelve months and things have moved on, albeit rather slowly. This should come as a surprise to precisely no-one. Banks are massive, lumbering beasts and, by definition, not naturally nimble. Just as you wouldn't expect to see an elephant trotting up a spiral staircase, the banks' new offerings were never going to reach the market at the same pace as their smaller, snappier robo peers. For a start, there are many more layers of research, decision making, planning, design, testing and signing-off to get through across different parts of the business. The marketing department alone can expect to endure approximately 1,952 meetings just to decide on the name of the new service.

To be clear, none of the banks have yet delivered a robo-advice offering, although some have taken their first baby steps along that path. In as much as massive lumbering beasts can take baby steps. You get the point.

Over the last year, Santander, Barclays and NatWest have all launched (or re-launched in the case of Barclays) investment platforms. These all offer access to a range of funds and appear to work pretty well (the Barclays service in particular looks great) but they are all very much V1.0 offerings. Both Barclays and NatWest services are only available to their respective current account customers, none currently offer a SIPP (although Barclays has one in the pipeline), and crucially, as we've already noted, none offer robo-advice.

And advice remains the banks' holy grail. It would allow them to promote their offering beyond the hobbyist and 'expert' investor market, it has the potential to help their customers feel more confident and reassured when investing, and would allow banks to make a charge for that service.

Despite the relatively slow speed of delivery, the next twelve months should see all the banks we've mentioned here launching their full services, along with HSBC, which has also confirmed similar plans.

This is potentially good news for their customers, especially those who are getting negative real returns in cash but are nervous about investing. A personal recommendation accounting for their individual circumstances and delivered at a low cost should represent a great outcome. We still have some concerns about how these services will be constructed, such as whether overpriced in-house funds will be a major feature and the nagging worry that banks have repeatedly proved themselves unable to genuinely put their customer first. But when these services (eventually) arrive it should be a big moment.

Come back next year for the next exciting episode…

FUTURE GAZING

AWOOGA! SERIOUS CONTENT KLAXON. In amongst oh-so-funny jokes about cats and department stores, we do spend quite a lot of time analysing the 52 providers you'll find in this Guide. We provide this analysis to the platforms themselves, fund managers and other folk who want insight.

As part of that, we profile how we think the market will grow, and we thought you might like a sense of that too. So here's our prediction for the next year or two (before any stock market growth), broken down by segment.

DO IT YOURSELF

We think this will continue to do well. Allowing for some new pension money coming in and some more mature money flowing out (as people spend their retirement savings or simply peg it) we reckon we'll see growth at or around 14% for 2017. This will slow a bit in 2018 as the pension money flow reduces, but will still be positive.

DO IT WITH ME

This is a massive segment compared to the others, so it's naturally got a slower growth rate in terms of percentages, although we expect the total assets flowing in to be considerable. Our guess for 2017 is 11%, slowing again in 2018. You've got huge names like Fidelity, Barclays, Hargreaves Lansdown and Vanguard in here, and the big will keep getting bigger. Once again, pension money will be the engine of growth.

DO IT FOR ME

Now we're talking, at least in terms of percentage growth. We reckon just shy of 50%, which will bring the market close to £1.5bn by the end of 2017. So huge relative growth, but from a very small base. Unlike the other segments, we think this growth trajectory will pretty much be maintained, and when the robos and digital investment guys really get their heads around pensions, life could get very interesting indeed.

the lang cat

DIRECT PLATFORM AWARDS 2017

BEST FOR DO IT YOURSELF

IWEB

When we talk about true **DO IT YOURSELF**, we're thinking of more sophisticated investors. At this end of the scale it's all about wrappers (a pension is a must), assets and functionality. No hand-holding is required; just some Guatemalan Smaller Companies ETFs should the desire arise. Which leaves us with IWeb as a clear winner. IWeb has never claimed to be anything other than a cheap and cheerful trading machine for those who know what they're about. And it does it very well. Its £5 trades are near legend in the market, it has the full range of asset options and a decent range of tools, guides and commentary for investment geeks. It's also carried out a (much needed) upgrade of the website, which adds a little gloss for those who care about such things.

BEST FOR DO IT WITH ME

FIDELITY PERSONAL INVESTING

Right, this is a bit of an odd one. Fidelity Personal Investing's new site and service is what's winning them this award. That's awkward because many of you won't have been upgraded to the new offering yet, and if you sign up now you'll get the old one. That'll change soon, though. We got a tour recently and were blown away by how much better it was than the old site. The journey which helps you to pick a risk-rated fund or portfolio is really nice – and it's brave enough to tell you to go away if it's clear you shouldn't be investing. The design is responsive to your screen format (still rarer than it should be), the asset range is wider (stocks and shares coming soon but ETFs/ITs are included) and platform cost is ok at 0.35% all in. Signatures have been all but abolished and all in all it looks like a platform designed in 2017, with cues from Amazon and others. Very well done.

DO IT FOR ME: BEST FOR BEGINNERS

NUTMEG

We're splitting the **DO IT FOR ME**, award in two as what makes a provider cool changes greatly depending on how much help you need or want. When it comes to beginners it's more about the level of support and the ease of working through the process than breadth of asset offering. A pension as well as an ISA is good as it lets you have everything in one place, which is kind of the point. Advice isn't a must but there should be some level of guidance or Q&A process to help you understand your attitude to risk and how that fits in with your goals, what you have available to invest and so forth. Step forward Nutmeg. It's an intuitive, user-friendly website with an easy to follow process (which you can test before you commit to investing) and a lot of extra information available for those who want it. The charges are clearly laid out and you can choose between having your asset allocation reviewed/re-aligned tactically on an ongoing basis or leaving it in a fixed allocation. It's probably at its best when you let it do the do.

the lang cat DIRECT PLATFORM AWARDS 2017

DO IT FOR ME: BEST FOR EXPERIENCED INVESTORS

SCALABLE CAPITAL

A new entrant to this year's Guide, Scalable Capital[32] recently secured a huge investment from BlackRock, the world's largest asset manager, and is keen that everyone knows about its impressive growth, with €250m on the books in just a year or so. In short, it's aimed at the more sophisticated investor who has some technical understanding of the markets (perhaps someone who's been a client of a wealth manager in the past) and so can appreciate the benefits of the offering. It's for those who have been around the investment block and are looking for something different. A downside is the absence of a pension, for now at least. The site is nice to use, and if you can get your head round the investment ethos, it offers an intriguing alternative to the norm. The Scalable guys reckon they'll really earn their crust when there's a big market fall; let's hope we don't see that any time soon.

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BEST FOR CLARITY

NO-ONE (AGAIN)

For the fourth year straight this award is left languishing on the shelf. That's four years too many, so we're calling time and retiring it until the industry collectively raises its game (or one platform gets its clarity ducks sufficiently lined up). That's not to say things aren't improving, because they are. We're seeing good things from various sources. But no single platform has enough of the good things to merit the award. So, in the name of being clear (ahem) about our expectations, cast your eyes to the right for the conditions we want met.

Charges: clearly disclosed and broken down i.e. what is paid, to whom and why. In short, the total cost of investing should be clear and expressed in pounds and pence. Examples, ideally personalised, are also a winner.

Language: clear (plain English) and consistent across everything, with all jargon explained in-situ rather than having to hop off to a glossary. This goes double for anything contractual, where everything important should be clear and up front. And shorten those Terms and Conditions, Private. We don't need no 128-page epics.

Website: clear navigation, labelling and cross-referencing throughout. The important stuff **must** be easy to find. On signing in, the investor should be greeted with a clear summary of how much they've paid in, how much their investment is currently worth and how much has been paid in charges since the outset.

Expectations: clarity as to what you don't get is just as important as it is for what you do get. We expect both. The investor must be clear on what to expect as they go through the process: pre- and and post-sale (who's making the investment decisions and who's on point for rebalancing?) and what happens if it goes wrong. Each investor should understand their rights and responsibilities.

Investment options: clearly describe not only the funds but what using them means in practice. For instance, if a special discount is available, explain in plain English what that means i.e. that it could be more difficult, time consuming and expensive to transfer that away to another platform.

Engagement: by this we mean really, *really* working to engage customers and keep them engaged for as long as they remain customers. A few specifics include explaining complex things in an accessible way that works for the investor (infographics, video clips etc), testing stuff properly before it goes live and being clear on whether customers understand what they have signed up for.

32. Disclosure: Scalable Capital is a client of the lang cat. It's still good, though.

DISRUPTOR OF THE YEAR

VANGUARD

Putting the cat among the pigeons (pun fully intended) is Vanguard with the long awaited[33] Vanguard Investor. There are several good reasons why this platform shouldn't really be causing the amount of interest that it is, not least of which being that it isn't a platform. But it has one very important thing in its favour: price. You're accessing the same Vanguard funds you'd get anywhere, but the accompanying product charge (0.15%, capped at £375 pa) is much lower than any others in almost all scenarios (we say almost all as ultra cheap renegade IWEB is still cheaper for Vanguard funds). Price isn't everything and others with higher charges offer a more complete proposition (choice of wrappers, investment options, investment research, tools, guidance and so forth), but whether that matters is up to you. The point is that Vanguard has a fiery combination of factors on its hands that combine to create a real chance of disrupting the market: a solid reputation formed from being generally massive and successful in the states, it's riding the current zeitgeist shift towards passive investment and has just undercut all of its mainstream rivals. Gauntlet. Thrown.

BEST FOR PENSIONS

HARGREAVES LANSDOWN

We'll keep this brief as it's all been said before. Hargreaves Lansdown is all about the service levels. It offers a seamless pension set-up process with everything carried out online. If you do need help, it's there and will make it all better for you. The Bristol Bros know their game and play it well.

BEST FOR INNOVATION

OCTOPUS LABS

To be very honest, no one provider wowed us with anything this year. Even disruptors like Vanguard are doing the same stuff, just cheaper. And you don't get a coveted lang cat innovation award for that. No sir. So we thought we'd look behind the curtain at some of the folk who are enabling innovation. We looked at a number of accelerators and incubators, working with firms providing technology based financial services (or fintechy types, as they are also known), most of whom were hateful. However, Octopus Labs is a different class of cephalopod[34] entirely. Whereas most labs and hothouses go where the quick money is – often money transfer and payment systems – Octopus Labs takes a wider view and has a really interesting roster of firms in its accelerator. These currently include Moola and Advicefront, both of which we think have a very interesting future ahead of them. So props to Octopus for its Labs – you are enabling innovation in exactly the space we're looking at, and are a worthy winner of our 2017 Innovation Award.

VILLAIN OF THE YEAR

VIRGIN MONEY

Our villain of the year award goes to Richard Branson and Virgin Money for the UK Index Tracking Trust. As the name suggests, this is a tracker yet is charged at a whopping 1% – that's around 12 times the cost of an identical tracker elsewhere. We're not the first to comment on this. In 2014 The Telegraph ran an article titled "Richard Branson criticised for promoting rip-off fund", yet nothing has changed. Sadly, thousands of investors continue to buy into the fund and it has now amassed £3.34bn which, to save you the mental arithmetic, means Virgin Money is generating around £33m annual revenue. From one fund. No wonder Richard Branson is perpetually smiling…

HERO OF THE YEAR

THE FCA

Showing love for the regulator gets you kicked out the cool financial bars, if there were any of those, which there aren't. But we believe in praise where it's due, and some is due to Canary Wharf this year. Everyone's favourite policy wonks (and yes, we checked the spelling) landed a remarkable sucker punch on the investment industry with their Asset Management Market Study Interim Report last year. The final report did lack some of the muscle of the interim one, so perhaps all the lobbying had an effect. But tucked in there are some real nasties in terms of findings and follow up action for the asset management sector. The thing about nasties to the asset management sector is that what is bad for them is nearly always good for you, the investor. So two and a half cheers for the FCA, and may they fulfil the promise they've shown in the year to come.

33. Elephants have shorter gestation periods.
34. Google it.

CONCLUSIONS

And there we have it. Several floors' worth of the direct investment market's finest merchandise. From camping equipment to stationery, fancy goods to ladies' millinery. Fifty two product lines, all laid out for your delectation and discerning eye.

But what new lines can we look forward to over the coming months? And what have we learned?

BAG A (REGULATOR APPROVED) BARGAIN

One thing we do know for sure is that over the next few months we'll be hearing an awful lot about the final report from the FCA's Asset Management Market Study. Now, you might think you don't care about regulation, but you do, and here's why. Providers of active funds will find themselves answering questions about charges and disclosure, all fund providers will be on the hook to demonstrate greater transparency and everyone will be charged with fostering healthy price competition to benefit consumers. All of which means you may start enjoying lower prices.

ROBO COUTURE

Another certainty is the continuing presence of the robo brigade and the growing prominence of our little mechanised friends. There's been a steady stream of robo-offerings coming to market over the last twelve months – the range of new names in our tables tells the story – and we see no reason for that particular trend to change. In fact, a couple of things suggest the flow will increase. First, you'll see banks adding a robo-advice proposition at some point. Second, the FCA's regulatory sandbox project will lead to new products hitting the market that may otherwise never have seen the light of day.

DOESN'T MADAM LOOK MODERN?

It's not all about robo-advice though. We can also look forward to providers developing more sophisticated guidance offerings, thanks to some long-needed clarity around the line between advice and guidance coming into effect from March 2018.

We're also heartened to see a number of providers – notably Fidelity, Barclays and Santander – producing propositions which actually look as if they were designed in the last five years. Some of them even work on iDevices and Fandroids. Though probably not on BlackBerries.

Overall we're really positive on the direct platform sector. We see genuine thought from some providers going into what their kit is like to use – Fidelity gets kudos for this. We see investment in apps and mobile – Hargreaves Lansdown being a great example. We see greater focus on pension flexibility, with an interesting split between providers who let you transfer final salary schemes in and those who run, screaming in the other direction.

TOTTING UP AND SIGNING OFF

The Guide was fun to write this year. We've enjoyed looking at all the new robos and online propositions. We really thought long and hard about how to segment the market, and we hope the way we've done it – based on how much help the platform gives you – is useful. A lot of financial industry professionals read this publication – but a lot of normal people do as well. That side of things is for the normal people – please do let us know if you think we've got it right.

Enough about us. What really matters is that you've enjoyed the Guide and got some use out of it. If it's left you feeling well-tailored and comfortably shod then we'll cash up, carefully drape a dust sheet over the displays and head home, happy with our lot.

And don't worry Sir, the sleeves will ride up with wear. Would you be interested in one of our loyalty cards?

the lang cat
Edinburgh, July 2017

In 2010, Mark Polson spotted a gap in the market – a cavernous one – between what providers and platforms *think* investors want and what investors *really* want.

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The lang cat flung open its doors in 2010, offering apparel and accessories to those discerning souls across the financial services industry who want to make things a little bit better. By that we mean creating products that meet investor needs, communicated and sold in ways that don't make everyone involved head straight to the café (on the second floor) to block out the whole experience with some therapeutic chocolate cake.

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A couple of times a year, we dust down the biggest, most prominent display case and set out our premium wares in the form of our Guides to the Advised and Direct Markets. You might be familiar with the latter by now.

We hope you've enjoyed the Guide. If you'd like to check out our other off-the-peg offerings (and we suspect they'd suit you, Sir/Madam) or find out more about what we get up to when we're not labouring under the delusion that we're running a fictional department store, head along to our website www.langcatfinancial.com and try a few things on for size.

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