COME AND HAVE A GO

A DIRECT APPROACH TO PLATFORM INVESTING

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ABOUT the lang cat

Mark Polson founded the lang cat in 2010, in an act of belated teenage rebellion against the generally woeful way in which most financial services companies develop and communicate their products and services.

His main area of expertise is platforms – a happy coincidence as this is the most active and innovative element of the financial services market, with no sign of a slow-down. Platforms are why we're here today and why you're reading this guide. Thanks for taking the time.

The founding principle of the lang cat is to cast aside all the complexity, jargon and general marketing fluff and get to what matters. And then to communicate the stuff that matters to you – real people, who don't work in financial services – in a way that doesn't require a pair of tweezers to reach the point.

We work mainly with providers and some large advisory firms, across direct, advised and corporate markets. No, we don't know what that means either.

What's that you're saying? What has any of this to do with me and my NISA? Well, as you might know, direct investment is changing fast, with a raft of platform launches and pricing changes this year. We've enjoyed writing about that in the press and on our blog, and some folks have been nice enough to suggest we should bang on at a bit more length. We think 64 pages should do it – and we hope you think so too.

And that's us. If you'd like to know more or have a read of our blogs and other material then do feel free to visit our website: www.langcatfinancial.com Or don't. You are a free human being and it is your right to read stuff, or not, as you so choose. Never let anyone take that away.

But if you do, we promise you won't find a single picture of happy old people enjoying a sunset, playing with the grandkids, sitting on a beach or scaling Mount Kilimanjaro – ever.

DO WHAT YOU LOVE

FOREWORD

A very warm welcome to the lang cat's guide to direct platform investing. We're delighted you've decided to join us for this bracing stroll through the investment platform market. We'll encounter the players, how they set themselves apart, how charging actually works and a few other things you might want to keep in mind when investing through these remarkable services.

We've done this sort of guide before, but with our sights set squarely on financial advisers. This one is for ordinary investors. Of course we don't think you're ordinary, you're all very special. Especially you. Yes, you.

What we really mean is non-professional investors who may or may not be familiar with all the bells and whistles of platforms. We're guessing that you know a bit (otherwise we suspect you could think of better things to read); that you've already invested via a platform or you're planning to do so in future. Either way, you've come to the right place.

ELEPHANTS! IN THE ROOM!!

Three points to get out of the way:

- **Direct is not for everyone** – we don't all crave control or enjoy market-watching. Some of us would rather pay for advice, even for a small investment. That's fine.
- **It's not direct OR advised** – you can do some stuff yourself and get help with other stuff.
- **We can't give you advice** – not even if you ask nicely. We're not qualified, or registered, and neither do we want to be.

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How the guide came about

UK financial services regulation has changed a bit over the last couple of years (and in other news, the sun is reported to be *quite warm*). We'll look at this in more depth later (regulation, not the sun) but, in short, the direct platform market has grown and developed at an incredible rate and is continuing to do so. Change at this pace naturally leaves many trailing in its wake and demands that someone puts out some sensible, unbiased information. That's what we're trying to do.

While we are all about the platform market, what we're not about is telling you what to do or even what not to do. By putting all this into one handy format we're giving you the information with which to get the best out of this weird and wonderful world of platforms we inhabit.

We hope you find the guide informative and useful; we'll do our best to keep it interesting. Let us know what you think.

Mark Polson
principal
the lang cat

WHAT YOU'RE GETTING

For your entry price of zero pounds, here's what's coming up.

We'll look at direct platforms, who they are for (or not for) and how they work. Financial services is as regulated an industry as you'll find outside of the supply of recreational pharmaceuticals, so we'll have a look at the world within which investment platforms operate and what that means in the real world for investors like you.

One thing which does characterise the market is variety, which is a nice word for complexity. So we'll take a canter through how platforms differ in the kinds of services they offer to investors, and how they charge you for what they do. Expect to find stuff on:

- different platform charging methods
- product fees (especially for pensions)
- shares and funds trading costs
- exit charges

and heaven only knows what else. There is no shortage of ways for providers to make money from investors, and across the market we think we've got a handle on most of them.

Pricing is tricky. It's not enough to describe it; you have to give some sense of its effect. To do that we include platform charging heatmaps. We'll describe them in full later, but broadly speaking they illustrate some fictional but representative scenarios using pretty colours. We also have some made-up investors and we show how much different platforms charge for those. If the editing process has gone well you won't see any of the ruder names they've had along the way.

The largest section of the Guide consists of our assessment of the 25 direct platforms that the lang cat currently keeps an eye on. This isn't a user review (we might start collecting user feedback and publishing it; we'll see how that goes). But it is a look at the overall propositions and particularly their websites: investment options; charges; ease of finding information and of making contact, and so forth. The stuff that we think matters alongside the hard numbery type things.

All data comes from the platforms' own websites; we don't ask for special access. We approach them as any off-the-street prospective investor would.

WHO'S PAYING FOR ALL THIS?

We think it's important for anyone who wants it to have access to all this so we're not charging for the fine content in front of you. You might have noticed.

We are independent and unbiased – in other words, you can trust us to look you straight in the eye and tell you exactly what's what. We might annoy a platform provider or two (and not for the first time) but we're happy to take the flak if it helps you see how they work. We cut through complexity and jargon to get to the important stuff. That usually involves disregarding marketing material and sales messages from the platforms themselves, and we're fine with that.

While the lang cat prides itself on its independence we have bills to pay and children/pets to feed. We thought about taking sponsorship for the Guide, but in the end decided to accept some adverts. These are not endorsements; no advertiser had influence over, ability to comment on or access to, our content. Our predictions are that the Guide will not quite cover the cost of production. But that's OK with us if it is with you.

So, coffee on (or tea – it's all about choice) and feet up. Make yourself at home. Biscuit? Don't mind if we do.

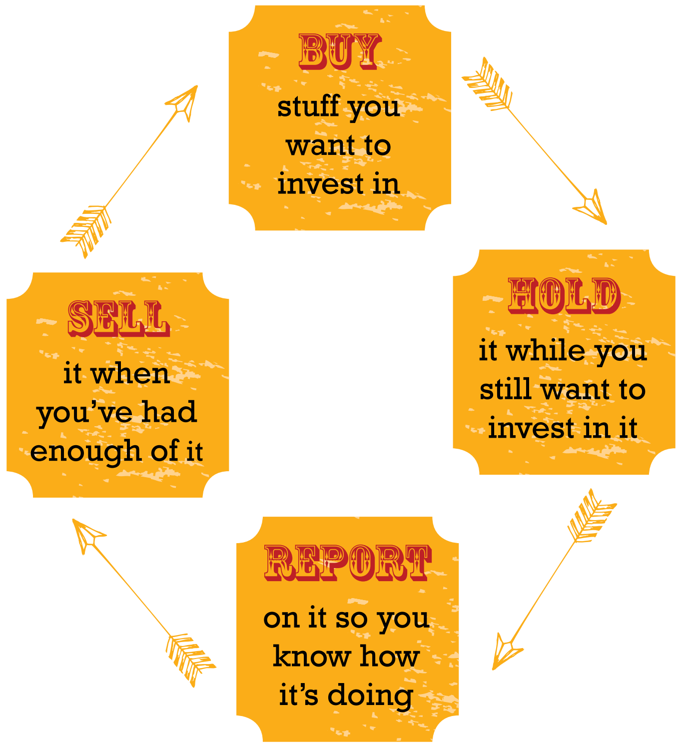
KICKING OFF: DIRECT PLATFORMS FOR BEGINNERS

1 The Basics

What are platforms?

First things first – what exactly are direct platforms? Well, in a nutshell, they are one-stop investment shops where you can buy, sell and manage shares and/or funds. They are essentially websites but most offer varying degrees of telephone service if that's your thing.

Platforms, as far as we're concerned today, do four basic things for you. They help you:



Easy, huh? There's a lot more going on under the hood, but that's for another day.

Some platforms, often known as fund supermarkets, have specialised in allowing investors to hold mutual funds (also known as 'unit trusts' or 'OEICs'). Others, normally called 'direct brokers' have long been used by 'hobbyist' investors for buying and selling shares, investment trusts and other stuff that's traded on an exchange. A third group have traditionally been available only to financial advisers for managing their clients' investments but have recently branched out to target consumers too.

Who are they for?

A lot of people have been getting very excited about platforms recently and with good reason. They're fashionable. Dare we say it, they're even sexy, with their eye-catching looks, shiny accessories and curvy charging structures.

There is an argument that anyone who has the means and the desire to save or invest could do so via a platform. For example: looking to stash £500? Then a NISA with a very low platform charge might suffice. It's more about making the right choices than any particular level of investment.

Of course, there's also the common sense caveat which applies to any discussion around saving – clear any debts first and have an accessible emergency fund.

Equally, you could argue that direct platforms are not for everyone.

They're brilliant for giving you control over your investments, but that in itself means they're best for folk who want that control and feel sufficiently confident to manage their own portfolios.

If you don't see yourself in that group, now might be a good point to think about what interests you about platforms and how they can meet your needs.

There's nothing wrong with finding investing a bit intimidating. Frankly, it is – these are actions with consequences. But if the idea of going it alone and making your own decisions is *too* scary it's probably worth investing in financial advice. The same goes if your needs are quite sophisticated and more involved than the fun part of picking and choosing investments.

★★★★★★★★★★★★★★★★

BAILING OUT?

Direct platforms not for you? Don't worry. There are websites that will help you find a conveniently located, qualified independent financial adviser. They include www.unbiased.co.uk, www.findanadviser.org and www.vouchedfor.co.uk.

We won't be offended if you decide the Guide isn't for you (though if you're going to discard us now please be gentle, we're a bit sensitive like that). We hope you'll come back another time.

If you're staying with us and, by logical extension, looking to invest through a platform, you'll need a decent idea of why you're doing so and what you're looking to get out of it.

This will depend in part on how much risk you want to take and, indeed, understanding how much risk you're comfortable with taking.

Drawbacks

Before we go on, we should look briefly at the drawbacks of using platforms. We know what they're good for – making it easier to buy and sell as well as manage your investments; giving you access to the market in one place; providing a wide range of options for tax-friendly NISA and SIPP investments; and maybe cutting the cost of investing.

But it's not all good, you won't be surprised to hear. We said 'maybe' in the previous paragraph in terms of cutting the cost of investing – it depends what you're doing and on which platform.

Costs can pile up surprisingly easily, with some platforms particularly expensive for smaller investors and others more so for larger sums. That will hopefully make more sense later on – it's an important point so we'll come back to it. User brains need to be engaged. Not all platforms are equally suitable for all investors.

So, that's where we are at the moment. Let's take a look at some of what has got us here and what's driving the next round of change.

2 A brief (and recent) history of direct to consumer

If you read the personal finance press at all you can't have escaped the fact that there have been more references to changes in the last few years than at a David Bowie tribute night.

To some extent you're just going to have to trust us that this is all kind of a big deal because we're going to cut a very long story quite short. After all, we're talking about regulation here and we only have so long before you get very, very bored.

RDR – The Retail Distribution Review

Let's start with the Retail Distribution Review (RDR). These rules took effect at the end of 2012 and included a ban on commission payments from providers to financial advisers selling their investment products.

You may have heard about this as it kicked up what we in the industry call 'an enormous stink'. The idea was to rid the market of mis-selling and product bias, promoting the interests of investors and removing any suggestion that investment recommendations might be based on other, less honourable, factors.

But it also left more people without access to financial advice, not least because many financial advisers shifted upmarket and the big banks stopped offering investment advice altogether (though in the case of the latter, 'advice' might be a generous way of putting it). If you have less than £100,000 to invest, getting someone to take your call has become harder than you'd think. Less than £50,000? Forget it.

It's fair to say that some other consumers took one look at the newly transparent, fully unbundled adviser charge or fee and decided they could do quite well on their own, thanks.

No matter how you approach it, the fact is that RDR has left a lot of people without access to affordable advice. In the majority of cases, it is not economical for advisers to service 'lower value clients' (charming) post RDR.

It's also important to keep in mind that just because an individual investor is not engaging with advice now, it does not mean that they never will. Time, investment growth and changing circumstances may well see a non-economical client evolve into a really rather viable (dare we say, attractive?) one. You may, to put it another way, change your stripes as time goes on.

How the way platforms work has changed

With the RDR dust not really settled, the Financial Conduct Authority (FCA) decided that the way in which investment platforms and supermarkets work and are paid also needed some tidying up. The result was a Policy Statement paper from the FCA, which you can read if you like. It was called PS13/1 – *Payments to platform service providers and cash rebates from providers to consumers*. Snappiness is not the FCA's strength.

Direct platform investors used to pay a single annual fee for the privilege (typically around 1.5%). This was expressed as a fund charge and the platform was, ostensibly, free.

The problem was that the fee wasn't exactly transparent as it included commission paid by the fund manager to the platform. Some platforms passed a proportion of that commission back to investors in the form of a rebate, therefore lowering the overall cost to the investor. There was also a quiet, but healthy, list of additional charges, sometimes in the form of 'marketing allowances' which fund managers paid across to platforms listing their funds.

Hargreaves Lansdown for example, was paid commission averaging 0.77% by fund managers and rebated an average of 0.17% back to investors.

However, most were cagey about the amount they were rebating and not all of them disclosed their costs. In other words, platforms were allowed to keep the payments they received a secret, while there was no way of investors knowing if they were being offered only those funds that came with chunky kickbacks to the platform.

"Sod that for a game of soldiers," said the FCA, which decided to extend the RDR by banning those pesky commission payments.

In fact, the dear old FCA put it neatly when it explained that for too long, platforms have been, "able to give the impression they are offering a free service, which means that the investor may not understand the true cost."

Not anymore. Well, that's the idea anyway. With rebates consigned to history fund managers have shifted to 'clean' (commission-free) pricing and platforms have now restructured their own charges accordingly.

So it's all good isn't it? Charges are unbundled (nope, the industry can't just use normal words for things) into their constituent elements with a clear split of how much goes to whom (platform, fund manager etc) so you know exactly how much you're paying and what it is you're paying for.

Well, almost. There's a bit of lingering confusion and there are a few platform bits and pieces that still aren't entirely transparent.

Charges: unbundling thereof

Unbundling of charges comes with its own issues. It's more transparent, but for some investors the 'clean' charging approach will be more expensive. Remember the rebates and additional marketing fees? Well, the platforms were quite attached to those. And if they can't get them from fund managers any more, they'll go to the next best thing. Which is…you. Sorry about that.

The regulatory change that we've been talking about has driven many headline charges down, but only by comparing different prices can you work out which platform is best for you. At least now you can see what you are comparing in a like-for-like view.

Best buy fund lists

Then there are the discounts offered to investors on select groups of funds by certain platforms. This sounds good, but muddies the waters a bit.

These groups are sort of 'best buy' lists that investors may construe as a selection of the best performing funds available. However, we suspect you're a bit more cynical than that, you clever old thing. You're wondering what the real story is – and with good reason. The key to those lists lies not so much in performance as in best-friend deals (platforms *really* don't like it when we call them that).

The best known, but by no means only example, is Hargreaves Lansdown where the funds in its 'creme de la creme' Wealth 150 are those with which it has negotiated lower prices.

There are 90 funds on the list with an average annual management charge (AMC) of 0.65%, with a further 27 funds in the super-discounted Wealth 150+ that have AMCs averaging 0.54%. Normally you'd expect to stump up around 0.75% to access these funds.

While the firm insists that its research remains unbiased and that they are the "best funds at the best prices", it acknowledges that commercial considerations (i.e. price) are a factor dictating inclusion within the Wealth 150.

In other words, those funds aren't there just because they are the best performers. Some top funds will be excluded from the list because they refuse to offer Hargreaves Lansdown a discount. (In the interest of balance, and by the same token, some providers offered discounts on funds that were still excluded as their performance wasn't quite up to snuff).

Other platforms offer similar 'best buy' lists. Bestinvest has its Premier Selection of funds where the average AMC is 0.66%, while Fidelity's Select List of 140 funds has an average AMC of 0.64%.

Which is fine, we suppose, if investors are clear about that. The emphasis being on *'if'*.

3 Budget 2014 and the dawning of NISAs

We love a regulation bombshell in the financial services industry and it had been a few months since the last one so it was relief all round when Budget 2014 hit.

Put simply, George Osborne ripped up UK savings regulation and tap danced on the shredded remnants. But in a good way.

The relevant points here include:

- From 1 July 2014, ISAs were replaced by New ISAs (or NISAs, as we now refer to them)
- NISAs can hold a mixture of cash and stocks & shares (subject to provider rules as some may prefer separate accounts)
- NISA allowance is £15,000 (an increase from the ISA allowance of £11,880, a maximum £5,940 of which could be held in a cash ISA)
- Greater movement between the two pots: stocks & shares investment can be transferred to cash, which was not possible under the old ISA rules. This must be a transfer though and not a withdrawal and reinvestment as that would count towards the NISA limit.

This, combined with the added control that we all have over our pension pots (no longer having to choose between an annuity and a punitive tax charge) will drive pension and NISA savings, and may see an increased interest in tax planning from individuals.

One little caveat though: if you are minded to move your money to a cash NISA from stocks & shares then you could incur an exit fee – even if the NISA to which you are transferring is on the same platform. Not many platforms offer both and (at the time of writing) those that do have not clarified their position, so it's best to check first.

Anyway, that's the heavy regulatory stuff done and dusted. Now, before we get down and dirty (or clean as we really should say), let's talk about *you*.

4 The changing profile of the direct investor

Who are you? What really matters? What does (and does not) influence how and where you save? How do you like your eggs in the morning?

It's not a quiz, we're just nodding to the fact that if you invest through platforms you'll do so with certain objectives and for particular reasons. Just as we make any decision.

You might be saving into mutual funds each month for retirement, using your annual NISA allowance or having fun with shares in your spare time. Perhaps you're managing your pension drawdown fund, looking for more income, investing an inheritance or saving up for divorce (it's OK, we won't tell).

Whatever you are, you're almost certainly not the traditional driven-by-advertising 'fund ISA' customer or pro-am share trader. They're still around of course, but are now a much smaller part of the market.

As we've seen, RDR has resulted in a huge uplift of actual and potential investors who either cannot, or choose not to, access financial advice. The point is that the kind of investor you are will dictate the kind of platform you use and there are as many platforms as types of investor.

5 It isn't what we pay that defines us but what we do

(with apologies to Jane Austen. And Batman.)

Roughly speaking this means that picking the right platform is a nuanced decision. Many investors pick on price – but that's only part of the story. The first step is to understand the type of investor you are and what you need from a direct platform. Then look at who charges what for which service and then decide on the best overall offering for you.

It is as much about the 'how' as the 'what'. The seemingly fuzzy alongside the sharp, colourful numbers.

A whole host of other factors will come into play too, helping you understand which platforms you maybe should be looking at and which ones you might want to steer clear of.

They include:

- how much guidance you need
- the service you want
- what you want to invest in
- how much you have to invest
- how hands-on you want to be
- how many different types of assets you want to hold
- your trading levels
- the type of fee you want to pay
- your investment approach
- your appetite for (or aversion to) risk
- how keen you are on extras such as research reports

and so forth. You get the point... All of these factors can influence which platform best suits you and how much you end up forking out.

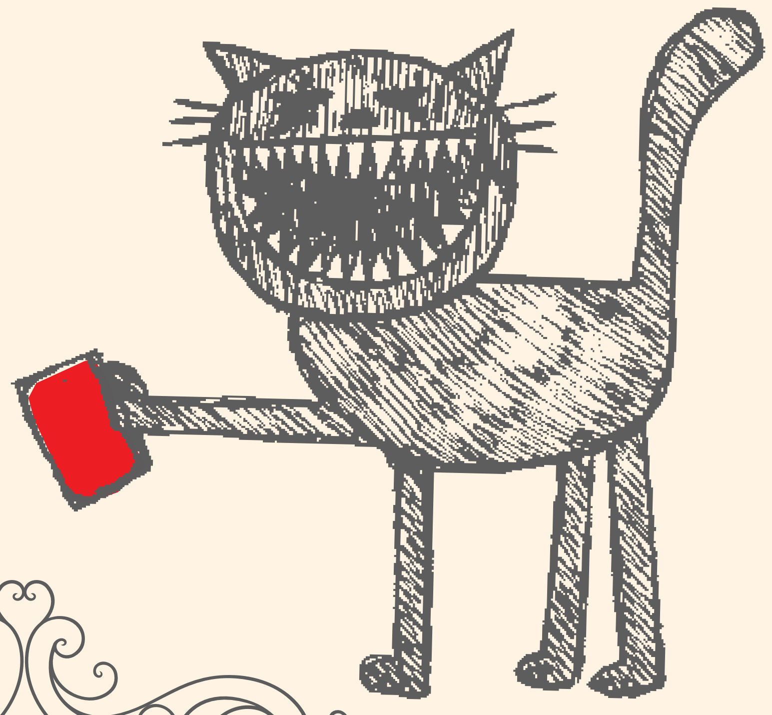
So, that's us pretty much up to date on direct platforms and some of what has made them such a feature of the current investment landscape.

With the scene properly set we'll move on to have a much more specific look at how you might pick the right sort of platform for you. We'll then share our thoughts on pricing and the platforms themselves. We'd also refer you to our Checklist on p.54 which is a sort of useful shorthand thingy for stuff to consider when weighing up what platform to favour with your hard-earned.

Before we do that, we invite you to bring us your jargon. In exchange we offer you something that bears a slightly closer resemblance to English. We hope.

THE JARGON AMNESTY: A.K.A. THE GLOSSARY

Meet The Chairman: he's the real boss here at the lang cat and likes to keep an eye on things. Makes sure we're getting it right, yeah?



While the lang cat seeks to avoid jargon at all costs we do accept that it is an unavoidable aspect of our industry. It seeps into your vocabulary, kind of like osmosis but duller, so we find ourselves using these terms without thinking too much about it. However, while *we* talk about this stuff all the time we have heard that some people have other things to do. With that in mind, indulge us while we whistle through a few key terms which will crop up throughout the Guide. Just so we all know what we're talking about and that we are talking about the same things.

Sometimes it's quicker just to use the industry term for something technical. If we find ourselves doing this, the Chairman will pop up with his red card, and that's when you know to revisit the Jargon Amnesty. Deal?

WHEN WE SAY…	WE MEAN…
ADVICE	A qualified adviser makes a recommendation about one or more investment products which is specific to you and based on a thorough understanding of you (your goals, preferences and attitude to risk etc). That recommendation will include an explanation of why the product/ provider is the best fit for you. It's regulated which means that you have some protection if that advice turns out to be inappropriate.
NON-ADVISED	No recommendation is made. The provider/ platform/ broker supplies information about the investment offering but you make the decision as to whether it is the best option for you. Nothing is specific to you or your needs. There may be material to help you to understand your objectives and risk appetite better but this is also generic.
EXECUTION ONLY	The business end of the non-advised process. Having made your own investment decisions you place the business (and carry out trades further down the line). If you are using the services of a broker or platform you are instructing them to execute that transaction but the responsibility for the decision is yours.
GUIDANCE	Bit of a grey area at the moment and the subject of a FCA consultation paper so we'll come back to this later. It refers to tools (risk profilers, investment fund selectors and so forth) and information which direct platforms offer to support your decision making process. The exact point at which guidance (unregulated) becomes advice (regulated) is the main point of contention.
DIRECT TO CONSUMER (D2C) – we call it direct in the Guide	A platform or provider service which deals directly with the end customer, without the involvement of an adviser. It doesn't mean that an adviser can't be involved in the decision to place your investment there – they may include a direct platform as part of their recommendation – but they won't be pushing the button. You will.

WHEN WE SAY…	WE MEAN…
TRANSFER	Moving investments held in one place to another e.g. from platform A to platform B. Usually means transferring in cash (selling the shares/funds held on one platform and then reinvesting the cash proceeds on another).
RE-REGISTRATION	A sort of transfer, but you don't sell first. The funds/shares are moved as they are. This is sometimes called 'in-specie' by people who should know better. It can be more efficient (your money is never out of the market, and no capital gains tax (CGT) liability for investments outside of NISAs and pensions) but depends on equivalent investments being available and the restrictions/ costs levied by the platforms. Can be tricky. That's a technical term, by the way.
FINANCIAL CONDUCT AUTHORITY (FCA)	The regulatory body responsible for making sure that the market functions as it should. Main foci: consumer protection, integrity and effective competition. Has an impressive art collection in its Canary Wharf offices. Nice people.
PLATFORM (sometimes fund supermarket or wrap platform)	A single place to hold, view and manage all of your investments. Benefits include simpler administration and cost benefits for trading etc due to scale but there are charges for holding investments on platform.
SIPP (Self Invested Personal Pension)	A pension but with greater flexibility and choice of investments. The degree of choice will depend on the type of SIPP.
NISA (New Individual Savings Account)	The heir to the ISA (Individual Savings Account) throne. Essentially the same i.e. not an investment in itself but a tax efficient 'wrapper' for investments. No personal tax or CGT liabilities. Unlike the old ISA there is no longer a distinction between cash and stocks & shares.
TRADING ACCOUNT (or dealing account or investment account)	Also a way of holding investments but without the tax advantages of SIPPs or NISAs e.g. if you hold any funds in a trading account which pay you a rebate, you'll owe tax on it. Sometimes referred to as a General Investment Account (GIA) but this is frowned upon among the die-hard direct community.
NOMINEE ACCOUNT	While you make the investment decisions, the platform has a responsibility to look after your money and keep it safe. So it is held in a nominee account which is looked after by an appointed Custodian and kept separate from the rest of the platform, which means that it is protected should the platform fail.
CUSTODIAN	A large, tightly regulated and generally financially stable organisation responsible for looking after nominee accounts. Platforms often opt to outsource this service.
EXECUTION ONLY/ DISCOUNT STOCKBROKER	Places trades and makes investments as instructed by clients but does not give any financial advice. This is generally the cheapest method of direct investing. The name 'discount broker' reflects the difference in charges compared to full service brokers who offer a range of advice and financial planning services.
UT (Unit Trust)	A fund where the manager buys shares in other companies on the stock market and makes 'units' in these investments available for sale. The value of the units is directly influenced by that of these underlying investments. Is 'open ended' in that new units are created in response to demand.
OEIC (Open Ended Investment Company)	Similar to a UT but is run as a company so investment is via shares rather than units but their value is still determined by that of the underlying investment.
IT (Investment Trust)	A 'closed ended' fund which is set up as a company and quoted on the London Stock Exchange (LSE). Invests in the shares of other companies on behalf of the investor. Has a limited number of shares so values go up and down on the basis of investor sentiment and market activity as well as on the basis of underlying investment values.
ETF (Exchange Traded Fund)	A fund which tracks an index (e.g. FTSE 100) but trades like a stock on an exchange. That means it can be traded throughout the day (unlike funds which trade once a day) and the price varies throughout the day based on trading activity. They are part of the larger Exchange Traded Product (ETP) family.
INCOME UNITS	Dividends are paid to the investor as income.
ACCUMULATION UNITS	Dividends are automatically reinvested to buy further units/ shares.
WHITE LABELLING	Platform services are supplied to a third party under their branding, as opposed to that of the platform itself. It will be the same platform technology underneath.
ANNUAL ALLOWANCE	The total an individual can contribute to a pension in any one year (£40,000 for the 2014/15 tax year, excluding transfers). Further contributions can be made but are subject to a whopping tax charge.
LIFETIME ALLOWANCE	The total limit on an individual's tax advantaged pension benefits (£1,250,000 for 2014/15)

ADVICE BY ANY OTHER NAME (WOULD STILL BE REGULATED)

Now, clearly we are talking about non-advised investment here. (There were clues and if you are still confused on that point we may need a chat). But we're going to bring advice into play, just for a minute.

For a while now there has been an undercurrent of concern at FCA Towers that the line between advice and other things such as guidance or information is not as clear as it could or indeed should be. That means potential consumer detriment (if investments are placed on the basis of perceived advice to do so) and no route for redress if it all goes wrong. It's also been stopping providers from offering certain services through a healthy fear of finding themselves neck deep in the nasty stuff thanks to unforseen liabilities.

Here's the golden rule: If you are on the receiving end of financial advice then you will know it. It is heavily regulated (both in terms of process and adviser qualifications) and you'll be clear that you are paying for the service. Not clear? Not advice.

Many of the platforms where you can place non-advised (direct) investments will offer information or guides or wizards to help you though the process. (Not an *actual* wizard, sadly.) This is where it starts to get a bit tricky. Some of these will be, for example, fund lists. Just that – big lists of funds (like a menu) and you make your own choices.

Others might have an online questionnaire where you answer questions about your attitude to risk or your investment goals and a much shorter list of funds will be generated based on the results. Then again, there may be a range of portfolios or narrowed down fund choices which are ostensibly based on fund research but, as we've seen, also on business relationships with the fund managers. It is somewhere in all of this that it becomes more of an interpretation as to what is information, guidance or advice.

The FCA has carried out a review into this, along with some consumer research, and the outcome is Guidance Consultation 14/3 (catchy, eh?). It aims to define the line between advised business and non-advised (is that email bulletin about a new fund manager information or advice?) and firm up what the FCA expects of providers who do offer advice but only on one thing, say your NISA or With Profits policy, not your whole situation.

At the time of writing the consultation has just begun so we're very much at the wait-and-see stage. It'll be a number of months before we see how it shakes things up, but it will shake things up. Clarity and confidence drive innovation and we look forward to seeing this in action.

PICKING THE RIGHT PLATFORM

OK, enough mucking around. It's time to start getting practical and think about how to decide which of the 30 or so platforms available to you is likely to meet your needs. Now, this is your decision. That's what being a self-directed investor means. Nothing in here is a recommendation, just things to consider.

Apart from this section, if you're thinking of investing via a platform for the first time, or changing the platform you're on, then there are a few other areas to check out in the Guide:

- The platform reviews – a handy (we think) and short precis of each of our contenders
- The Checklist – a sort of worksheet version of the next four pages
- The pricing heatmaps and personas – obviously just for the cost aspect

So use this section to help produce a shortlist, then check out the reviews and pricing to narrow things still further.

We will make one recommendation – spend some time playing with platform websites before committing. Some will let you set up dummy investment portfolios; this is a great idea because it gives you a sense of what trading will be like. We also suggest phoning up any platform you're considering and asking them some questions – doesn't matter what, really; the idea is to just get a feel for what they're like. In our view, you're wanting to find staff who understand their own kit, can talk in a relaxed, clear and professional way about it, and who can find the answer for anything they don't know quickly and without fuss.

We'll split platforms into 6 dimensions here, not including cost. For each (apart from service) we'll make some suggestions as to companies which you might consider depending on your needs. These suggestions are just our view – they're not exhaustive – but they might be a good jumping off point for your own online research. Our dimensions are:

- Service – what's it like to deal with the firm?
- Support – is there lots of help available or are you assumed to be fine on your own?
- Size – do you like dealing with big established names, or are you happy with a new kid on the block?
- Product availability – is there a pension or other tax-efficient savings available? Junior ISAs?
- Investment availability – funds only? Or shares? Investment trusts? ETFs? And more?
- Online facilities – will you be filling out paper forms or is it mainly online? And is there an app for that?

SERVICE

Much of what makes a platform is service. This is really tricky to pin down. Service is experiential in nature – what makes good service for you might only be average for someone else. You might like facilities like online chat; or they might fill you with horror. We have a view based on our own relationships with the platforms (we're users of quite a few of them) – but that's all it is, our view. Just because we had an iffy experience putting an employer contribution into a platform-based pension doesn't mean you will.

So how can you rate platforms on service? We don't think anyone can yet; Which? has had a go, but even it has problems with sample size. So have a play around and call up providers you are considering favouring with your hard-earned, and also visit the discussion boards on the following websites:

www.monevator.co.uk

www.moneysavingexpert.com

www.motleyfool.co.uk

www.moneyobserver.co.uk

www.whatinvestment.co.uk

www.thisismoney.co.uk

www.investorschronicle.co.uk

www.candidmoney.com

www.telegraph.co.uk/finance/personalfinance/investing/

Don't be afraid to post questions on bulletin boards; people are often very happy to share experiences. Bear in mind, though, that angry people are often more vocal than happy people…

SUPPORT

This is a big one. Some platforms are set up specifically for first-time or inexperienced investors. They offer investment ideas (often as 'guided portfolios' – pre-loaded portfolios designed to save you the trouble of choosing), good helpdesk facilities and oftentimes online support knowledge bases. In our experience it isn't always the case that expensive platforms have great support and lower cost platforms leave you to get on with it. Expensive platforms will claim that's the case, but cost is not a good proxy for support in this market.

Broadly speaking you have three pools to fish in – those who take the decision-making on themselves and provide tools to help you work out where you fit in to their, albeit, limited range of portfolios; those who offer lots of support (maybe with pre-designed portfolios as well) but have a wider offer; and those who specialise in those investors with a bit more experience who are happy picking their own stuff (this isn't to say this third group doesn't support investors; just that they're not aiming at relative newbies).

The table gives a sense of where we think a decent starting point on this basis might be:

FULLY GUIDED	Retiready from Aegon, Nutmeg
IN-BETWEENY	AXA Self Investor, Fidelity Personal Investing, Hargreaves Lansdown, Strawberry, Charles Stanley Direct, Bestinvest
EXPERIENCED	James Hay Modular iPlan, iWeb, Trustnet Direct, Interactive Investor, AJ Bell Youinvest, Alliance Trust Savings

SIZE

Note that we don't call this section 'financial strength'. All platforms have to maintain a strong capital position (you can find this out if you're concerned although it usually is hidden behind very technical language); there isn't generally a need to be concerned that a platform will disappear and take your money with it. Even if a platform runs out of capital, your money isn't held by the platform itself; it's held by a third-party custodian (these are normally very large institutions like Bank of New York and Deutsche Bank). And even if both of these were in trouble, your money is held separately from the custodian's own operating capital, so if Bank of New York were to turn up its toes (and we would all have other concerns if it did) your money would still be protected. And that's before any investors' compensation schemes kick in.

The decision point here is really about whether you like to be with large financial institutions; if you prefer to go with specialist businesses or whether you like the feeling of being with a newer entrant (which isn't to say they're all new; they just have that feeling about them). All are perfectly reasonable choices.

BIG 'UNS	Retiready from Aegon, AXA Self Investor, Fidelity Personal Investing, Barclays, Halifax (including iWeb),
SPECIALISTS	Hargreaves Lansdown, Charles Stanley Direct, Bestinvest, Trustnet Direct, AJ Bell, Alliance Trust Savings, TD Direct, The Share Centre, James Hay, Interactive Investor
NEW 'UNS	Nutmeg, rplan, Strawberry, iDealing, Clubfinance

PRODUCT AVAILABILITY

Isn't the platform the product? No, it's not. The platform is a way of accessing investments and ways to hold those investments. Those ways of holding funds, shares and whatnot are what we call 'tax wrappers' in the trade – they 'wrap' around the investment and act like an umbrella to fight off the tax man.

Tax wrappers include: NISAs, Junior ISAs, pensions, offshore and onshore bonds, Venture Capital Trusts and all sorts of other things. We'll concentrate on the first three of those, as well as dealing accounts, which don't have tax advantages.

Generally speaking tax wrappers are now so commoditised that there's little to pick between them. The marketing teams will hate that, but it's true, bar a few very specialised areas like commercial property. Think of it this way – if we held up a clear, empty plastic bag, and a clear plastic bag with a £50 note in it and asked you which bag you'd prefer, which would you pick? The answer is – ho, ho – that it doesn't matter. If you picked the one with £50 in it, we'd just take the £50 out and give you the bag. That's what products are now – clear plastic bags in which to tote around investments. Lecture over.

This time we'll look at who doesn't have a particular offering:

DEALING ACCOUNT	Chelsea FS, Retiready from Aegon
NISA	Nobody. Everyone hearts the NISA.
PENSION	AXA Self Investor, Cavendish Online, Chelsea FS, Nutmeg, rplan, Willis Owen

On the pension front, some providers have integrated pensions; others use third party providers (so your money is on Interactive Investor, but the SIPP is administered by The Lifetime SIPP Company Ltd.) We are a fan of integrated pension arrangements at the lang cat; it probably doesn't make a massive difference, but for us if the point of platforms is bringing everything together, then you may want as much of it under one roof as possible. The following providers have integrated / proprietary pension wrappers (for the avoidance of doubt, this means that the administrator of the SIPP should be the same company or in the same group of companies as the platform itself):

UNDER ONE ROOF	Retiready from Aegon, Fidelity Personal Investing, Strawberry (through IFDL), James Hay, Hargreaves Lansdown, Charles Stanley Direct*, Barclays, AJ Bell Youinvest, Alliance Trust Savings

*Charles Stanley's SIPP is through EBS Management, a subsidiary of CS itself.

INVESTMENT AVAILABILITY

OK, so you know how much support you need and where you want to hold your assets. So we need to think about what those assets are.

Now, you can go into a lot of detail here. Not every platform has every fund, for example (though they all let you access funds). This changes every day, and is an absolute pain to work out. Rather than a huge table of who has what, we'll once again look at the broad thrust of who doesn't have certain kinds of investments. Specific providers / funds / ETFs or what-have-you – work out what it is you want and check with each platform you're considering whether they have that asset. Might be a good time to check out their phone service…

FUNDS	iDealing. Otherwise they've all got'em. Some ranges are a bit more limited than others.
SHARES ETFs INVESTMENT TRUSTS	AXA Self Investor, Cavendish Online, Chelsea FS, Fidelity Personal Investing, Retiready from Aegon, rplan, Willis Owen
AWKWARD	Nutmeg. Its portfolios are made up of ETFs, but you don't get to choose.

It's worth mentioning that sometimes if you want a fund a platform doesn't have, they'll try to add it for you. If you ask for this, bear in mind that it isn't always a straightforward process to add a fund – sometimes legal agreements and whatnot have to be put in place. Patience can be a virtue.

If you genuinely want to have the world at your feet, you are generally best served by those platforms with a broking heritage, which offer a completely unconstrained range. These would include broking 'names' such as The Share Centre, TD Direct, Charles Stanley Direct, AJ Bell Youinvest and Alliance Trust Savings – there are others too. Look through the reviews later in the Guide and you'll get a sense of it.

ONLINE FACILITIES

Now this'll get the providers in a flap. All run online to a greater or lesser extent, all want to deal with you that way because it's cheaper, and all, bar a couple, make a distinction between online and offline dealing for charges. In this section, then, we're trying to simply make a point that a few providers have invested very heavily in their online user experience, often developing mobile-optimised sites or apps to go along with the desktop site. If having a very usable, intuitive web interface is important to you, here are a few we think you might want to check out:

WEB WIZARDS	Retiready from Aegon, Hargreaves Lansdown, Charles Stanley Direct, Trustnet Direct, Nutmeg, Fidelity Personal Investing, AXA Self Investor, The Share Centre

So that's that. Lots to consider.

Once you've got a shortlist in mind, it's time to start looking at price. Once again, price can be a false friend in this market. Don't start with how much it costs, start with what works for you (there will always be more than one) and then measure costs up.

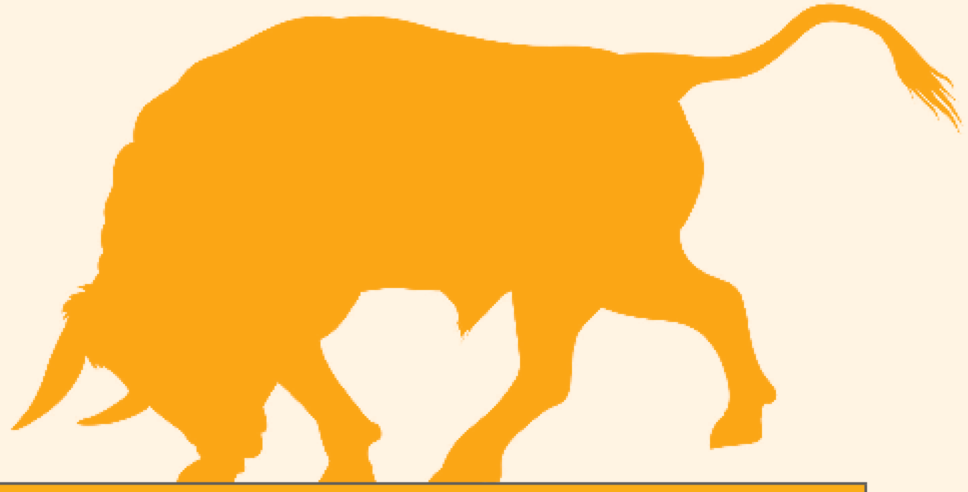
Remember – something that is cheap and unsuitable is still unsuitable.

With that in mind, it's off to the heatmaps we go! Avanti!

PLATFORM CHARGING – LIKE A WOUNDED BULL

OK. Before we get started on our analysis of who charges what (and our famous heatmaps), we owe you some definitions and explanations.

It's not an exhaustive list but does cover the vast majority of what you're likely to encounter if you're placing or maintaining direct investments… Or reading the rest of this section.



WHEN WE SAY…	WE MEAN…
PLATFORM FEE	Annual charge applied to hold investments on the platform. Can be expressed as a fixed monetary amount or as a percentage of the fund held.
CUSTODIAN FEE	Based on fund size, goes toward the custodian service provider. Normally only broken out from the platform fee in private bank / wealth manager services.
CLEAN FUNDS	No trail commission is included in the fund charge. The fund manager can still pass rebates to the platform but these must be passed directly to the investor.
SUPERCLEAN FUNDS	As above but some platforms have negotiated reduced prices from fund managers. These prices are provided via a different 'share class' which has a lower inbuilt management charge.
DIRTY	An unfortunate title attached to the old school, pre-rule change method of pricing. Fund prices included rebates from fund managers to platforms, some of which would be passed to the investor and some held by the platform to cover costs. This sometimes meant a lower cost to the investor overall but was not transparent.
PERCENTAGE FEE	Expressed in basis points or bps (1/100th of a percent), the charge increases in proportion to the investment amount.
BASIS POINT (A.K.A. bps)	A basis point is 1/100th of a percent so 0.01% is one basis point. Instead of a charge of 0.75% of your investment it might be expressed as 75 bps but it means the same.
AD VALOREM	Roughly translates as 'percentage fee' in Latin in that it means charges are based on the investment amount as opposed to a flat or fixed fee.
FLAT/FIXED FEE	One set amount, expressed in pounds regardless of the size of your fund. Not so good for smaller investments but really quite jolly at the higher end of the scale.
WRAPPER CHARGES	Charges applied to the SIPP/ NISA/ dealing account in which your investments are held (platforms, wrapped, if you prefer)
EXIT CHARGES	To cover the costs incurred in withdrawing your investment i.e. administration, disinvestment etc. Should not be excessive or punitive. We don't like them. Neither do some platforms who do not impose them as they disagree with clients having to pay to access their own investment.
DEATH CHARGES	To cover costs incurred with processes and administration following the death of the account holder. If we don't like exit charges then we really don't like these.

WHEN WE SAY…	WE MEAN…
RE-REGISTRATION CHARGES	To cover the costs incurred in transferring investments from one platform to another.
TIERED CHARGES	Charge figure varies with the amount invested. Each charge applies to the separate portion of the fund making an overall weighted charge. This is sometimes also referred to as tranched.
STEPPED CHARGES	Similar to tiered but in this instance, when you reach a new portion of the charge menu, the new charge applies to your whole fund. This is also sometimes referred to as banded. [1]
DEALING CHARGES (SHARES VERSUS FUNDS)	Cost of buying and selling (two separate elements of the trade and a charge will be levied for each element). This is often included in the platform charge for funds but a separate charge is nearly always levied for shares, ETFs and ITs. This charge is sometimes a floating figure with a maximum amount: a discount will apply if the platform is placing numerous trades for numerous investors at the one time.

[1] Actually, in all honesty, you can find that tiered/stepped/banded et al are often mistaken for each other. Therefore, it's best to give each charging menu a good read to make sure you know what's going on.

With that done, it's time for our main event – our comparative tables. You might have seen ones like these recently, either in our blogs or in the personal finance press, in which case you might be familiar with our methods and assumptions. If so, please forgive us for running through a quick set of caveats:

- We take the main charges that we've just talked about and mix them all together using a complex scientific process called 'squishing'
- We look at the fundamentals only here. We miss out event-driven charges like re-registration or exit charges.
- These are a view of charges on an annual ongoing basis. We ignore set up costs where they apply. So think of these as year 2 on.
- We also ignore the underlying investment costs to ensure a fair comparison. In the absence of super best-friend fund deals, we assume you can get broadly the same deal on investments from platform to platform.
- But we **do** include fund trading or share dealing costs. Some providers do this for free, some don't. It changes the picture pretty dramatically.
- The tables, or *heatmaps* as we call them, absolutely do not mean that green is good and red is bad. The formula behind it is comparative in nature; it compares the numbers to each other rather than to a standard. That means if we thought everyone was really expensive, some providers would still look green. But we'd make sure we shouted about it.
- Later on we include detail of how providers actually charge in the platform review section (PLATFORMS, PLATFORMS EVERYWHERE). If you're reading this on an interactive PDF you'll be able to click through from the reviews to the relevant provider thanks to interweb wizardry we do not fully understand. That wasn't done by an *actual* wizard either. We really should look into that.

NISA – FUNDS ONLY

Firstly, we'll look at the **NISA** market and assume that, where possible, you are invested in a range of funds (share dealing gets its turn in a moment). We say *where possible* because there are some quirks here. Some providers such as Aegon and Nutmeg offer guided paths only, meaning fund choice just isn't there.

As we mentioned above, some providers charge for trading investments and here we assume that this will happen **10 times each year** – that's 5 switches. We like round numbers. Here's how the picture looks…

Portfolio size	£5,000	£10,000	£20,000	£50,000	£100,000	£250,000	£500,000	£1,000,000
AJ Bell Youinvest	1.19%	0.70%	0.45%	0.30%	0.25%	0.10%	0.05%	0.02%
Alliance Trust Savings	4.00%	2.00%	1.00%	0.40%	0.20%	0.08%	0.04%	0.02%
AXA Self Investor	0.35%	0.35%	0.35%	0.35%	0.35%	0.20%	0.20%	0.20%
Barclays Stockbrokers	0.70%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.18%
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%	0.25%	0.25%	0.25%
Charles Stanley Direct	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.20%
Chelsea Financial Services	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.58%	0.54%
Close Brothers A. M. Self Directed Service	0.35%	0.35%	0.35%	0.35%	0.30%	0.27%	0.26%	0.26%
Clubfinance	2.40%	1.20%	0.60%	0.24%	0.24%	0.24%	0.24%	0.24%
Fidelity Personal Investing	0.35%	0.35%	0.35%	0.35%	0.35%	0.20%	0.20%	0.20%
Halifax Share Dealing	2.75%	1.38%	0.69%	0.28%	0.14%	0.06%	0.03%	0.01%
Hargreaves Lansdown	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%	0.35%	0.30%
Interactive Investor	2.00%	1.00%	0.50%	0.20%	0.10%	0.04%	0.02%	0.01%
iWeb	1.00%	0.50%	0.25%	0.10%	0.05%	0.02%	0.01%	0.01%
James Hay Modular iPlan	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%	0.16%
Nutmeg	1.00%	1.00%	1.00%	0.90%	0.75%	0.60%	0.50%	0.30%
Retiready from Aegon	0.50%	0.50%	0.50%	0.50%	0.45%	0.36%	0.33%	0.32%
rplan	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
Strawberry	0.80%	0.45%	0.40%	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%
The Share Centre	2.65%	1.58%	1.14%	0.46%	0.23%	0.09%	0.05%	0.02%
Trustnet Direct	2.40%	1.25%	0.75%	0.45%	0.30%	0.12%	0.06%	0.03%
Willis Owen	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.73%	0.72%

At first glance then, what do we see? Well, first off you'll notice that no one provider looks either all lovely and green or stranger danger red all the way across. Why is this? Some of it is simply rudimentary arithmetic at work and some of it is providers carefully aiming their best pricing at different parts of the market.

- First off, different providers have different ways of charging. Providers who charge a percentage based on the value of your portfolio often look great for smaller pot sizes, but less so as values climb. The converse is true of those with fixed fee structures.
- Taking a couple of fixed fee providers as an example, such as Alliance Trust Savings and Interactive Investor: you can see that their charges take up a big whack of your portfolio (comparatively speaking) if you hold under £20,000, but they absolutely dominate our heatmaps as the fund sizes start to rack up.
- Those that offer guided investment paths only – Retiready from Aegon and Nutmeg – look expensive here but you're paying for the additional service of having a team of investment experts making choices for you. Only you can decide if this is worth the additional cost.

We're a big fan of simplicity so, in a sense, a big table of percentages on its own doesn't really do it for us. We think that cost is only really brought home if it's expressed in real money. So, here's the same table expressed in the currency of the realm. There's rounding in the calculations, so forgive us the odd pound here and there.

Portfolio size	£5,000	£10,000	£20,000	£50,000	£100,000	£250,000	£500,000	£1,000,000
AJ Bell Youinvest	£60	£70	£90	£150	£250	£250	£250	£250
Alliance Trust Savings	£200	£200	£200	£200	£200	£200	£200	£200
AXA Self Investor	£18	£35	£70	£175	£350	£875	£1,000	£2,000
Barclays Stockbrokers	£35	£35	£70	£175	£350	£875	£1,750	£1,750
Bestinvest	£20	£40	£80	£200	£400	£1,000	£1,500	£2,500
Cavendish Online	£13	£25	£50	£125	£250	£625	£1,250	£2,500
Charles Stanley Direct	£13	£25	£50	£125	£250	£625	£1,250	£2,000
Chelsea Financial Services	£30	£60	£120	£300	£600	£1,500	£2,875	£5,375
Close Brothers A. M. Self Directed Service	£18	£35	£70	£175	£300	£675	£1,300	£2,550
Clubfinance	£120	£120	£120	£120	£240	£600	£1,200	£2,400
Fidelity Personal Investing	£18	£35	£70	£175	£350	£500	£1,000	£2,000
Halifax Share Dealing	£138	£138	£138	£138	£138	£138	£138	£138
Hargreaves Lansdown	£23	£45	£90	£225	£450	£1,125	£1,750	£3,000
Interactive Investor	£100	£100	£100	£100	£100	£100	£100	£100
iWeb	£50	£50	£50	£50	£50	£50	£50	£50
James Hay Modular iPlan	£9	£18	£36	£90	£180	£450	£900	£1,650
Nutmeg	£50	£100	£200	£450	£750	£1,500	£2,500	£3,000
Retiready from Aegon	£25	£50	£100	£250	£450	£900	£1,650	£3,150
rplan	£18	£35	£70	£175	£350	£875	£1,750	£3,500
Strawberry	£40	£45	£80	£185	£310	£685	£1,310	£2,560
TD Direct Investing	£51	£30	£60	£150	£300	£750	£1,250	£1,500
The Share Centre	£133	£158	£229	£229	£229	£229	£229	£229
Trustnet Direct	£120	£125	£150	£225	£300	£300	£300	£300
Willis Owen	£37	£73	£146	£365	£730	£1,825	£3,650	£7,150

Maybe it's just us but we think this table brings it a bit more to life. Looking at a high fund value of £1million, the difference between the highest (Chelsea Financial Services) and lowest (iWeb) charge is huge – with Chelsea's tiered percentage-based approach claiming over £5,000 of your hard-earned, whilst iWeb (due to a highly restrained £5 a trade and no admin fee) is happy with only a couple of ponies.

- Admittedly, the above example is extreme. So let's look at a more modest value – say, £20k. There is still a wide range of charges on show. Enough, we'd suggest, to stop you just sticking a pin in a list.
- Some providers will try and lure you in with the offer of a super best-friend cheaper fund deal. It's worth remembering though, that the price differentials on these funds tend to be in the region of 0.10%. Or a single pound for every thousand you invest. To put it yet another way, £165 for every £10,000 you invest over 10 years. You need to look at 'deals' in the wider context of all the other charges on show. We call that Total Cost of Ownership (TCO) in industry circles, but it really is just common sense.
- Before you get too excited about James Hay's Modular iPlan, you can only have the ISA if you've already opened a SIPP - and if you have under £195K in your SIPP its fixed charges are significant.

SIPP – FUNDS ONLY

Next up, we take a look at the **SIPP** market and see how things add up. Same assumptions apply…

Portfolio size	£5,000	£10,000	£20,000	£50,000	£100,000	£250,000	£500,000	£1,000,000
AJ Bell Youinvest	1.59%	0.90%	0.75%	0.50%	0.35%	0.14%	0.07%	0.03%
Alliance Trust Savings	6.22%	3.11%	1.56%	0.62%	0.31%	0.12%	0.06%	0.03%
Barclays Stockbrokers	0.70%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.18%
Bestinvest	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.25%	0.23%
Charles Stanley Direct	2.65%	1.45%	0.85%	0.49%	0.37%	0.30%	0.27%	0.21%
Close Brothers A. M. Self Directed Service	0.35%	0.35%	0.35%	0.35%	0.30%	0.27%	0.26%	0.26%
Clubfinance	2.40%	1.20%	0.60%	0.24%	0.24%	0.24%	0.24%	0.24%
Fidelity Personal Investing	0.35%	0.35%	0.35%	0.35%	0.35%	0.20%	0.20%	0.20%
Halifax Share Dealing	4.30%	2.15%	1.08%	0.43%	0.31%	0.12%	0.06%	0.03%
Hargreaves Lansdown	0.45%	0.45%	0.45%	0.45%	0.45%	0.45%	0.35%	0.30%
Interactive Investor	3.92%	1.96%	0.98%	0.39%	0.20%	0.08%	0.04%	0.02%
iWeb	2.80%	1.40%	0.70%	0.28%	0.23%	0.09%	0.05%	0.02%
James Hay Modular iPlan	4.08%	2.13%	1.16%	0.57%	0.38%	0.18%	0.18%	0.16%
Retiready from Aegon	0.50%	0.50%	0.50%	0.50%	0.45%	0.36%	0.33%	0.32%
Strawberry	3.20%	1.65%	1.00%	0.61%	0.43%	0.32%	0.29%	0.27%
TD Direct Investing	2.22%	1.26%	0.80%	0.78%	0.54%	0.40%	0.30%	0.17%
The Share Centre	4.96%	2.73%	1.72%	0.69%	0.34%	0.14%	0.07%	0.03%
Trustnet Direct	4.32%	2.21%	1.23%	0.64%	0.40%	0.16%	0.08%	0.04%

You may well notice here that the picture is, broadly speaking, much the same. The same arithmetic powers and market drivers are in force and trading charges are identical. The main differences are:

- SIPP wrapper fees – there are more here than in NISA-land, with several providers charging a fixed annual fee for holding the product.
- Cast your eye over the James Hay Modular iPlan for a great example of this. It charges £195 for the SIPP wrapper but this disappears once your fund value hits £195k. Notice how competitive it becomes at £200k and above.
- Bestinvest bucks the trend here by charging less for its SIPP than its NISA. There's generally more admin associated with a pension – collecting tax relief and so on – so we can't quite get our collective noggins round this one.

And now in real money again:

Portfolio size	£5,000	£10,000	£20,000	£50,000	£100,000	£250,000	£500,000	£1,000,000
AJ Bell Youinvest	£80	£90	£150	£250	£350	£350	£350	£350
Alliance Trust Savings	£311	£311	£311	£311	£311	£311	£311	£311
Barclays Stockbrokers	£35	£35	£70	£175	£350	£875	£1,750	£1,750
Bestinvest	£15	£30	£60	£150	£300	£750	£1,250	£2,250
Charles Stanley Direct	£133	£145	£170	£245	£370	£745	£1,370	£2,120
Close Brothers A. M. Self Directed Service	£18	£35	£70	£175	£300	£675	£1,300	£2,550
Clubfinance	£120	£120	£120	£120	£240	£600	£1,200	£2,400
Fidelity Personal Investing	£18	£35	£70	£175	£350	£500	£1,000	£2,000
Halifax Share Dealing	£215	£215	£215	£215	£305	£305	£305	£305
Hargreaves Lansdown	£23	£45	£90	£225	£450	£1,125	£1,750	£3,000
Interactive Investor	£196	£196	£196	£196	£196	£196	£196	£196
iWeb	£140	£140	£140	£140	£230	£230	£230	£230
James Hay Modular iPlan	£204	£213	£231	£285	£375	£450	£900	£1,650
Retiready from Aegon	£25	£50	£100	£250	£450	£900	£1,650	£3,150
Strawberry	£160	£165	£200	£305	£430	£805	£1,430	£2,680
TD Direct Investing	£111	£126	£160	£390	£540	£990	£1,490	£1,740
The Share Centre	£248	£273	£344	£344	£344	£344	£344	£344
Trustnet Direct	£216	£221	£246	£321	£396	£396	£396	£396

No need to go over the same points twice. It's worth saying though, that if you hold both a NISA and SIPP with the same provider, some of the dynamics can change. For example, some providers will count both your NISA and SIPP balances towards a total for tiering the platform charge down. Some don't (we're looking at you, Hargreaves Lansdown). Fixed fee providers like Alliance Trust Savings will charge you the relevant fees for each wrapper.

Sticking with this theme, if you're holding a portfolio across say, a NISA, a SIPP and a trading account, and you want to sell and rebuy two funds which you don't love any more, you're in for a total of 12 trades. That's two switches (four individual trades) across the three accounts. This can soon mount up for those platforms who levy trading charges.

What does it all mean? Broadly, if you have a smaller portfolio – probably under £100,000 but maybe a bit less, you'll be better off with a percentage-based provider, especially if your money is split across NISA, SIPP and dealing account and if you trade regularly. Conversely, if you're a more affluent cat, a fixed fee provider will probably be better on cost grounds, especially if you buy and hold. There are, irritatingly, a thousand shades of grey in between.

SHARE DEALING

The same rules and caveats apply here, except this time we're zoning in specifically on share dealing. Again, we look at the core platform charges and ignore any cost of investing in the equities themselves (stamp duty, or Total Expense Ratio (TER) inside ETF, for example), but we do look at dealing costs.

This time, we assume that if you're au fait with stocks and shares, you're likely to trade a bit more than in the previous example. So, we assume two trades a month. Then for good measure we round it up to **25 in total** assuming you treat yourself to an extra one on your birthday or perhaps Christmas Day. Who knows; it's up to you really. We're not your Mum.

Enough! To the **NISA** table!

Portfolio size	£5,000	£10,000	£20,000	£50,000	£100,000	£250,000	£500,000	£1,000,000
AJ Bell Youinvest	4.98%	2.49%	1.24%	0.50%	0.25%	0.10%	0.05%	0.02%
Alliance Trust Savings	7.75%	3.88%	1.94%	0.78%	0.39%	0.16%	0.08%	0.04%
Barclays Stockbrokers	6.70%	3.35%	1.67%	0.67%	0.33%	0.13%	0.07%	0.03%
Bestinvest	4.15%	2.28%	1.34%	0.78%	0.59%	0.48%	0.34%	0.27%
Charles Stanley Direct	5.00%	2.50%	1.25%	0.50%	0.25%	0.10%	0.05%	0.03%
Close Brothers A. M. Self Directed Service	4.73%	2.49%	1.37%	0.70%	0.47%	0.34%	0.29%	0.27%
Clubfinance	3.65%	1.83%	0.91%	0.37%	0.30%	0.25%	0.24%	0.24%
Fidelity Personal Investing	4.60%	2.30%	1.15%	0.46%	0.23%	0.09%	0.05%	0.02%
Halifax Share Dealing	6.50%	3.25%	1.63%	0.65%	0.33%	0.13%	0.07%	0.03%
Hargreaves Lansdown	6.43%	3.44%	1.72%	0.69%	0.34%	0.14%	0.07%	0.03%
iDealing	5.35%	2.68%	1.34%	0.54%	0.27%	0.11%	0.05%	0.03%
Interactive Investor	5.00%	2.50%	1.25%	0.50%	0.25%	0.10%	0.05%	0.03%
iWeb	2.50%	1.25%	0.63%	0.25%	0.13%	0.05%	0.03%	0.01%
James Hay Modular iPlan	7.50%	3.75%	1.88%	0.75%	0.38%	0.15%	0.08%	0.04%
Strawberry	6.80%	3.57%	1.93%	0.95%	0.58%	0.35%	0.28%	0.24%
TD Direct Investing	6.97%	3.13%	1.56%	0.63%	0.31%	0.13%	0.06%	0.03%
The Share Centre	6.82%	3.41%	1.71%	0.68%	0.34%	0.14%	0.07%	0.03%
Trustnet Direct	5.40%	2.75%	1.50%	0.75%	0.45%	0.18%	0.09%	0.05%

Straight off the bat you can see that the picture is slightly more straightforward than before with many companies looking either competitive or lame across the piece. What you're seeing is those with a broking background coming through strongly, while those with a mutual fund background usually look a bit weaker. **Pro tip: if you want to know where a provider's strengths lie, follow the money.**

In this instance, it's probably best jumping straight into the pounds table if we may. We'll explain why:

Portfolio size	£5,000	£10,000	£20,000	£50,000	£100,000	£250,000	£500,000	£1,000,000
AJ Bell Youinvest	£249	£249	£249	£249	£249	£249	£249	£249
Alliance Trust Savings	£388	£388	£388	£388	£388	£388	£388	£388
Barclays Stockbrokers	£335	£335	£335	£335	£335	£335	£335	£335
Bestinvest	£208	£228	£268	£388	£588	£1,188	£1,688	£2,688
Charles Stanley Direct	£250	£250	£250	£250	£250	£250	£250	£250
Close Brothers A. M. Self Directed Service	£236	£249	£274	£349	£474	£849	£1,474	£2,724
Clubfinance	£183	£183	£183	£183	£303	£625	£1,213	£2,413
Fidelity Personal Investing	£230	£230	£230	£230	£230	£230	£230	£230
Halifax Share Dealing	£325	£325	£325	£325	£325	£325	£325	£325
Hargreaves Lansdown	£321	£344	£344	£344	£344	£344	£344	£344
iDealing	£268	£268	£268	£268	£268	£268	£268	£268
Interactive Investor	£250	£250	£250	£250	£250	£250	£250	£250
iWeb	£125	£125	£125	£125	£125	£125	£125	£125
James Hay Modular iPlan	£375	£375	£375	£375	£375	£375	£375	£375
Strawberry	£340	£357	£387	£477	£577	£877	£1,377	£2,377
TD Direct Investing	£349	£313	£313	£313	£313	£313	£313	£313
The Share Centre	£341	£341	£341	£341	£341	£341	£341	£341
Trustnet Direct	£270	£275	£300	£375	£450	£450	£450	£450

- You might be able to see that over half the providers have flat costs across the piece. This is because it's all about dealing costs here. Many providers abandon the percentage-based approach in favour of a fixed admin charge and dealing costs. In fact, several just charge dealing costs.
- If you know your 25 times table (who doesn't?) then you can almost work out what's going on here without having to revert to the provider charging schedules, although we very much recommend that you do indeed revert thereto (posh).
- Those of you familiar with broking platforms may spot then, that if you just buy a few shares and hold onto them, you can invest very cheaply. This can work nicely with ITs and ETFs. But you have to watch for extra charges, including (incredibly) 'inactivity fees', where the provider takes a lump out of you for not being a good little client and trading regularly. You are also more likely to face fees for corporate actions or income withdrawals.
- So, those that maintain an element of percentage-based tiering look out of step here as the fund values increase. You'd have to make a pretty strong case for using some of the providers whose charges add up in their hundreds as fund values increase, compared to those that maintain the same levels.
- Many providers charge you different amounts depending on how often you trade, so you need to look at this table bearing your own potential circumstances in mind. We include details of regular trading discounts in the platform reviews section.

This time we're not going to include percentage-based **SIPP** tables. We will show the real-money based one though:

Portfolio size	£5,000	£10,000	£20,000	£50,000	£100,000	£250,000	£500,000	£1,000,000
AJ Bell Youinvest	£269	£269	£309	£349	£349	£349	£349	£349
Alliance Trust Savings	£499	£499	£499	£499	£499	£499	£499	£499
Barclays Stockbrokers	£485	£485	£485	£485	£485	£485	£485	£485
Bestinvest	£203	£218	£248	£338	£488	£938	£1,438	£2,438
Charles Stanley Direct	£370	£370	£370	£370	£370	£370	£370	£370
Close Brothers A. M. Self Directed Service	£236	£249	£274	£349	£474	£849	£1,474	£2,724
Clubfinance	£183	£183	£183	£183	£303	£625	£1,213	£2,413
Halifax Share Dealing	£403	£403	£403	£403	£493	£493	£493	£493
Hargreaves Lansdown	£321	£344	£389	£499	£499	£499	£499	£499
iDealing	£268	£268	£268	£268	£268	£268	£268	£268
Interactive Investor	£346	£346	£346	£346	£346	£346	£346	£346
iWeb	£215	£215	£215	£215	£305	£305	£305	£305
James Hay Modular iPlan	£570	£570	£570	£570	£570	£570	£570	£570
Strawberry	£460	£477	£507	£597	£697	£997	£1,497	£2,497
TD Direct Investing	£409	£409	£413	£553	£553	£553	£553	£553
The Share Centre	£456	£456	£456	£456	£456	£456	£456	£456
Trustnet Direct	£366	£371	£396	£471	£546	£546	£546	£546

The story doesn't really change – those with percentage based charges look rubbish and all that happens is that wrapper charges get added on top. You could even, if you're using these tables to shortlist providers, find the ones you like for NISA and then check the SIPP wrapper charges in the platform reviews section.

MEET THE NEIGHBOURS

It's all well and good looking at tables with generic assumptions, but they really are only a starting point: a frame of reference. You, on the other hand, are a beautiful, unique snowflake, with your own set of circumstances, needs, attitude to risk, and wedge of cash.

With that in mind, we've taken our calculations one step further and created a set of example personas. For each, we'll take a look at what they might need from their chosen platform, and how the various contenders stack up. Please don't be offended by the pictures.

Let's meet them one by one…

JIMMY

Jimmy, a solicitor in his mid-20s (well, 28) who qualified 5 years ago and has landed a solid job in a medium-sized practice. Jimmy enjoys masculine sports, a jolly good drink with the lads, men's style magazines, and only occasionally weeps uncontrollably late at night at the lack of creative expression in his life.

Here's how he looks:

- An ISA balance of £10k
- In a lacklustre employer's pension scheme and has accumulated £25k which he could put into a SIPP (while remaining part of the scheme, naturally. Jimmy is no-one's fool.)
- He's part of the social media generation so has a ravaged attention span and feels he may want to transfer provider if things don't go well
- He prefers online services which are a pleasure to use, and it has to be mobile
- He intends to invest in funds only on a buy-and-hold basis, but curiosity sometimes gets the better of him and he's unable to resist a few switches now and again. Let's call it 10 over the year.
- He has a high risk appetite. Well, you have to, don't you? YOLO!
- He uses price comparison tools for other aspects of his finances so is naturally cost conscious

So Jimmy, we'll take your £10k ISA and your £25k SIPP and assume 10 fund switches throughout the year. Here's how your charges look. We've taken out providers who don't offer both products as we assume you can't be bothered to hold products with different companies.

	SIPP	NISA	£ Cost
AJ Bell Youinvest	0.80%	0.70%	£269
Alliance Trust Savings	1.24%	2.00%	£511
Barclays Stockbrokers	0.35%	0.35%	£123
Bestinvest	0.30%	0.40%	£115
Charles Stanley Direct	0.73%	0.25%	£208
Close Brothers Asset Management: Self Directed Service	0.35%	0.35%	£123
Clubfinance	0.48%	1.20%	£240
Fidelity Personal Investing	0.35%	0.35%	£123
Halifax Share Dealing	0.86%	1.38%	£353
Hargreaves Lansdown	0.45%	0.45%	£158
Interactive Investor	0.78%	1.00%	£296
iWeb	0.56%	0.50%	£190
James Hay Modular iPlan	0.96%	0.18%	£258
Retiready from Aegon	0.50%	0.50%	£175
Strawberry	0.87%	0.45%	£263
TD Direct Investing	0.80%	0.30%	£230
The Share Centre	1.38%	1.58%	£502
Trustnet	1.03%	1.25%	£384

- Quite a tight spread of charges here, reflective of the comparatively low fund values, that range from around £100 to £500
- We think Jimmy and his experience of price comparison websites will scoff at those at the higher end, even though some may be unfairly dismissed
- After a bit of research (interrupted by sixteen tweets and a couple of Facebook status updates) Jimmy may well land on **Fidelity Personal Investing**. Very competitive charges, a range of research toys to play with and a big enough brand name to keep him happy.

MR & MRS JOGGING-PRAM

Mr & Mrs Jogging-Pram, a couple in their early 40s who came to parenting late, but are so very glad they did; something they feel very free to share with everyone they meet. I mean, it's the hardest thing ever, and the cost of childcare and organic houmus is quite remarkable, and I'm not even sure the nursery gives him cooled sweetened camomile tea instead of water like we asked, but such is the life of a parent! So rewarding!

Here's how they shape up:

- They're both in their early 40s, with good salaries and some disposable income
- They are trying to plan for multiple future goals (education fees, flat deposits, weddings, mid-life crises and even long-term care) but have to make choices
- Both have decent employer-sponsored pensions which are fine where they are
- Both are fairly well informed and comfortable with some risk
- Through bonuses and an inheritance they have just over £50,000 tucked away in ISAs
- They're time-poor – good service is worth more than saving a few quid

So, Mr & Mrs, we'll take your £50k and push it through our NISA sausage machine and see how the numbers look. In fact, just in case you think we can only work with beautiful round numbers, we'll be precise and acknowledge that you have £50,642 to invest, split evenly across the two of you. Just because. We'll also assume that you're investing in funds, with 5 switches a year this time.

- The spread of charges range from 0.10% to 0.73% with a big cluster in the middle at around the 0.30% mark
- The iWeb charges stick out a mile, but we fear that there may not be the range of support services and guidance that the Jogging-Prams need
- We think the Jogging-Prams will be drawn towards one of the bigger names such as **Hargreaves Lansdown, Fidelity Personal Investing** or **Barclays Stockbrokers.** All reasonably competitive on costs, but with the brand awareness that will go down a storm during post-yoga group chats.
- An honourable mention goes to **Interactive Investor** which offers a linked family option, whereby the Jogging-Prams are able to double up and only pay only one NISA administration fee. It's not a massive saving, but will help with the monthly organic vegetable and goat's cheese outlay.

	Mr	Mrs	£ Cost
AJ Bell Youinvest	0.30%	0.30%	£151
Alliance Trust Savings	0.54%	0.54%	£275
AXA Self Investor	0.35%	0.35%	£177
Barclays Stockbrokers	0.35%	0.35%	£177
Bestinvest	0.40%	0.40%	£203
Cavendish online	0.25%	0.25%	£127
Charles Stanley Direct	0.25%	0.25%	£127
Chelsea Financial Services	0.60%	0.60%	£304
Close Brothers Asset Management: Self Directed Service	0.35%	0.35%	£177
Clubfinance	0.47%	0.47%	£240
Fidelity Personal Investing	0.35%	0.35%	£177
Halifax Share Dealing	0.30%	0.30%	£150
Hargreaves Lansdown	0.45%	0.45%	£228
Interactive Investor	0.32%	0.32%	£130
iWeb	0.10%	0.10%	£50
Nutmeg	0.90%	0.90%	£456
Retiready from Aegon	0.50%	0.50%	£253
rplan	0.35%	0.35%	£177
Strawberry	0.39%	0.39%	£197
TD Direct Investing	0.30%	0.30%	£152
The Share Centre	0.75%	0.75%	£382
Trustnet Direct	0.45%	0.45%	£227
Willis Owen	0.73%	0.73%	£370

Mrs Farage-Clegg, a never-married pillar of the community in her late 50s. Mrs F-C is a stalwart of the Women's Institute; her marmalade is known across three counties. Always ready to do for others what they cannot do for themselves, Mrs F-C balances her community responsibilities with her work running the office in the local agricultural supplies business. Occasionally she looks at her accumulated assets, remembers a time when she had a quite different career and life, and a quiet smile plays across her face.

She is:

- In her 50s
- Not thinking of fully retiring yet but looking to cut down on working hours and start enjoying her money
- Keen to maintain her standard of living, including her membership of the firearms range no-one knows about, four towns over
- Cautious with her money and doesn't know a huge deal about the investment markets. She sees her pension pot as the product of her life's work, so while she's still open to a bit of risk, she'd like a fully-featured investment solution that will last the distance.
- The proud owner of a SIPP pot currently valued at £522,000

MRS FARAGE-CLEGG

So, Mrs F-C, we've put your SIPP through our calculations (assuming no switches at all) and here's how it looks. May we assure you of our best attention at all times, and no, we won't be passing your details on to anyone else. Please don't kill us.

- There's a huge spread of charges here and we suspect that Mrs F-C will take a look at this, sigh, and drift off to a happy place where times were simpler and men were men...
- ...But back at the task at hand, we'd point out that the huge discrepancies are down to the difference in fixed vs percentage charges
- So, we think given that Mrs F-C isn't confident in the investment markets, coupled with her large fund size, means that she'd be drawn towards a fixed fee charging structure with some investment guidance thrown in
- With that in mind, we think that Mrs F-C might have a dig around **The Share Centre** or **Interactive Investor's** range of preferred funds and portfolios

	SIPP	£ Cost
AJ Bell Youinvest	0.06%	£300
Alliance Trust Savings	0.04%	£186
Barclays Stockbrokers	0.34%	£1,750
Bestinvest	0.25%	£1,294
Charles Stanley Direct	0.27%	£1,403
Close Brothers Asset Management: Self Directed Service	0.26%	£1,355
Clubfinance	0.24%	£1,253
Fidelity Personal Investing	0.20%	£1,044
Halifax Share Dealing	0.03%	£180
Hargreaves Lansdown	0.35%	£1,805
Interactive Investor	0.03%	£176
iWeb	0.03%	£180
James Hay Modular iPlan	0.18%	£933
Retiready from Aegon	0.33%	£1,716
Strawberry	0.28%	£1,485
TD Direct Investing	0.29%	£1,534
The Share Centre	0.05%	£269
Trustnet Direct	0.06%	£296

Mr Redoubtable, a share trading hobbyist who prides himself on sticking to the basics and picking only the very best share tips from the newspaper columnists. None of those professional investors know a thing; overpaid fifth-columnists, the lot of them. No, doing it yourself is the way to go. It's over-dependence on others which has brought Britain to the parlous state it's in.

His deal is:

- He's wealthy, retired and with time on his hands
- He dabbles in and studies the market in depth. He could probably put some professional analysts to shame, at least in his own mind.

MR REDOUBTABLE

- He's not interested in damn fool fancy websites and tools. He researches his shares and goes for it.
- He can afford to play around and take some risks while gaining some income to supplement his pension and the pittance the State provides
- He has £225,000 in an investment account and an accountant to help with dividends and capital gains tax
- He trades about 50 times a year, spread relatively evenly across the year

So, Mr Redoubtable, we shall ignore the decline of Western civilisation for a moment and feed your £225k and 50 trades into the lang cat's patented Recursive Pricing Engine (with integrated Galloway Indefatigability Module) and see what happens:

- It really is all about the trading costs here with costs ranging from £2.50 (with discounts) at Clubfinance, up to £12 – £15 for many others
- But it's **iWeb** who sticks out a mile here, with its low (for low, read zero) annual administration fee and trades a fiver each making it approximately half the price of a wedge of rivals
- So, if it really is all about cost here and Mr Redoubtable is sure that he can forgo everything else, then he'll struggle to find a better deal elsewhere

	Dealing Account	£ Cost
AJ Bell Youinvest	0.22%	£498
Alliance Trust Savings	0.31%	£700
Barclays Stockbrokers	0.28%	£634
Bestinvest	0.57%	£1,275
Charles Stanley Direct	0.22%	£500
Close Brothers Asset Management: Self Directed Service	0.45%	£1,010
Clubfinance	0.30%	£665
Fidelity Personal Investing	0.20%	£455
Halifax Share Dealing	0.28%	£638
Hargreaves Lansdown	0.29%	£643
iDealing	0.23%	£515
Interactive Investor	0.22%	£500
iWeb	0.11%	£250
James Hay Modular iPlan	0.33%	£750
Strawberry	0.51%	£1,139
TD Direct Investing	0.28%	£625
The Share Centre	0.23%	£529
Trustnet Direct	0.31%	£700

A CLOSING NOTE ON PRICING

We're going to do that annoyingly passive thing that you see in some reports where we end a section with a schmaltzy "It's all about you". But, it really, really is.

Here's the deal. When doing analysis like this, we sometimes get a bit of flak for focusing too heavily on price. The answer from us is that we have never, not once, suggested that someone should select a product purely on price. Not once. We hope that's been very clear throughout the Guide.

However, the core functions of platforms *are* similar, and we think it's useful to have the pricing element laid out simply so that you can then think about the other stuff (service, investment stuff, funky tools et al) and weigh up if the pricing looks worth it for you. Pricing is only one part of the deal. What the platform does for you, how you feel about using it, is the other part. The two put together is what we call 'value'. But – and this is important – we can't tell you what you value. Your circumstances are exactly that, yours.

So an expensive provider with awesome service might beat a bare-bones do-it-yourself merchant. Or it might not. If you can't compare price easily, then you'll never be able to make that judgement call. Pricing is not the whole story. But it is half of it, and we hope that shining a light on that half has been useful.

PLATFORMS PLATFORMS EVERYWHERE

We've looked at how platforms work: how they are priced; and some scenarios, so now we turn our attention to the platforms themselves. Bells, whistles and some basics that you might not think matter but kind of do.

Every platform has something to offer one type of investor or another – this comes back to understanding the type of investor you are to see where your best match might be.

As we said at the start, these are not user reviews, just our thoughts on some aspects that we think are important and might be useful. Before we kick off, a caveat – there is a risk of jargon over the next few pages but it's all there for you back in the Jargon Amnesty.

Alliance Trust Savings

The Basics

The direct business of Alliance Trust, the venerable investment trust, championing flat fees on a billboard near you

Wrappers

SIPP, NISA, Junior NISA and dealing account (all proprietary)

Best for

More affluent investors; those needing a mix of funds and equities; buy and hold investors

Investments

- Access to 1,900 funds plus UK equities, ITs, ETFs and fixed interest
- 25 global stock exchanges available

Charges

www.alliancetrustsavings.co.uk/forms-documents/fees-charges/Table-of-Charges.pdf

- Quarterly account charge of £18.75 for NISA/dealing account (no VAT) so £75 p.a.
- Annual SIPP account charge of £155 plus VAT
- Trading charges are discounted based on how long the account has been active

Years account active	Discount	Online trading charge
<5	0%	£12.50
5 – 10	10%	£11.25
11 – 15	15%	£10.63
16 – 20	20%	£10.00
>20	25%	£9.38

- Exit charges: SIPP £150, stocks & shares NISA £100 and dealing account £60 all plus VAT

The lang cat view

- ATS is arguably king of the flat fee proposition; works very well for larger investors
- Trading charges too high at £12.50 (for funds and equities); needs looking at
- All done in-house – has its own seat on LSE, for example
- System stripped back, simple but a bit antiquated and currently being replaced with a more modern version. Points for that.
- Huge resources on the website for information and decision making. Covers regulation; ATS as a business; goals and retirement planning; product and funds, but some is very out of date. Maybe fewer items and more maintenance?
- We like the dedicated email address for feedback. Would be nice to see some examples of what they are doing with this and some of the comments.

Jargon-O-Meter: Extensive glossary with some good, clearly worded definitions. Not bad.

In a word: FLAT

Want to know more? www.alliancetrustsavings.co.uk/

AJ Bell Youinvest

The Basics

The direct business of AJ Bell; platform provider with strong SIPP heritage

Wrappers

SIPP, NISA, Junior NISA and dealing account

Best for

Pretty much anyone who is happy to make their own investment choice plus those looking for the comfort of a real SIPP specialist

Investments

Access to over 4,500 funds, equities (from 21 international markets), ETFs and ITs

Charges

www.youinvest.co.uk/ChargesAndRates/

- Platform charge of 0.2% for investment in funds, capped at £200pa
- SIPPs up to £10k have a £20pa admin fee. This increases to £60 for up to £20k, and £100 for anything above.
- Fund switches are £4.95. Equities are £9.95 or £4.95 if there were 10 trades in the preceding month.

The lang cat view

- The website is product-led with information generally split by tabs for each product, so everything you should need for that product (research, forms, FAQs) all links from there
- Focus on self-service query resolution using the FAQs may deter those who are new to investing or are less confident
- Mobile dealing app is a bonus for the more active traders seeking greater connectivity
- A good mix of product and investment-specific as well as general information, so would suit those who are relatively new to investing
- The mix of fixed fee and capped %-based charges means that it is an excellent all-rounder

Jargon-O-Meter: The FAQs are extensive – and to the point making them easy to read. Overall, pretty good.

In a word: ENGAGING

Want to know more? www.youinvest.co.uk/

AXA Self Investor

The Basics

AXA Wealth UK's direct business, supported by the Group's investment operation Architas

Wrappers

NISA and dealing account

Best for

Those dipping a toe in the water; funds-only investors

Investments

Four ranges; tiered based on knowledge and confidence in fund selection:

- All-in-One – six funds based on risk profile/ investment goals (fund of tracker funds, managed by Architas MultiManager)
- Quick start – three example fund selections to help start the process (selected by Architas Advisory Services)
- Favourite – a selection of funds to choose from (selected by Architas Advisory Services)
- Full – all funds available from AXA Self Investor (approx. 3,000)
- There are tools to help with fund selection and reminders to review this selection regularly
- It's funds only so no direct access to equities.

Charges

https://www.axaselfinvestor.co.uk/our-charges/

Standard account charges (based on total of all accounts but applied per account)

<=£250,000 0.35% pa (across NISA and trading account)

>£250,000 0.20% pa (across NISA and trading account)

- Special offer means account charge is 0% until 1 May 2015 for new investors
- Fund manager AMC is in addition and varies
- No initial fund charge, transaction charge, monthly service charge or exit fee
- Family grouping available

The lang cat view

- Pretty good overall. The layout is clear and pages are not cluttered
- Charging is decent; accounts are aggregated for tiering
- No extra charges, including transfer in or exit charges. This is to be applauded.
- Very accessible – call centre open to 7pm and all day Saturday as is web chat and Twitter. There is also an email option. We've tried web chat and it was well managed.
- The relationship with Architas and its role on fund provision could be confusing for some: a non-advised service with fund lists by Architas Advisory Service. Confusion would be forgivable.
- Overall quite simple, but quite well-formed

Jargon-O-Meter: Good. Clearly aimed at those less familiar with investment. Lots of explanations of key terms.

In a word: FUNDY

Want to know more? www.axaselfinvestor.co.uk/

Barclays Stockbrokers

The Basics

Execution only stockbroking arm of big kahuna bank

Wrappers

SIPP, NISA and dealing account

Best for

Affluent investors comfortable with the markets

Investments

- Large range of funds, equities, ETFs, cash, gilts and bonds
- Barclays Fund Market offers access to around 2,000 funds
- No model portfolios or guidance so you're on your own in terms of picking – although there is a lot of research material to help you choose
- Barclays Trading Hub offers advanced options such as international equities

Charges

www.barclaysstockbrokers.co.uk/Accounts/Rates-and-Charges/Pages/default.aspx

- Annual platform charge is a flat 0.35% per annum but has a minimum of £35 and a maximum of £1,750. So, any cash over half a million (lucky devil) is effectively free of charge. This covers NISA, dealing account and SIPP where invested in the Barclays Fund Market.
- If you invest outside of the Barclays Fund Market then a SIPP will cost you an additional £155+ VAT. The £30 plus VAT NISA charge is waived if you only hold funds.
- Fund switches are free. Equity trading vary depending on your trading frequency per month: £11.95 per trade (up to 9 times), £8.95 (10 to 19) or £5.95 (20 or more).
- Additional event charges apply for more complex investments, drawdown and exiting out of equities

The lang cat view

- A dedicated section of the site: 'getting started' gives a thorough overview of the basics but is very text heavy and we're not sure how many hardy souls will reach the end. (The 'reasons for investing' section alone is 1,500 words).
- Anything that de-mystifies industry jargon gets a big tick from us and we love the 'how to read a fund factsheet' section. We don't see enough of this kind of thing.
- The flat % charge is clean and competitive
- The contact options are up there with the best, with Saturday calls, a range of options, ask a question facility and FAQ. You feel like Barclays want you to get in touch.

Jargon-O-Meter: There is a lot of information to wade through. Mostly good stuff, but it could be overwhelming to the uninitiated.

In a word: EXTENSIVE

Want to know more? www.barclaysstockbrokers.co.uk

BestInvest

The Basics

Discount stockbroker known for its annual Spot the Dog fund list (personal opinions about dogs aside, this is not a list of recommended destinations for your hard-earned)

Wrappers

SIPP, NISA and trading account

Best for

Investors with up to £250k, looking for a bit of guidance. Especially those with a SIPP

Investments

- Over 2,000 funds, equities, ETFs and ITs
- There is a range of multi-asset and risk-rated model portfolios available if you need some help
- Further help via its Investment Advisory Service comes at a premium (1.25% AMC)
- Underlying custodian is American giant SEI

Charges

www.bestinvest.co.uk/stocks-and-shares-isa/isa-charges

- Annual platform charge is tiered, but with a quirk
- SIPP platform charge is 0.3% for the first £250k and 0.2% for the next £750k, at which point charges are capped
- NISA is exactly the same structure but the first £250k is charged at 0.4%. Odd.
- Share dealing comes in at £7.50 a go. Fund switches are free.
- Further ancillary charges apply including exit charges of £25 per line of stock, which is too much

The lang cat view

- We said as much earlier in the pricing section, but we can't get our head around SIPP being cheaper than the other accounts. Traditionally they are more expensive to administer (tax relief and whatnot) so it doesn't really add up for us.
- That aside, the site itself is rather good, with a tonne of information and guidance on offer
- A therapeutic rant – on the SIPP charges page it would be a great idea to list the charges rather than hint at them in a pdf that isn't even hyperlinked! Even though the charges are in line with other platforms who favour an event-driven approach, it feels like there is something being hidden here and that makes our lang cat (spidey) senses tingle.

Jargon-O-Meter: Content is generally good and pitched at an appropriate level. Interactive tools help and are a welcome addition.

In a word: QUIRKY

Want to know more? www.bestinvest.co.uk/

Cavendish Online

The Basics

Discount broker offering fund supermarket link via the Fidelity FundsNetwork platform

Wrappers

Dealing Account, NISA and Junior NISA

Best for

Those who want to dabble in funds and use up their NISA allowance

Investments

- Access to over 2,000 funds from more than 85 providers via FundsNetwork
- There is also a range of risk-based model portfolios. Determine risk profile rating based on a four question risk profiling tool (low, medium or high) then select a model portfolio from income, growth, ethical or tracker options.

Charges

www.cavendishonline.co.uk/investments/our-service/

- Annual platform charge of 0.20%
- Cavendish Online ongoing fee of 0.05%
- No initial charge for funds, annual, exit or switching fees

The lang cat view

- A decent, competitively priced option for those wanting simple access to a fund supermarket
- That said, whilst we acknowledge that it is attractively priced, leading with the banner headline 'the cheapest route to buy your stocks and shares ISA' is a bit naughty. We think the fixed fee mob would queue up to have something to say about that, armed with a calculator in their collective pocket.
- Some of the terminology and tone used could do with freshening up. For example, the charges explanation isn't very clear to the layman. Saying that Cavendish Online 'do not levy any charges' may be technically true but feels unnecessary – It isn't a charity! There are a couple of other examples that hint at a level of marketing-speak ('it is in your interest to buy from us') that we'd be better off seeing the back of.

Jargon-O-Meter

The graphical explanation of the move from bundled to unbundled is quite nice. Some of the wording throughout the site feels a bit jarring though.

In a word OLD-SCHOOL

Want to know more?

www.cavendishonline.co.uk

Chelsea Financial Services

The Basics

Discount broker offering link to the Cofunds platform

Wrappers

NISA

Best for

Assuming no-one picks a platform because of it sounds like a football team (we live in hope!), those who are happy to pay a premium for quality fund research and service

Investments

- Access to over 1,800 funds via Cofunds
- Chelsea Selection – a best buy reduced range of 100 funds
- Core Selection – a narrowed down range of 37 funds from the Selection

Charges

www.chelseafs.co.uk/fundstore/charges/

There are two elements to the charges. Firstly, a service fee to Chelsea as follows;

Investment Fund	Service fee
£0 to £250,000	0.40%
£250k to £500k	0.35%
£500k to £1m	0.30%
£1m to £2m	0.25%
£2m+	0%

- The Cofunds element is charged at 0.20% for the first £1m of your investment and 0.15% for amounts beyond that
- Which means you're paying 0.6% for the first £250k. Ouch
- Fund switches are free

The lang cat view

- Charges are uncompetitive. Chelsea is hammered by the fixed-fee propositions at the higher end, and is simply too pricey at the lower end compared to other percentage based providers. Bit of a double whammy (another technical term).
- In fact, given that (on the surface anyway) the proposition is little more than a link to Cofunds, Chelsea really needs to work hard to sell the benefits of its additional % slice such as fund selection and administration.
- Chelsea clearly focuses on word-of-mouth recommendations. There are comments on the site about clients referring friends and that some clients are generations of families.
- We cannot comment on the service offering but there are no opening hours on the website which doesn't suggest weekend opening
- Value is in the eye of the beholder but they need to know what they are beholding

Jargon-O-Meter

Content is ok but on the sparse side. There is a comprehensive FAQ with good descriptions of industry terms.

In a word PREMIERSHIP-PRICE

Want to know more?

www.chelseafs.co.uk

Charles Stanley Direct

The Basics

The direct business of Charles Stanley & Co. Makes trading simple to free up attention for the important bit – selecting the actual investments

Wrappers

NISA, Junior NISA, SIPP and dealing account

Best for

Smaller investors with an appetite for frequent trading

Investments

- Foundation portfolios – range of options based on investment outlook: Growth, Income, Inflation Growth, Income & Growth or Adventurous Growth
- Foundation fundlist – preferred (although not recommended) funds and ITs across a range of sectors
- Also has lists of the most viewed and the most bought shares and funds by their clients (for the 'people like me' aspect)
- All supplemented by a range of news, features and research articles

Charges

www.charles-stanley-direct.co.uk/What_We_Charge

- Platform/Custody fees – 0.25% for shares (min £20, max £150 pa) but no charge if 6 or more chargeable trades in a defined 6 month period. Funds: 0.25% of first £500,000, 0.15% for the next £1.5million and 0.05% on the fund portion above £2million.
- Annual administration charges – £100 plus VAT for SIPP
- Dealing charges – £10 per trade for online stocks and shares, no charge for fund trading
- SIPP transfer out charge of £125 to another UK scheme plus VAT (plus costs of stock withdrawn)

The lang cat view

- The site is well laid out – a lot of information but well-structured and easy to navigate
- One of several direct platforms attached to an adviser and/ or investment manager parent, Charles Stanley Direct is more physically separate i.e. distinct website as opposed to a single tab within the group site
- While there may be less confusion over guidance/ advice/ information the option of advice and discretionary investment management is prominent with convenient emergency exits throughout
- The lack of weekend contact options is unfortunate but is indirectly balanced out somewhat by the Investment Helpdesk being open to 'not-yet-clients' which is a nice touch

Jargon-O-Meter

Each product is explained –as are the various investment options. Step by step process with help accessible (and the ever present option of advice).

In a word TRADETASTIC

Want to know more?

www.charles-stanley-direct.co.uk

Close Brothers Asset Management: Self Directed Service

The Basics

An investment-focused family affair, trading on the pedigree of parent Close Brothers Asset Management, itself part of the Close Brothers Group

Wrappers

NISA, SIPP and dealing account

Best for

A starter home for investments

Investments

- Funds (in-house and third party), equities, ITs, ETFs and gilts. Also fixed term deposits from Close Brothers Savings.
- Close 50 – list of third party funds (selected from over 400 managers) the Investment Research Team consider interesting long term investment opportunities. Each fund has a score to help compare past performance as part of the decision making process.
- Close Managed Funds – self-select to meet needs for capital protection, income or growth
- Registered users can access research and analysis tools for DIY selection

Charges

www.closebrothersam.com/self-directed-service/at_a_glance

- Platform fee – Offer until 31/03/15: 0.25% pa on all clean funds (0.35% pa from April 2015, 0.25% for amounts over £50,000). Tiers are based on all accounts held.
- Annual custody charge for equities, investment trusts and ETFs: 0.25% (was 0.50%)
- No fund transaction charges but there are for ETFs (£8.95 per trade)
- No setup charges, annual NISA or SIPP charge and no exit charge for NISA or dealing account
- Exit charges: SIPP transfer to UK scheme £75 plus VAT, in – specie transfer out £100 plus VAT

The lang cat view

- The site is well laid out with a lot of good material but some feels as if it has been written for advisers and re-jigged for the direct audience
- Busy front page – itself only one tab of the overall Close Brothers Asset Management website
- Easy (and ever present) option to flip to advice or investment management
- Much is made in the broader site of investment approach and expertise but the process steps are: register, product account and *then* investment selection (incongruous but possibly a more logical process for the investor)
- Selection tools only being available for members rules them out of the overall platform decision which we don't like
- Too many references to 'the investment journey' bring to mind bad TV talent shows (that's all of them, by the way)
- Charging is pretty competitive for smaller and mid-size investments, less so for the large

Jargon-O-Meter It was going quite well until the explanation of the Closer 50 scoring system.

In a word INVESTMENTY

Want to know more? www.closebrothersam.com/self-directed-service

Clubfinance

The Basics

Discount broker offering a range of investments and more

Wrappers

SIPP, NISA and dealing account

Best for

Frequent traders

Investments

- Frequent Traders platform has links to 2,500 funds alongside UK and international equities
- Also provides links to Cofunds, FundsNetwork and Skandia platforms

Charges

www.clubfinance.co.uk/FrequentTrader/Frequent-Trader-Platform-Charges.php

- Annual platform charge of 0.24%, collected quarterly with a minimum of £30 each collection. Fans of quadrupling things will have worked out that this equates to a minimum annual charge of £120.
- But that £120 minimum applies per account so will soon add up if you hold a mix
- Fund switches are fee. Stocks and shares trades cost £2.50 but some of the fee is rebated by way of a loyalty bonus for larger funds Portfolios over £250k get a £1.50 rebate, and those over £500k get a £2 rebate with the loyalty bonus capped at £4,000 per annum.
- Exit fees of £10 per share-holding

The lang cat view

- The site has a very old school feel to it in terms of style and content. It also still makes prominent reference to rebates of initial commission on funds on the homepage which feels out of place in 2014
- Links to Cofunds, FundsNetwork and Skandia may confuse some. Why three? The site doesn't articulate the benefits of using these rather than its own Frequent Trader platform.
- Equity trading charges are very low compared to peers
- The 0.24% platform charge is very competitive at the £50-100k mark. Wealthier clients will need to get their calculators out to establish whether the cheap trading charges save them enough cash to offset a rival with a fixed fee approach. It's not all about cost though, of course.

Jargon-O-Meter Good content and explanations throughout the site but it's very text heavy. The less hardy may be at risk of falling by the wayside.

In a word BUYSELLBUYSELL

Want to know more? www.clubfinance.co.uk/

Fidelity Personal Investing

The Basics

Fund manager, platform provider (for both advised and direct customers) and all round American behemoth

Wrappers

SIPP, NISA and dealing account

Best for

Those needing a hand choosing

Investments

- For the fund or stock picker, there's a free choice from over 2,200 funds
- If you want a bit of a steer then the Select List consists of 234 funds and around 1,800 stocks which Fidelity's fund manager selection team have rated using a range of criteria
- Guided investment options consist of model portfolios and the Pathfinder range of goal and risk-based funds

Charges

www.fidelity.co.uk/investor/funds/fund-charges/fund-charges.page

- Annual platform charge of 0.35% on the first £250k. If you hold more than this then the charge immediately changes to 0.20% for the whole portfolio. This is capped at £1m, so you won't pay a penny more than 2 grand.
- Share dealing account costs £5.10 admin fee a month and £9 flat fee per trade
- There's also a price promise offer until the end of 2014 whereby Fidelity will match any better fund charges you find elsewhere (read: the four platforms to which the offer applies) but you'll need to remember to claim it back.

The lang cat view

- There's a LOT of information. Guidance, price comparisons, calculators. It's all there. The site itself is very pretty, although we suspect the newbie would take some time getting used to the sheer volume of information on offer.
- The price promise offer is good in theory but is only against four platforms and, frankly, it's pretty tight putting the onus on the investor to remember to make their claim online during the specified window
- There are some neat touches littered throughout. We like unique stuff, such as the data and analysis based on other customers
- Opening hours get a big tick too. Being open all day on a Saturday is cool.
- Lastly, Fidelity places a very welcome emphasis on clear pricing which gets a big thumbs up from us

Jargon-O-Meter There are helpful sections dotted throughout the site (intuitively positioned based on what stage you might be at in the process) and not too text heavy.

In a word ALL-IN

Want to know more? www.fidelity.co.uk/investor

Halifax Share Dealing

The Basics

Share dealing arm of the Lloyds banking subsidiary

Wrappers

SIPP, NISA and trading account

Best for

Those with larger funds who know what they're doing and prefer to buy and hold

Investments

- Investment in approximately 1,700 funds, equities (UK and International), ETFs, bonds and gilts, warrants and structured products
- No guided paths at all so you're on your own in terms of picking investments

Charges

http://www.halifax.co.uk/sharedealing/charges/

A fixed fee approach:

- Less than £50,000 in a SIPP will cost you £18.75 plus VAT per quarter (that's £90 per annum for maths fans)
- Above £50,000 in a SIPP and it's £37.50 plus VAT per quarter (so £180 per annum)
- NISA will set you back £12.50 per year

And while we're here:

- Share trading and fund switching costs are on the high side at £12.50 a go. Although, at the time of drafting this there was a limited special offer running where online trading cost a reduced £3.95. This may or may not happen again. What are we, psychic?
- Exit charges of £25 per share-holding (with a maximum of £125)

The lang cat view

- It's a no frills approach here. The site is modest compared to the sophistication and information available on others and clearly one element of a much bigger organisation.
- But, this is reflected in the price. The low cost fixed fees make the proposition look extremely competitive at the higher end – providing you don't tinker too much and let the dealing costs rack up.
- Similar to The Share Centre, we like the idea of a practise area to get used to trading. We only hope that the Fantasy Trading Account is as exciting as it sounds. We'll have shares in unicorns and minotaurs please.

Jargon-O-Meter Information is on the modest side compared to other sites, but where there are explanations they are simple and concise.

In a word UNFUSSY

Want to know more? www.halifax.co.uk/sharedealing/

Hargreaves Lansdown

The Basics

The biggest player in the market. Known for its Vantage platform (on which the wrappers operate), service reputation and being an all-round marketing machine

Wrappers

SIPP, NISA and trading account

Best for

Those seeking comfort from the market leader and who place value in customer service

Investments

- Over 2,500 funds, equities, ETFs and Investment Trusts
- If you need help then there are several options. Ready-made risk-rated Master portfolios are on offer. As are HL's infamous Wealth 150 range of funds.

Charges

☞ http://www.hl.co.uk/pensions/sipp/charges-and-interest-rates

Investment fund value	Platform admin charge
£0 to £250,000	0.45%
£250,000 to £1m	0.25%
£1m to £2m	0.10%
£2m+	0.00%

- For shares, ETFs, ITs, gilts and bonds, the platform charge is 0.45% (capped at £45pa for NISA and £200pa for SIPP)
- Charges are per account rather than across the piece. To the naughty step!
- Fund switches are free. Share trading starts at £11.95. This moves to £8.95 if there were over 10 trades the previous month and to £5.95 if there were over 20.
- Exit charges of £25 per line

The lang cat view

- There's a lot to admire about Hargreaves. The service reputation is justified from what we hear and the sheer scale of the marketing machine (particularly with the noise surrounding its fund deals) is second to none.
- The range of information on offer on the site must also be the envy of many of its peers
- That said, all that information and marketing comes at a premium. The platform isn't as competitively priced as you may think. The fixed fee gang comfortably beat it at the higher asset sizes and many of the %-based crew undercut it at the lower end.
- We have to also mention exit fees as at £25 per share-holding they are excessive

Jargon-O-Meter Content is very good and pitched at the right level to attract the novice and satisfy the expert.

In a word SELF-ASSURED

Want to know more? www.hl.co.uk

Interactive Investor

The Basics

Part of the Interactive Investor plc stable: a privately owned company who boast ownership of shareprice.co.uk and Money-wise Publishing (Moneywise magazine and Money Observer)

Wrappers

SIPP, NISA and dealing account

Best for

Best for investment experts who appreciate a good deal (pun intended)

Investments

- Large range of investment options including funds, shares, ETFs, ITs, bonds and gilts
- There's a range of ready-made fund selections as well as portfolios. Created by Money Observer editor Andrew Pitts and his teams, the portfolios are designed for either income or growth across a range of time frames and either medium or higher risk profiles.They are somewhat hidden away in the site though
- The emphasis is very much on the wealth of choice, research tools and information on offer for the customer to wade through and make their choice

Charges

☞ www.iii.co.uk/shares/charges

- Interactive Investor operate a fixed fee model. There is a quarterly fee of £20, but this comes with a trading credit per quarter to be used against any account held (this covers one buy/sell). SIPPs cost an additional £80 plus VAT.
- Trades cost £10 each.
- You can take the frequent trader option (buy or sell 10 times a month at least) and get the remainder of your trades that month half price at a fiver
- There is an exit charge of £15 per share-holding for NISA and investment account
- Fixed drawdown charges apply
- You can link family accounts and only pay one admin fee

The lang cat view

- It's a nice, attractive site and there is a heap of information on offer
- The fixed fee model makes the service extremely competitive for the wealthier investor
- Letting customers air their views in a community discussion forum is a very nice touch (although we didn't log in to see how often it was being used). We love this level of transparency at the lang cat and more power to the chaps at II for doing this.

Jargon-O-Meter The content is fine, but pitched very much at those who know their way round the industry.

In a word INTERACTIVE

Want to know more? www.iii.co.uk

iDealing

The Basics

London based outfit offering proprietary online share trading service

Wrappers

SIPP, NISA and trading account

Best for

Those who know the equity markets inside out

Investments

- You won't find funds here but iDealing offers direct access to the listed securities of many major exchanges
- A range of unlisted equities, UTs and other, more exotic investment options are also available

Charges

☞ www.idealing.com/en/help/services_and_prices#accountCharges

- £20 admin charge per year for NISA and SIPP accounts. Collected quarterly at a fiver a go.
- Dealing costs £9.90 a time

The lang cat view

- As far as platforms go, this is definitely on the sparse side in terms of help. But we suspect that will sit just fine with the hobbyist who is au fait with the markets and just wants to get on with it. The iDealer dashboard in particular looks like data-catnip for the expert.
- Compared to peers in the share trading space, the admin charges are competitive. Trading is on the high side at £9.90 a go, particularly considering the lack of frequent trader discount.

Jargon-O-Meter Content is decent, but aimed at those who know what they're doing. Written by experts, for experts.

In a word GEEKY

Want to know more? www.idealing.com

iWeb

The Basics

Halifax Share Dealing's no frills business – low cost trading for experienced investors

Wrappers

SIPP (AJ Bell Youinvest), NISA and dealing account

Best for

Share traders who know what they're doing and have no truck with the fancy stuff

Investments

- Fund information is within Market Information Services, provided by Digital Look and with a very different feel to the main website. Data on 1,773 funds.
- Funds, shares on 7 world markets, ITs, ETFs, bonds, gilts and preference shares

Charges

www.iweb-sharedealing.co.uk/charges-and-interest-rates/charges-and-interest-rates.asp

- UK and fund trades: £5
- One off account opening charge of £25 for first account
- No annual/ quarterly administration charges (other than for SIPP where there's a quarterly charge of £18.75 for funds less than £50k and £37.50 for funds above £50k)
- Transfer out charge for SIPP of £15 per share-holding, £25 per line for NISA or dealing account with a maximum of £125 plus VAT where applicable

The lang cat view

- The worthy intention of having all the important information visible and accessible from all points creates a rather haphazard layout (multiple links to the same place and information spread around) and an appearance of more content than there actually is.
- T&Cs and other documents are very basic with no branding or formatting which makes them less than engaging. That said, costs are clearly laid out and explained.
- Lots of contact points (including live chat and Twitter) but not at the weekend
- Lots of information and data in Market Information Services but you have to find it and there isn't a straight route back to the main site which is a pain
- It's not immediately obvious from the website that the SIPP is provided by AJ Bell but it is detailed in the literature
- Put simply – you get what you pay for. It's not the best but is aimed at the experienced investor and all the caveats, contact details and support material are there.

Jargon-O-Meter

Layout (of website) and presentation (of documents) is more of an issue than content.

In a word BASIC

Want to know more?

www.iweb-sharedealing.co.uk

Nutmeg

The Basics

The UK's first online discretionary investment manager, born of a stockbroker's frustration with the industry

Wrappers

Dealing account, NISA

Best for

People who want to set up a portfolio in less than ten minutes with a bit of hand holding

Investments

- A 'diversified portfolio' is created based on Q&A in a ten minute set up process. This is then managed and reviewed on a regular basis. You can update your details anytime and this is checked against the current portfolios with changes made as required.
- Portfolios are built from ETFs across a minimum of ten assets (bonds, equities and cash)

Charges

www.nutmeg.com/how-it-works/our-fee

One portfolio management fee based on amount invested, annual and inclusive of VAT:

Investment	Fee
£1,000 – £24,999	1.00%
£25,000 – £49,999	0.90%
£50,000 – £99,999	0.75%
£100,000 – £249,999	0.60%
£250,000 – £499,999	0.50%
£500,000 +	0.30%

- As you would expect there are also underlying fund costs (average 0.3%) and bid offer spread (average 0.17%)
- No exit or transfer out fee

The lang cat view

- Despite the logical step-by-step process, the site itself doesn't feel all that intuitive – it's quite disparate and spread around. Everything is accessible with a little patience though.
- Lots of material explaining the investment process. Can view amalgamated/ simulated performance vs market and average competitor.
- The resource centre has some good general information about money and finance
- Nutmegonomics provides personal finance articles (Family, Finance, Play and Work)
- A lack of contact out of office hours is disappointing but there are a lot of Q&A options
- Charges are very high for a smaller portfolio but it's all about transparency and choice. Nutmeg's pitch is that you are paying for portfolio management so in that context it's cost effective. It's up to you whether or not you want to pay for the service and support.
- Good that you can set up a 'sample' portfolio and play around before you sign up

Jargon-O-Meter

User friendly in the main – everything is broken down and explained and there is a lot of support material.

In a word SUPPORTIVE

Want to know more?

www.nutmeg.com/

James Hay Modular iPlan

The Basics

Traditionally SIPP specialists (first provider in the UK), launched the modular approach in 2013

Wrappers

SIPP, NISA and dealing account (although you have to have a SIPP first to access the other two)

Best for

Those with chunky SIPP holdings

Investments

- A choice of over 2,200 funds via the James Hay Investment Centre core investment module (also includes cash term deposits and panel investment managers)
- Online trading portal powered by Selftrade – an online stockbroker
- Can go outside of the Investment Centre and appoint investment managers, execution-only stockbrokers and other specialist investments

Charges

www.jameshay.co.uk/DocumentView.aspx?DocumentID=2930

Annual investment centre charge (for funds held via Investment Centre)

Assets held	Annual Investment Centre Charge
Up to £500,000	0.18%
£500,001 to £1m	0.15%
£1m+	0.05%

- There is an annual SIPP charge of £195, waived if you have more than £195k in the core investment module
- Fund switches are free. Equity trading (via Selftrade) is £15 a deal
- Additional charges apply for investing outside of core investments
- Fixed charges apply for drawdown events

The lang cat view

- Lots of providers struggle to articulate the distinction between different investment options within a product. The James Hay visual approach is one of the best we've seen.
- Having to invest in a SIPP before access to the other accounts is, granted, is a bit of a drag and will hopefully be changed in time
- Being SIPP specialists, there is a lot of detailed pension information relating to other James Hay products on the site which could be distracting
- Another distraction is a consequence of James Hay maintaining a foot in both the advised and direct camps e.g. the comparison of charges which relates to the advised market and will no doubt be confusing to some
- Charges are very competitive, particularly if you're investing in funds only

Jargon-O-Meter

The site is aimed at both customers and advisers so, as a result, doesn't feel as if it has a distinct voice.

In a word SEGMENTAL

Want to know more?

www.jameshay.co.uk/Modular

Retiready from Aegon

The Basics

Dutch-owned life company, branching out into goal-based direct to customer offering

Wrappers

SIPP and NISA

Best for

App-fans who like to set goals and monitor progress but not make too many choices

Investments

- This is a guided, goal-based platform so there is no investment choice as such. There are 5 risk-rated funds: currently Retiready 2-5 is available with 1 (lowest risk) to follow. The funds are invested in BlackRock volatility funds.
- Funds are constructed from varying mixes of: Global property, UK and overseas government bonds, UK and overseas corporate bonds and UK and overseas equities.
- Pension funds are invested via the Aegon insured funds, NISA investments are direct.
- An added safeguard will trigger a move from that mix to a safer one should volatility go beyond a fixed level. Clearly that can limit upside growth as well as risk.

Charges

retiready.co.uk/documents/rr-pension-key-features.pdf

- Charges are the same on both pension and NISA front
- Service charge: 0.50% of first £50,000, 0.40% of the next £50,000 and 0.30% for anything above £100,000
- Investment charge of up to 0.38% depending on which risk rated fund you invest in

The lang cat view

- The site is well constructed in the sense that it is not cluttered. But, there is a feeling of going round in circles (no one place for documents or charges etc) with all roads leading to the FAQ.
- That said, the material is easy to read and accessible to most consumers
- The retirement readiness assessment is a plus point as there is scope to play about with the sliders and look at various options

Jargon-O-Meter

Content is generally pitched well and we like the worked examples of the charges, translating tiered % into £.

In a word GOAL!

Want to know more?

https://retiready.co.uk/retiready.html

rplan

The Basics

Relatively new discount stock-broker, formed in 2010 by a small team with a mix of IT and finance backgrounds. Provides a link to the Cofunds platform.

Wrappers

NISA and dealing account

Best for

Investment-heads who use and value the insight and tools

Investments

- A range of over 1,500 funds for DIY selection
- Risk-graded investment portfolios created by Rayner Spencer Mills are also available

Charges

www.rplan.co.uk/home/pricing

- A flat fee of 0.35% for all fund holdings. This includes both the rplan and Cofunds element.
- Nowt else

The lang cat view

- The flat %-fee structure is extremely simple and very competitive at the lower end. The lack of charging cap really hurts at the higher fund values but we suspect this isn't the target market.
- Each element comes from a strong name: Cofunds, Rayner Spencer Mills and Morningstar (fund performance and risk data)
- We like the range of videos that explain how investing works: a nice touch
- Like other newer entrants to the market, there is a (fairly basic) financial planning tool
- Also a nice addition is the openness of having an online forum, but it was a shame to see such low usage
- The lack of mention of wrappers may confuse some. We couldn't see mention of NISA allowances, tax position etc. A small addition that would make a difference to the customer journey. (Marketing-speak alert!)

Jargon-O-Meter Information is well written. Hobbyists will probably feel very comfortable but we're less convinced about others who are going in cold.

In a word NEARLY

Want to know more? www.rplan.co.uk/

TD Direct Investing

The Basics

Execution-only online investment provider. Part of the TD Bank Group, headquartered in Toronto.

Wrappers

SIPP, NISA and trading account

Best for

Those with modest NISA balances looking to dip their toe in the water

Investments

- Access to over 1,600 funds as well as ITs, equities and ETFs
- There's a fund selection tool (powered by Morningstar) but you're on your own in terms of portfolio construction

Charges

www.tddirectinvesting.co.uk/choose-an-account/rates-and-charges/

- Bit of a mouthful this one – here goes. The annual platform charge is 0.30% for the first £250k. The portion of your portfolio above this is 0.20% with a maximum total collection of £1,500. This effectively means that funds over £625k carry no platform charge.
- On the SIPP front, there is a wrapper charge of 0.25% taken twice a year with a minimum annual collection of £96 and maximum of £240
- NISA carries a £36 charge for balances lower than £5,100, nothing for funds higher than this
- No switching charges for funds; £12.50 for equities

The lang cat view

- It's a very nice site. Segmenting content into new and experienced investors is a lovely touch. We need more of this.
- The proposition feels like it is missing some investment guidance (model portfolios, fund lists etc) to really compliment the information on offer for the less confident investor.
- By being relatively complex, the charging structure feels out of place compared to the core content of the site
- In price terms, it's only really competitive at the lower NISA end

Jargon-O-Meter Thumbs up from us. Content is pitched nicely to the newbie with lots of clear explanations of industry terminology. Occasionally text heavy.

In a word FULL

Want to know more? www.tddirectinvesting.co.uk

Strawberry

The Basics

A recent addition to the direct market, developed by an adviser around simplicity and cost

Wrappers

Dealing account, NISA or SIPP (all proprietary)

Best for

Younger investors, looking for something different but happy to be led through the process

Investments

- 1,497 funds listed across OEICs, UK UTs, UK ITs and ETFs
- Shares: LSE quoted equities and some overseas options
- Strawberry's 'top investment panel' has an average AMC of 0.62%

Charges

Strawberry Charges

Annual platform charges:
(subject to a minimum of £30)

Assets held	Annual platform charge
Up to £50,000	0.35%
£50,001 – £1m	0.25%
Over £1m	0.10%

- Additional fixed platform admin charge of £10
- No set up charges or additional wrapper charges for NISA or dealing account
- No set up charge for SIPP; annual charge of £100 plus VAT
- No dealing charges for UT or OEIC; £12.50 for ETF, IT and shares
- Transfer out charge of £75 per transfer for SIPP and £25 per transfer for NISA both plus VAT

The lang cat view

- The site is well laid out: clear, with drop-downs to guide you through the process
- The Knowledge Hub has a comprehensive range of material across investment types, risk and decision making at portfolio and funds level, if a little laboured in places. Users can suggest additions which is positive.
- Contact details but no opening hours. Always annoying.
- Good fund and investment section: explanations, availability and research (fact sheets/ performance data)
- More detail around the research process for the 'top investment panel' would be good
- User guide has a lot of screen grabs alongside the explanation which we like very much
- Odd charge tiers (simpler to have one charge <£1m, no?). Charges now changed twice since Strawberry's launch in February (presumably in response to achieving milestones).
- The website appears to be a work in progress with some recent improvements which we're always happy to see and there is a sense that they do listen to user feedback

Jargon-O-Meter Generally well written with some good explanations and a clear step-by-step approach

In a word FRUITY

Want to know more? www.strawberryinvest.co.uk

The Share Centre

The Basics

Stockbrokers with a strong history in, well, share dealing really

Wrappers

SIPP, NISA and trading account

Best for

Those with larger accounts looking to access a wide range of investments

Investments

- Access to funds, equities, ITs, corporate bonds, gilts, ETPs and more complex investments
- The Platinum Range consists of 120 'preferred funds' for those seeking guidance

Charges

https://www.share.com/accounts/isa/self-select-stocks-and-shares-isa/costs-and-dealing-options/

The Share Centre operates on a fixed fee basis:

- NISA admin costs £4 plus VAT a month, working out at a memorable £57.60 per year
- SIPP costs £12 plus VAT per month, coming in at £178.20 a year

In other news:

- Each trade costs 1% of the value of the trade. Unless that is, the frequent trader option is taken where each deal costs £7.50 with an additional fee of £20 plus VAT per quarter.
- Chunky exit fees of £25 per share-holding

The lang cat view

- Having two dedicated information areas, one for newbies and one for the experienced, is a simple but effective touch. We don't see enough of this.
- That said, the fixed fee approach makes it uncompetitive on cost at the lowest end – those who would arguably benefit most from the information on offer could be turned off
- We're a fan of fixed fees at the lang cat. The Share Centre is very competitive at the higher end although trading charges will soon add up if you like to dabble.
- There is a frequent trader option but whether this is a money saver depends on working out what kind of trader you'll be then firing up the calculator to see what's best for you
- We're not a fan of chunky exit fees. The Share Centre isn't the worst offender but is at the higher end of the scale.
- We like the free practise account. Letting you get a feel for the site first is a nice touch.

Jargon-O-Meter: Thumbs up. There is an entire section dedicated to new investors with plenty of concise information and interaction.

In a word: SHAREY

Want to know more? www.share.com/

Willis Owen

The Basics

Discount broker with a Cofunds hook-up

Wrappers

NISA

Best for

Hard to say, although we appreciate life is all about different strokes for different folks

Investments

- Fund only but more than 2,300 to choose from

Charges

www.willisowen.com/charges/charges_menu.php

- Annual fee to Willis Owen of 0.5%
- Platform admin fee:

Assets held	Platform admin fee (paid to Cofunds)
Up to £500,000	0.23%
£500,001 – £1m	0.20%
Over £1m	0.15%

- Which means you're looking at 0.73% for your first £500k. Double ouch.
- There are no fund switching charges

The lang cat view

- We have to talk about the price straight off the bat as the proposition looks horribly expensive. Effectively a white labelled Cofunds with 0.5% added on top, Willis Owen has a job on its hands articulating the benefit of this.
- The site itself has some good content (fund research for example) but is difficult to navigate. There are at least 6 or 7 links dedicated to explaining charges. And that's with neither shares nor SIPP to explain!

Jargon-O-Meter: Nice touches littered throughout, such as attempts to explain the RDR and share classes etc.

In a word: WHATCHATALKINBOUT?

Want to know more? www.willisowen.com

Trustnet Direct

The Basics

It's all about investment. Not surprising as Trustnet is the direct arm of FE Trustnet which, in turn, is part of Financial Express; supplier of UK financial sector data.

Wrappers

The Trustnet Direct Account – which encompasses dealing account, NISA and SIPP

Best for

Those with a real enthusiasm for investment selection and portfolio management

Investments

- Access to over 2,000 funds alongside equities
- Model portfolios, goal based selections, multi managers and a range of filtering options are also available

Charges

www.trustnetdirect.com/account-charges

- Annual service charge of 0.25% (capped at £200 pa and with a minimum of £20pa) and £10 per fund/share buy/sell with a reduction to £6 for frequent traders
- Transfer out charge of £15 per share-holding
- Annual SIPP admin charge of £80 plus VAT

The lang cat view

- Overall, the site is well laid out and easy to navigate
- Only launched in 2014 but from a very strong investment data bloodline. Hence, impressive portfolio tools should you want to actively engage with your investment.
- Client Assist – a personal service to explain and help with the process. Does state that this is an execution only service but there is possible scope for confusion.
- Several detailed 'investors like me' case studies with advice from advisers based on fictitious details. Some common sense points but risk of lifting verbatim as 'advice'.
- Things we like include the live portfolio monitoring and virtual tools for 'what if' investments without risk and the option to add alerts based on fund value rising or falling by a specified %
- Health check assesses UTs or OEICs held to see whether better options are available
- The T+ function allows alerts, fact sheets etc to be collated in a scrapbook
- There seems to be a lot of additional charges for SIPP but it is not the worst offender and at least it's all clearly laid out

Jargon-O-Meter: A range of good support material: understanding the type of investor you are, what 'people like me' do and various tools for selection and monitoring.

In a word: GADGETY

Want to know more? www.trustnetdirect.com/

THE CHECKLIST

We've talked about how it's important to understand the type of investor you might be (with some made up examples based in no way on anyone we know), pricing in general and direct investment platforms.

We suspect that you are organised souls and might like to order your thoughts on all these points. So we have a little treat for you – a handy list of things you might want to check (a checklist if you will). You can answer some questions of yourself and keep track of who does what in the wonderful world of direct platforms. You are all individuals so there are a few lines to add in your own thoughts (anyone who suggests that we ran out of ideas will be asked to leave immediately. No biscuit.)

Stage 1. Know yourself

i. General points first...

- Do you have a goal? That could be in terms of an investment amount, a specific event (wedding/ house purchase/ divorce) or a period of time for which you want to hold it.
- How much of a risk are you comfortable taking with your investments? (There is a plethora of online tools to help you understand this if you're not sure).
- Do you need income from your investment?
- Are there more complex aspects to consider? (Which may require advice or another specialist?)

ii. And now thinking about how you're going to go about investing...

- How much do you have to invest?
  - Do you have an accessible emergency fund in place?
- Are you thinking of a NISA, SIPP, dealing account or something else?
  - Where are you with your overall annual pension allowance and NISA allowance, as relevant? (For 2014/15 that's £40,000 and £15,000/ one NISA opened respectively).
- Will you be investing via funds or shares or a mix of both? Or something more complex?
- Will you be trading or switching? Frequently? Or just holding onto the initial investment?
- Do you want to pick your own funds from scratch or do you prefer a pre-constructed portfolio?
- Are you confident doing this yourself or are you looking for some guidance?

Stage 2. Know your platforms

- Investments: is your choice of funds, shares and so forth available? At what price?
- Wrappers (NISA, SIPP etc): is your choice available? Does each wrapper incur its own fee?
- Costs: platform and investment manager as well as potential extras
- Are tiers or tranches per wrapper or based on your whole investment amount on the platform
- If you're going to be trading often: what are the costs? Is there a frequent trader discount?
- Exit (options and) charges: what's your strategy? Do you have one? Is drawdown a must?
- Service: do you really need to get hold of someone at the weekend?
- International equities: Need them? Want them?
- Extras: do research reports and market updates light your fire or just clog up your inbox?
- Do you need an app for that? Or the website to be designed for tablets or mobile access?

Extra lines for extra thoughts

Welcome to the inaugural lang cat awards for direct platforms. We're so pleased you could join us. You look great. Is that dress new? You can *so* tell. What, this old thing? No, we just threw it on at the last minute.

Under normal circumstances, you would not find yourself at a financial services awards event. They are for the 'industry' and real people don't, as a rule, get asked along. But, we think that since you've put in all the hard work to get here (and if you've skipped ahead to get to the awards that ex-rugby player with the ear piece and the tux wants a word) you deserve a (completely imaginary) night out.

But first, to make sure we're all on the same page, please indulge us a brief definition, in the style of our Jargon Amnesty:

WHEN WE SAY…	WE ACTUALLY MEAN…
AWARD CEREMONY	Lots of industry people getting together in a very nice venue (posh hotels and big museums are always popular) for a delicious meal of meat'n'sauce followed by a speaker/ comedian and then the actual awards. How well this section goes depends largely on how well the wine has been controlled at dinner. The evening is intended as an opportunity to celebrate success and excellence, but more usually involves discussing who is having an affair/ changing job/ embarrassing themselves on social media whilst actively avoiding the person who has been trying to start an argument with you on Twitter for the last six months.

Our awards resemble this in no way whatsoever as our budget won't stretch to the V&A. Actually we have no budget and our award ceremony is entirely imaginary. BUT… the awards are COMPLETELY REAL. The winners get a certificate and everything. Well, a certificate anyway. Emailed.

We spend more time than is healthy focused on the direct platform investment market; who does what, how and how well. So after much heated debate (punctuated by coffee and biscuits – we are not machines) the awards and the winners were decided upon by the lang cat panel, which is just us, really.

The scene is set: the venue is all lovely with crisp linens and twinkly lights, the meal is over, the comedian has finally given up and the bar is open. The lights dim and the M.C. announces the main event – the inaugural lang cat direct platform awards! The tension is palpable…

The first set of awards acknowledge those platforms that we feel have something to offer specific types of investors.

BEST FOR FREQUENT TRADERS

The criteria:

- Most relevant to share traders (so international equities too) but there should also be access to funds, investment trusts and ETFs
- Reasonable charges for trading, with some discounts for wheeler dealers. Trading charges range from a few quid to £15 so closer to the lower end is ideal. Ideal! I! Deal! Geddit? Sorry.
- Should have access to SIPP/ NISA/ dealing account

Winner: Interactive Investor

Interactive offers what we consider to be the best mix of investment options, charge level, service offering and resources. £10 per trade is a little toppy on its own but, for frequent traders the appropriately titled 'frequent trader' option works out well. If you're a well-padded cat then the fixed fee platform charge model will also appeal. The emphasis of II's website is on DIY decision making and dealing – there's tons of information which is well presented but aimed at those who know their way around a share trade. One final comment is that we like the community discussion forum. Active, engaged DIY investors love these and it's a nice example of transparency.

Runner up: iWeb

It would be remiss not to acknowledge iWeb's near-legendary £5 per trade approach. If you know exactly what you are about and neither need nor want anything that could be described as either a bell or a whistle then it might suit you well. We just think it lacks the more rounded service offering and content presentation of Interactive which would make it appeal to a broader range of investors.

BEST FOR BEGINNERS

The criteria:

- Accessible support tools: planning and decision making
- Good enough fund selection
- SIPP preferable for longer range planning but not a deal breaker

Winner: Hargreaves Lansdown

For a newbie just starting out in the world of investing, Hargreaves Lansdown has much to recommend it. A familiar brand – often featured in the personal finance pages – provides comfort while the much lauded standard of customer service eases the process and simplifies fixing any mistakes. Mobile apps (iOS and Android) keep things nice and, well, mobile and there are tools and guides to satisfy appetites from pure beginners to the much more informed. No-one could argue with the range of investment options but, keep in mind the controversial nature of the Wealth 150. The full range of wrappers is available so you can grow as an investor without moving on, which might be a good thing given HL's exit fees.

Runner up: Nutmeg

To us, Nutmeg leads the way in terms of online experience in direct platforms. The core premise of setting up a portfolio in ten minutes with Nutmeg doing all the heavy lifting might well appeal to those just starting out. As with all things though, additional support comes at a price. It's NISA only for now but that's OK in this category, and a portfolio is created during the set up process. The price is an issue for us, particularly for smaller funds, but Nutmeg is clear on what it offers in return and it's up to each investor to decide if it all adds up for them. See the Innovation award below for more context on this.

Honourable mentions: AXA Self Investor, Fidelity Personal Investing and AJ Bell Youinvest

BEST FOR STASHERS: THIN CATS

The criteria:

- SIPP is less of a priority than for fat cats so pure NISA is OK
- Should work for investment amounts of £20k and under
- Simple charging structure. A straightforward, low percentage based charge would be desirable

Winner: Charles Stanley Direct (CSD)

While price is not everything, if you have a small fund fixed charges can really bite. CSD's low 0.25% entry point for trading account and NISA puts it amongst the cheaper options for smaller investments with others only really undercutting when fund values exceed £50k. Looking beyond that to the whole experience and confidence in where your investment is held, we think that the Charles Stanley pedigree for investment management is a good comfort blanket for the less confident saver. We've heard of some issues with website functionality but nothing terminal and this matters less if you're just going to buy and hold.

Runner up: iWeb

It's a similar story for runner up iWeb – it's not the slickest operation but, again, if you're just putting it away for a rainy day then this is less of a concern and has to be set in context against the cost of added slickness. With that in mind you can't go too badly wrong with a one off set up fee of £25 for your first account and no admin charges.

Honourable mentions: AJ Bell Youinvest, Barclays Stockbrokers, Bestinvest, and Close Brothers Asset Management: Self Directed Service

BEST FOR STASHERS: FAT CATS

The criteria:

- SIPP is a must and should be in-house, not third party (an extra and unnecessary mouth to feed)
- Particular focus on funds here – frequent share traders should refer to the frequent traders award
- Charging structure that works for this segment: at best flat fees, at worst capped % based

Winner: Alliance Trust Savings (ATS)

There is an inevitability that when investors with larger buy-and-hold portfolios enter the conversation, the arithmetic virtues of flat fee charging cannot be all that very far behind. ATS – along with II – is a leader in this space, and it's no surprise to find it doing well here. It's a relatively no-frills online experience but probably none the worse for that. We like that all funds are clean – no trimming of rebates here – and that the charge sheet has shortened dramatically since the reprice in late 2013. ATS doesn't have all the platform functionality of some others (something which it will change progressively as it shifts its underlying software provider in early 2015) but honestly, as a buy-and-hold venue, we think it just pips it from our Highly Commended second placers.

Highly commended: AJ Bell Youinvest

A very, very close second with a lot of good points, which is why AJBYI gets a Highly Commended rather than just a runner-up. It also offers an in-house SIPP and NISA combo and we like the website; it's a nice, logical layout and easy to navigate. AJBYI is cheaper than ATS at the lower end, but as values start to rack up (from £100k onwards) you'll be a shade over £100 better off with ATS if you simply buy and hold. Not a huge amount in it either way. We agonised for a while on who should get the nod here, but the clean-only fund approach and the price differential for buy-and-hold investors further up were enough to swing it for ATS this time.

Honourable mentions: Trustnet Direct, Fidelity Personal Investing

BEST FOR PENSIONS

The criteria:

- Charges: fixed product fees are widespread here but a few charge a percentage fee. It's all about weighing up what's most effective for you.
- Drawdown options without prohibitive charges
- Proprietary: to avoid another layer of charging

Winner: AJ Bell Youinvest

You can't argue with heritage and AJ Bell Youinvest has SIPP heritage to spare with its in-house, fully integrated product. With a capped fund charge of £200 and a maximum SIPP charge of £100 it's accessible to leaner as well as more padded cats. For those with one eye on the next step, it's a mixed bag as a flat rate of £150 plus VAT is a good deal for flexible drawdown but somewhat rich for capped. That said, the majority of providers offer a lengthy, explicit charging menu for retirement options within your SIPP and AJ Bell is well in line with its competitors here.

Runner up: James Hay Modular iPlan

With a fixed £195 fee (which magically vanishes when your investment hits £195k) plus 18bps it's a good option for anyone with more than £200k. But that's not enough people to make it the winner. Kudos to James Hay though – it has a target and works with it in mind. You can't be all things to all people. It is a good SIPP though, as you'd expect from a pioneer of the UK market.

Honourable mention: Fidelity Personal Investing deserves a special mention for having no additional charges for its SIPP.

BEST FOR INNOVATION

The criteria:

- Something genuinely different that makes us want to go and try it out
- Need not be brand new, could be redevelopment or an addition to an existing platform

Winner: Nutmeg

Nutmeg struggles in our cost tables, because it includes discretionary investment management as well as the platform itself. Nothing comes for nothing, and if you want to pay for a comforting presence on your iPad showing you the way then this is one way to do it. For some, Nutmeg could be a cost effective mid-point between proper DIY and advised, fee-incurring portfolio management. It is genuinely different to what we've seen in the market before and has a nice, not-at-all-fussy attitude. It's user friendly and you can play around with the planning tools without committing to anything which is always good to see. Nutmeg is coy about how much investors have placed with it, but in terms of getting investment into the business Nick Hungerford and the team have done a creditable job, rounding up a further £32m of funding very recently.

Runner up: AXA Self Investor

We're specifically looking at the My Self Investor app here. AXA has invested significant time and money in Self Investor and it shows. There are still issues, such as the current lack of a SIPP, but we like what AXA has done so far.

Honourable mention: Retiready from Aegon

SPECIAL AWARD: BEST DIRECT PLATFORM FOR PIRATES

Winner: (arrrr)rplan.

Notoriously shy of paying for advice but with a high level of investable assets, pirates are a small but valuable niche of the direct investment market. Up until recently this potential was largely untapped as there simply was not a direct platform which met their pirate needs and made them feel special. That was until the launch of a platform which may well have been designed for them – we suspect it probably was. Me hearties.

BEST FOR CLARITY

The criteria:

- Clear, transparent and easy to understand charging. And no exit fees.
- Terms and conditions (T&Cs), key features documents (KFDs) and other important information that can be understood without a degree in financial services (yes, you do get such a thing)

Winner: NOBODY

Not this time. In a market where the one thread of consistency binding all the variety is a basic failure to make things simple, we cannot in good conscience give the award to anyone.

This is rooted in our concern about complexity leading to potential for genuine consumer detriment. Whatever any company tells itself the fact is that – much like the Apple T&Cs we all merrily ignore and agree to – very few people will read these things in detail. It simply requires too much effort for very little (if any) perceivable reward.

And this is by no means just a lang cat view:

James Daley, founder and managing director of consumer group Fairer Finance, said:

"A lot of effort is made across the industry to help consumers understand the need to save, be that in a pension or a NISA, and the benefits of doing so.

"Sadly much of this effort is undermined by seemingly impenetrable reams of terms and conditions and key features documents. Potential investors are either put off entirely or end up in a product that might not be the best one for them as they make investment decisions without reading the small print – an issue most pertinent in the burgeoning direct investment market.

"No-one would deny that this is a heavily regulated industry and that much of the material is at least partly prescribed. But, alongside this and the numerous compliance requirements, companies are losing sight of who the material is aimed at, and who will read it. It is possible to produce terms and conditions which are both compliant and jargon-free – a small number of businesses have started to lead the way on this. We need to see more companies working to find this balance, so that terms and conditions are a helpful tool for customers and not a hindrance."

fairer FINANCE

Caveat emptor, you might say. But that's too easy. At some point, something significant will happen and a possibly significant number of people will lose an amount of money that will be highly significant to them. A response of 'well, you read the T&Cs didn't you? No? Hmm, you should have' isn't likely to provide much comfort. What really irks us is a sense of…what? Not so much of companies setting customers up (that would be silly) but of passively sitting back and waiting for the regulator to tell them what to do. In our humble (and occasionally grumpy) opinion – platforms know what they need to do. It's just harder to get budget to do it without a FCA Policy Statement to wave in the meeting.

Recent research commissioned by the FCA echoes this, recommending that information should be accessible to the most inexperienced self-investor. The research found that customers want small chunks of 'must know' basics, in plain English and in a clear and consistent format so they can find what they need to know and make informed comparisons. Not exactly ground-breaking but a robust and timely reinforcement which we hope will lead to real change for the better.

The FCA is to work with firms to understand what is stopping them from disclosing information in a customer friendly way, including the role played by the FCA's own requirements. Nothing will happen for a while, but journeys of a thousand miles and all that.

For us, we look forward to seeing how this situation changes and remain hopeful of someone rising to the challenge by bringing genuine clarity to charges, T&Cs, KFDs and so on. So, platforms! Come and claim your prize next year if you think you're up to it. We'd love to be able to hand this one over.

BEST ALL ROUNDER

Who, in our opinion, is getting most things right for most investors most of the time.

Winner: Charles Stanley Direct

If you read the investor press, you'll often hear that Charles Stanley Direct is a good option for smaller investors. We think it has something to offer a broader audience. We hear good feedback (in the main) on CSD's service offering and it has all the investment range and wrappers you need (including an in-house SIPP).

To put (a little bit of) our money where our mouth was, we tested the account set-up and fund selection experience. On the whole it was positive, with a few niggles. Such is life.

The set up process could be a bit slicker – there is duplication between user and trading account set-up. That said, once you're done, the user account home page is well laid out, easy to read and navigate and works well on a tablet.

Moving on to fund trading, there are some very nice touches – being able to narrow fund choice by wrapper compatibility is great for beginners. We also like the requirement to set up a separate trading PIN – it's a good stop-and-think safety net. There is still work to be done, though. For example, viewing search results is a bit hit-and-miss and needs a little attention.

We did find a flaw or two – nothing fatal, just issues symptomatic of a platform which is evolving from share trading to fund trading. We understand that a nice man with a metaphorical tool kit is on the case. Charging isn't flawless either – there's no cap on CSD's percentage-based so it won't be for very fat cats, and there is a SIPP charge of £100 plus VAT a year (if you're a share dealer you can get this discounted though). None of this is that big of a deal in our view, and CSD is as close to an all-rounder as we can find in the current landscape.

Honourable mention: Hargreaves Lansdown

We anticipate a bit of an outcry at Hargreaves Lansdown failing to pick up this award (although not from the Bristolians themselves; we suspect they'll struggle on regardless). While there is no denying that Hargreaves has a wealth (pun fully intended) of admirable attributes, there were four pretty important reasons why it doesn't get this award:

1. **Exit charges** – it's no secret that we think Hargreaves' exit charges are disproportionate to the administration involved. It's not alone but it does have the power and influence to lead the market in the right direction. It should do that.
2. **The Woodford Factor** – the willingness to put a new fund with no track record (albeit from a venerable manager) straight into the Wealth 150+ concerns us. We hope this won't be a shark-jumping moment, but the jury is out for now.
3. **Charge per pot** – the point of a platform is to administer and manage your assets in the one place. Levying a charge per wrapper, meaning that investors only get the benefit of large fund discounts if it's all in the one wrapper, is, we think, pretty cynical.
4. **Rebates** – there are some situations where HL (and others) retains part of a rebate from fund managers rather than passing it all on. This is completely legal and above board (and will end in 2016), but to us it is not in the spirit of recent reforms and just feels wrong.

CONCLUSIONS

STOP PRESS!

Just as we were finalising the Guide, Aviva announced plans to launch a direct investment platform in Q1 2015. Few details are available at this point other than it will feature a limited range of investment options and will focus on guidance.

Consumer research to inform the FCA Guidance Consultation found that trust, or familiarity of brand, along with the recommendations of peers were key to decision making. Aviva has invested heavily to build a familiar brand and already has a presence in many UK households so it'll be interesting to see how this new offering is received.

Aviva has also confirmed that it is in discussions with the FCA to avoid stepping over the line between guidance and advice in the non-advised market.

So, that's that. Well done for making it all the way through. We know you probably skipped a few pages but that's ok – we did too. We're hoping no-one will notice.

This has been the lang cat's first foray into the world of direct investing (in Guide terms anyway, we've been banging on about it in the personal investment pages and on our website for quite some time) and we very much hope it's been useful. We won't push it as far as 'entertaining' but frankly given the quality of prime time TV these days, who can tell. I digress. If you now feel a little more informed, confident, empowered even (Who's a tiger then? Grrr) then our work here is done.

Everything old is new again?

Direct investment as a concept is deceptive in that it appears to be quite new and different. It's not really that new at all, it's just that a combination of regulatory, economic and technological changes have crashed together – opening it up to the awareness, interest and wallets of a much broader range of investors.

And it doesn't stop there. As we have seen; one of the biggest drivers of change to date has been the RDR and it's fair to say that the impact of that is not yet fully known. Then we have the also-quite-seismic impact of the new platform rules which are not quite bedded in either.

Coming over the horizon

As if that wasn't enough, we also now have the Budget 2014 changes which brought us NISAs and promise greater freedom in how we can take our pension benefits from 2015. The details have still to be ironed out on that one so there's an element of wait-and-see in play. Should be interesting though and there is potential for another handbrake turn in how platforms operate and compete.

In our opinion, the real one to watch is the FCA's consultation paper on execution only and simplified advice.

Much like a Polaroid picture (refer to Google as required) it is all developing in front of our very eyes. The consultation is underway. That may well lead to a change in policy and could free up some offerings that have been held back. We look forward to developments over the coming months.

We are also heartened by the FCA's plans for a further consultation on how to help providers improve customer communications. Again, this is going to take time to evolve but is a hugely positive step.

The concern in these cases is always that the industry gets so caught up in the minutiae of change and trying to keep up with (and sometimes ahead of) regulatory demands (read: not being shut down/sued for everything but Granny's false teeth) that the point gets lost in the sea of change. And that point, dear reader, is you. Well, all of you really. But mainly *you*.

Which brings us neatly back to where we began (you'd almost think we planned it) with the point that while price matters – and it does, which is why we dedicated much of the Guide to it – it must be considered in the context of what kind of investor you are and what matters to you and so is worth paying for.

That's your lot. For now at least. We might just do this all again in a year or so. Perhaps sooner depending on how some of the changes we have discussed actually play out. We'll see.

Thanks for taking the time to read our Guide. We'd love to hear what you think of it – good and bad.

Slainte mhath
the lang cat
Edinburgh, July 2014