

Press information

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Platform transparency to take centre stage in 2011

2011 will be the year that transparency takes centre stage in the platform market according to Nucleus founder and CEO David Ferguson.

Ferguson, who set up Nucleus with a group of like minded IFA firms just over four years ago, believes that while 2010 was a monumental year in terms of boundary setting for the long-term future of the platform industry, 2011 will be the year when advisers and their clients hold providers to account regarding costs and control.

With Ferguson at the helm, Nucleus has long set the standard for transparency in the platform market, actively campaigning for others to follow suit. The business, which is owned and controlled by the IFA firms that use it, is currently working with member-firms to create a 'transparency charter'. The charter, to be produced by the platform's IFA Advisory Board, headed by Central Investment managing director John Moore, is designed to help advisers make greater sense of the various propositions on the market and which is most suitable for their business.

"For too long platform providers have kept the nature of their commercial relationships under wraps," says Ferguson. "While many advisers were happy to accept this situation in the past those days are well and truly numbered. Modern, forward-looking, and truly independent advisers appreciate how difficult it is for them to claim to be acting for the client (who is paying for the service) when the infrastructure being used to execute the advice is ridden with bias. The transparency we have always campaigned for is about bringing those biases out in the open to create a level playing field so that advisers are able to make properly informed decisions.

"It is absolutely essential for the future success of the advice market that platform providers make it clear who they are working for. To my mind this largely boils down to whether they see themselves as working for life companies, fund managers or the client/adviser. In either of the first two scenarios there can be no sustainable argument that the platform is aligned with the client/adviser as they are remunerated by the manufacturer of the output of the advice process.

"It is only once this important issue is truly understood and appreciated that an adviser can really start to compare the different platform propositions on the market."

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About Nucleus:

Nucleus Financial Group is an online wrap based business platform.

Nucleus was founded in 2006 by a number of high quality IFAs who shared a commitment to create a market where advisors have the infrastructure and desire to place the client centre stage.

Since foundation Nucleus has established itself as a major force for change in the market. It is now a community of IFA businesses who through ownership and control of the business process seek to create a better customer experience.

The management team is led by David Ferguson chief executive, and offers extensive experience across all areas of the UK retail financial services market.

The company was rewarded for its ground-breaking approach at the Scottish Financial Enterprise (SFE) Innovators Awards held in Edinburgh on 29 November 2007.

Nucleus Financial was rewarded for bringing something new to the wrap platform sector and won best new platform at the 2008 Adnitor Awards in October.

Nucleus won the 'Best online wrap or fund supermarket' accolade at the 2008 Online Finance awards in November, 2008.