
Press information

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'Nucleus sets out 10 changes industry must make to improve client outcomes

Nucleus has called on providers to be clearer on costs and put clients, not themselves first when improving business models, as the wrap platform predicts new challenges for the financial services industry in the future.

Nucleus, which celebrates its 10th birthday this week, has urged fund groups, platforms and providers to focus on improving in 10 key areas to secure better consumer outcomes for the future.

The wrap platform, which launched on 29th June 2006 with seven founding advisory firms, has hit £4.8 million in pre-tax profits for 2015 and is on track to hit £10 billion in assets under administration.

Since 2006 the financial services industry has changed dramatically, with providers needing to adapt to regulatory changes, pension reforms and increasing technology demands.

Nucleus has always operated on a transparent fee-basis and was the first platform to undergo a replatforming exercise so that it would be ready for the future but can foresee more challenges ahead for the industry.

Although the retail distribution review has helped move the industry into a new and fairer world, Nucleus believe there is still a lot of work to do by providers to ensure consumers get the best service they can.

David Ferguson, chief executive and founder of Nucleus has outlined 10 things providers need to change to bring better quality client outcomes:

1. Reflect every single day that you are responsible for looking after other people's money
2. Make it as easy to transfer money between platforms as it should be
3. Work harder than ever to lower overall total costs – we're in a lower return environment and this really matters
4. Don't vertically integrate your businesses with the sole intention of taking advantage of poorly-informed customers
5. Stop pretending that some fees simply cannot be disclosed
6. Withdraw complex fee structures that are designed exclusively to hide the real truth
7. Stop telling people that your string and sellotape technology infrastructure is future-proofed
8. Share some of your benefits of scale with your customers, for example Transact has lowered its pricing over the years to reflect increase in profits
9. Start disclosing all of your fees in a way that your customers can understand
10. Don't pretend you're part of the future when your legacy business is still screwing people over.

Ferguson said: 'Back in 2006 when we launched, the big challenge was to get people to believe in transparency and doing more stuff online.

'Ten years on those battles have been won but new challenges have emerged: how can we help adviser firms to embrace technology and deliver a more digital client experience and how can we improve the effectiveness and accountability of the fund management sector.'

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About Nucleus

Nucleus is a wrap platform founded in 2006 by advisers committed to altering the balance of power in the industry by putting the client centre stage.

Since then, Nucleus has established itself as a major force for change. It is now one of the UK's fastest growing platforms and the meeting point for more than 900 adviser firms seeking to create better customer outcomes.

As at 30th April 2016, assets under administration on the platform were £9.7bn.

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