



Rated by Experts

Leading the market in
clarity and transparency



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Overview

Our product ratings use a set of 'red line' criteria to calculate an underlying score for each product, which translates to a star rating. Products can achieve between one and five stars.

To achieve a five-star rating, products must meet all of our red line criteria. We focus on core product features, and don't give extra marks for unnecessary features or optional extras.

Our current red line criteria are contained in the following pages.

Unlike our insurance ratings, our banking, online will writing and investment platform ratings take into account the price of the product. This is because consumers can incur additional costs over the life of the product.

Ready-made Junior ISAs

One of the first 3 red lines applies to each product- if the product allows a customer to deal in funds and shares we use the fund and share dealing scenario (red line 1), if a product offers only fund dealing we use the fund dealing scenario (red line 2), if it offers only share dealing we use the share dealing scenario (red line 3)

Red Line 1 – Cost (Year 1)

This cost scenario is the average cumulative annual charges on a portfolio of £50,000 based on the first two years of the investment. The cumulative annual charges must be less than the sector lowest quartile (at the time of writing, January 2021, £362.88 to pass this red line. The cumulative annual charges include the annual platform fee, any fund management charges, transaction costs and any dealing charge.

Red Line 2 – Cost (Year 2)

This cost scenario is the average cumulative annual charges on a portfolio of £50,000 based on the first two years of the investment. The cumulative annual charges must be less than the sector lowest quartile (at the time of writing, spring 2020, £362.88) to pass this red line. The cumulative annual charges include the annual platform fee, any fund management charges, transaction costs and any dealing charge.

Red Line 3 – Charge for selling holding if not enough money in account to pay charges

To pass this red line there must be no charge for selling holdings if there is not enough money in the account to pay for charges. The majority of providers do not charge for this so it is where we decided to set the red line.

Red Line 4 – Completing paper applications

There must be no fee for completing paper applications. Most providers do not charge for completing paper applications so this is where we have set the red line.

Red Line 5 – Cash withdrawal by BACs

The fee for a cash withdrawal by BACs must be £0. Most providers do not charge for withdrawals by BACs and we feel it is unfair to charge for this.

Red Line 6 – Same day payment/payment by CHAPs

The fee for a same day payment or payment by CHAPs must not exceed £25. According to the Bank of England a typical CHAPS payment should cost between £25-£30 so we have set the red line at £25.

Red Line 7 – Account closure fee

There must be no charge for closing an account. We feel any charge creates an unfair barrier to exiting for the customer.

Red Line 8 – Early Account closure fee (12 months or less)

The fee to close an account within 12 months of opening it must be £0. The majority of providers in the market do not charge an early closure fee and we feel any fee is unfair for the customer.

Red Line 9 – Annual charge for receiving paper statements

There must be no charge to receive quarterly paper statements. Most providers do not charge for sending paper statements so we have put the red line at £0.

Red Line 10 – Charge for transferring cash to another platform

There must be no charge for transferring out in cash. The majority of providers do not charge for this and any charge does create a significant barrier to exiting for the customer.

Red Line 11 – Charge for transferring investments to another platform

There must be no charge for transferring holding to another platform. The majority of providers do not charge for this and any charge does create a significant barrier to exiting for the customer.

Red Line Weightings

Element	Percentage weighting
Total marks additional fees	30%
Total marks cost	70%

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