



Rated by Experts

Leading the market in
clarity and transparency



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Overview

Our product ratings use a set or '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 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.

Self-invested Personal Pensions (SIPPs)

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 – Fund and share dealing scenario

The cumulative annual charges for the first two years of an account must be less than the sector 40th percentile to pass this red line. The cumulative annual charges are based on a portfolio of £100,000 wherein £45,000 is invested in shares, £45,000 is invested in funds and £5,000 is kept as uninvested cash. The cumulative charges include the account set-up fee, where this applies, charges for dealing activity plus any platform fee, annual fund dealing fees, annual share dealing fees and fees for automatic reinvestment, minus any interest earned on uninvested cash. The scenario assumes a low frequency rate of trading (2 trades in stocks and 2 trades in funds per annum). To calculate automatic reinvestment charges it is assumed a quarterly dividend of £400 is received on a portfolio of 5 shares. As of January 2025, the red line is £187.20

Red Line 2 – Fund dealing scenario

The fund dealing scenario only applies to portfolios which allow fund trading only. The fund dealing scenario is the cumulative annual charges for the first two years for a portfolio of £90,000 invested in funds and £10,000 kept as uninvested cash. As of January 2025, the red line is £20.

Red Line 3 – Share dealing scenario

The share dealing scenario only applies to portfolios which allow share trading only. The share dealing scenario is the cumulative annual charges for the first

two years for a portfolio of £90,000 invested in shares and £10,000 kept as uninvested cash. As of January 2025, the red line is £114.40.

Red Line 4 – Account closure fee

The fee to close an account must be £0. The majority of providers in the market do not charge a setup fee. We believe any charge to close an account acts as a barrier to the customer.

Red Line 5 – Charge for transferring cash to another platform

The fee for transferring out as cash must be £0. Most policies do not charge a fee for transferring out in cash, so we consider anything above £0 as a potential barrier to exit and unfair.

Red Line 6 – Charge for transferring investments to another platform

There must be no charge for transferring investments to another provider (In-specie) . Most products do not charge a fee for transferring out, so we consider anything above £0 as a potential barrier to exit and unfair.

Red Line 7 – 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 8 – Charge for selling holding if not enough money in account to pay other charges

The charge for selling holdings if there is not enough money in the account to pay for other charges must not exceed the company's share dealing charge. The sale of units is equivalent to a share deal and it would therefore be unfair to charge the customer more for this.

Red Line 9 – Charge for telephone/postal share dealing

The charge for dealing shares via telephone or post must not exceed £30. The median across the sector for this, as of January 2025, is £30. Therefore, we feel anything above £30 is excessive.

Red Line 10 – Annual charge for receiving paper statements

There must be no charge for receiving quarterly paper account statements to pass this redline. A number of providers are online only services and do not offer paper statements, these accounts pass this redline. Most providers do not charge for paper statements so we have set the red line at £0

Red Line 11 – Charge for writing to third party to confirm the value of the account

The charge for writing to a third party to confirm the value of an account must not exceed £0 as the majority of providers do not charge for this. Most providers do not charge for this, so this is where we have set the red line.

Income Drawdown products (self-invested)

The red lines for income drawdown products are the same as those for Self-invested Personal Pensions and include an additional 6 red lines.

Red Line 1 - Annual cost of regular payments (drawdown)

The annual cost of regular payments (drawdown) must not exceed £120. As of January 2025, the median charge in the sector for regular payments is £120. We believe anything above this is excessive.

Red Line 2 – Fee for setting up drawdown

There must be no fee to set up drawdown. The majority of providers do not charge a fee for setting up drawdown so we set the red line at £0.

Red Line 3 - Charge for withdrawing your tax-free lump sum

The charge for a one-off payment of a tax free lump sum, income payment or small lump sum must be less than £90 as this is the median for the sector.

Red Line 4 - Cost of adding funds to drawdown, or reviewing flexi-access drawdown (not capped)

There must be no charge for adding funds to or reviewing flexi-access drawdown . Most providers do not charge for adding funds to drawdown, or reviewing flexi-access drawdown so this is where we have set the red line.

Red Line 5 - Charge for purchasing an annuity

The charge for purchasing an annuity must be less than £90. This is the median charge for the sector so anything above this can be considered excessive.

Red Line 6 - Charge for taking whole pot under triviality rules

The charge for taking the whole pot under triviality rules must be less than £60. The sector average is around £60 so this is where we decided to put the red line.

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