



Online Services and Outsourced Administration Service Standards Overview Report 6 months ending December 2023

Introduction

The purpose of this document is to provide current and potential users of the James Brearley Online and Outsourced Administration Services with confirmation of how successful it has been in meeting its service level aspirations be these of a contractual or general nature.

All staff are on a hybrid structure, working 5 days in the office and 5 at home over each two-week period. During the 6-month reporting period we have continued to operate effectively, and in line with our usual service standards.

Contractual:-

Online Services Support Desk- operators have been in position to field client enquiries and execute trades, from 8am to 5pm on each business day over the period. The team at the reporting point consisted of 11 operators under the management of Paul Swallow, with total experience in their roles of over 95 years.

Outsourced Administration Team- administrators were available to process documentation and handle queries between 8.45am to 5:00pm on each business day over the period. Kerry Downie joined the department which now consists of 6 administrative staff under the management of Paul Swallow. The team has over 40 years' experience.

Account Opening- we commit to open an account by no later than the second business day for Online Services clients and no later than seven business days for Outsourced Administration clients following the receipt of the appropriate account opening instruction and supporting documentation. The account number along with unique access details to the online valuation service are provided to the intermediary or underlying client where appropriate at this time. Over the period we opened a total of 2,823 accounts equating to a monthly average of 470 accounts, ranging from 330-529. All but one account was opened within service level targets, this a result of it not being appropriately prioritised by an operative.

Account Closures- we commit to closing an account by no later than the third business day following the receipt of the appropriate account closing instruction and supporting documentation. Over the period we have closed 561 accounts equating to a monthly average of 93 accounts, ranging from 64-151, in each instance satisfying this service objective.



Cash Transfers- we commit to crediting all receipts of electronic payments to the client's account when a supporting account number is provided by the first business day following receipt by our bankers. Over the period we received 5,223 payments equating to a monthly average of 870. The objective of crediting the payment on the first business day following receipt where the account number and no name difference, was satisfied in every instance. There were 1,445 instances, the majority Outsourced Administration Services accounts where the account number was not known at the outset due to the account not yet being set up or no details being provided on the bank statement which were acceptable to allocate directly to the clients account, however, the payments were all applied within 10 days being our regulatory objective.

Payment Requests – we commit to making payment to clients within 24 hours and in a timely manner. Over the period we sent 1,157 payments equating to a monthly average of 193, ranging from 162-315. In all but one instance we satisfied this service, this being sent in 48 hours due to an error in prioritisation.

Corporate Actions- our objective is to issue a notification of a corporate action requiring a client instruction within 7 business days of our stated deadline to receive such responses. From time to time this is not possible due to the details of the corporate action being received within this period from the company. Over the reporting period we processed a total of 694 corporate actions, of which 17 notifications were issued less than 7 business days from our stated deadline. In 4 instances we gave 7 days, in 10 instances we gave 6 days, in 2 instances we gave 5 days and in 1 instance we gave 3 days. In all instances the delay in not being able to notify clients was out of our control such as the notification was received via the post rather than electronically. No clients were impacted having a shorter response period.

Maturing structured product investments- our objective is to process the capital outcome of any maturing investment within 5 business days of receiving the relevant funds. Over the period 53 maturity payments were all processed within 3 days of their receipt, as such satisfying this objective.

Payments- our objective is to allocate all dividend and interest entitlements to clients within a maximum of 5 business days of their receipt. Over the period we processed a total of 3,518 income entitlements of which 3,395 (96.58%) were credited to clients' accounts within 2 business days of their receipt, 117 (3.24%) within 2-5 days, 0 (0.00%) between 6 and 10 days, 8 (0.22%) over day 10. 10 days being the regulatory requirement. Six dividends over day 10 for a TRG bond, were initially categorised incorrectly followed by a further 6 months delay due to confusion as to how they should be allocated due to the various classes. A further two dividends for a Blackrock Institutional stock were actioned some four months after the event due to procedures not being followed. All eight dividends applied late were recorded as a CASS breach.

Dealing Orders- the timely and best execution of transactions is monitored, and a member of staff is responsible for reviewing each day's transactions against the firm's Order Execution Policy. From a timely execution point of view, we commit to execute all



listed-security transactions within one hour of the order being received. In the case of funds, we commit to placing the instruction with the fund group within two hours of receipt. Over the period, we executed a total of 131,633 transactions (this compared to 173,802 for the 6-month period ending June 2023), of which no trades were identified as being untimely in nature. A total of 1,626 (1.23%) listed security trades were subject to a pricing review, in that they were identified as an outlier by our overnight “Best Execution” monitoring. On all occasions, we were satisfied that the trades were executed at an appropriate price. We also commit to issue a confirmation notice of the transaction within 24 hours of receipt. Over the period there were no instances where the confirmation notice was issued outside of this parameter.

Complaints Handling- we have defined structures for handling all complaints received across the business in a professional, open, and independent manner. There were 11 complaints over the period for the two departments of which 4 were upheld. Each of the 4 related to our level of administration service falling below what was expected. In one instance a goodwill payment of £25 was made for a clerical error; in the second instance a £200 goodwill payment was made due to an incorrect price showing online which lead to the client selling their asset which they would not otherwise of done had it been correct and as such we put them back in the position they would have been in; the third instance we delayed the pay away of income due to a clerical error not setting up the payment to pay away automatically and the fourth instance where we paid a gesture of goodwill payment of £500 due to delaying an ISA transfer for 53 days which is outside the 30 days expected as per HMRC guidelines.

Advisor Fees- following receipt of client monies and the processing of an application form, advisor fees were all automatically remitted to each firm, within 24 hours.

General:-

Web portal uptime- a critical element in the successful delivery of our online services is providing clients with continued access to our online valuation and where appropriate dealing facilities. The Service Level Agreement with our website host and system provider, FNZ, reflects a minimum target uptime of 99.95% excluding scheduled maintenance time. Over the reporting period the website functionality operated 99.99% of the time, as such meeting this target.

Prompt Settlement- we strive to achieve the settlement of all transactions by no later than the indicative settlement date. Although this can be quite a challenge with fund groups, given the different settlement methods used by their respective administration teams, in contrast the settlement of most listed security transactions via the Crest system is far more consistent. There were no known Crest Settlement issues over the period where we executed the trade directly with the market. Where trades were executed by firms directly with the market, we had a significant number of issues settling b-leg trades with institutions due to system issues and market makers not alleging their side.



Quarterly Nominee & Valuation Report- we aim to provide clients with their reports no later than the 15th of the month following each quarter ending March, June, September and December. The Q2 2023 the nominee and valuation reports were distributed before the 15th of the following month, meeting this service standard however, in Q3 2023 circa 1,000 reports were not delivered until the 16th October 2023 due to a delay in their generation.

Timely handling of enquiries- we aim to provide a response to each email enquiry from our clients within one business day of its receipt. Over the last six months we received 41,694 emails equating to a monthly average of 6,949 emails, having a monthly range of 5,363 to 7,911. In every instance where Online Services and Outsourced Administration have a relationship with a firm, we satisfied this internal target. In a couple of instances where we have a relationship with a direct client, we failed to respond within two business days being our internal target. Over the reporting period, we received 8,305 calls equating to a monthly average of 1,384 calls, having a monthly range of 984 to 1,578.

Best Execution monitoring – each day a review takes place for trades executed by us to ensure we satisfy best execution in line with our Order Execution Policy. Monitoring reports for the transactions we undertake confirmed that all trades attained Best Execution. Should Best Execution not be attained we approach the market and typically they are agreeable to amending the price.

Timely Execution - we consider timely execution to have occurred if a UK equity order is executed within 60 minutes of receiving the instruction and in the case of funds, we commit to attaining that day's valuation price if instructions are received at least two hours before the valuation point. During the reporting period there were no instances that timely execution was not attained.

Application of fees – monitoring of our fees applied during the reporting period identified one account that had been overcharged due to an incorrect grouping arrangement with another account. There were also 45 accounts that were incorrectly charged a US nominee fee of £50, several of which dated back to 2020. In each instance a refund was given along with an additional £10 payment, as a gesture of goodwill.

Client data is kept securely – we have a responsibility to keep client data secure. During the reporting period there were six separate instances where an individual's name was compromised due to clerical errors. In each instance the breach was reported to our Data Security Lead and a full review undertaken. In light of the limited amount of shared person data in each instance, our Data Security Lead did not report it to the Data Protection Commission. As part of our standard review of all such instances, we identified the ability to introduce new procedures in four instances reminding staff to generally take more care.