



Online Services and Outsourced Administration Service Standards Overview Report 6 months ending June 2024

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 two 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 1,576 accounts equating to a monthly average of 263 accounts, ranging from 234-324. All but two accounts were opened within service level targets, this a result of one not being appropriately prioritised by an operative and the second due to a misunderstanding.

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 648 accounts equating to a monthly average of 108 accounts, ranging from 67-172, in all but two instances. The two instances were due to our level of administration falling below what was expected following clear instructions to sell stock and close accounts.



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 4,794 payments equating to a monthly average of 799. 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 1,716 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 1,310 payments equating to a monthly average of 218, ranging from 158-258. In all instances we satisfied this service.

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 336 corporate actions, of which 12 notifications were issued less than 7 business days from our stated deadline. In 4 instances we gave 7 days, in 4 instances we gave 6 days and in 4 instances we gave 5 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 by 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 63 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 3,418 income entitlements of which 3,251 (95.11%) were credited to clients' accounts within 2 business days of their receipt, 165 (4.82%) within 2-5 days, 2 (0.07%) between 6 and 10 days. 10 days being the regulatory requirement.

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 150,812 transactions (this compared to 131,633 for the 6-month period ending December 2023), of which 3 trades were identified as being untimely in nature. In each instance the client was put in the position



they should have been in had we executed the trade timely. A total of 1,629 (1.08%) 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 13 complaints over the period for the two departments of which 3 were upheld. 9 complaints related to a stock transferred into us on behalf of direct Execution-only clients from the former Reyker Securities who went into receivership, this relating to a bond that is now worthless. In each instance clients wanted to understand where their stock was and wanted their money back. The remaining 4 complaints related to our level of administration falling below what was expected. In one instance our service was deemed to be acceptable; in two instances we failed to sell stock and close the accounts in a timely manner which led to the clients being put in the position had we sold in a timely manner and gesture of goodwill payments made of £50; and in one instance the clients valuation was wrong online due to a price error upon which it was corrected and a gesture of goodwill payment of £25 made.

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.

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 Q4 2023 and Q1 2024 nominee and valuation reports were distributed before the 15th of the following month, meeting this service standard.



CG Reports and Tax Reports - we aim to provide clients with their reports no later than the end of June each year. These were delivered in May and early June meeting this service standard.

Annual Cost & Charges Statements - we aim to provide clients with their statements no later than the end of April each year. These were delivered in March 2024 to the majority of clients however, a few have been delayed due to the identification of corrupt data during compilation.

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 35,650 emails equating to a monthly average of 5,941 emails, having a monthly range of 4,919 to 7,254. 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, these relating to direct client relationships, we failed to respond within two business days being our internal target. Over the reporting period, we received 8,064 calls equating to a monthly average of 1,344 calls, having a monthly range of 1,041 to 1,757.

Application of fees – monitoring of our fees applied during the reporting period identified four accounts overcharged due to set up issues and general / ISA account being grouped, 31 dividend charges were applied in error, 25 Advisor Charges were overcharged due to a set up error within the calculation and 3 accounts were charged on the cash element of their assets when this is now excluded. A process has been put in place to check any changes to Advisor Charges have been implemented correctly at the next time of generation and a quarterly check to ensure that linked general and ISA accounts are not double charged.

Client data is kept securely – we have a responsibility to keep client data secure. During the reporting period there were three instances where an error occurred resulting in data being viewable or sent to the wrong party. 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 and containment in each instance, our Data Security Lead did not report them to the Data Protection Commission. As part of our standard review of all such instances, we identified the ability to introduce new procedures in two of the three instances reminding staff to generally take more care.

26th July 2024