



## Online Services and Outsourced Administration Service Standards Overview Report 6 months ending June 2021

### 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.

Due to Covid-19 all but 5 of our 57 employees have worked from home since 17th March 2020. During the 6-month reporting period we have continued to operate effectively, and we believe 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. One member of the team left the business during the reporting period however, we welcomed Megan Moores and Andrew Jones to the team. The team at the reporting point consisted of 10 operators under the management of Paul Swallow, with total experience in their roles of over 45 years.

**Outsourced Administration Team-** administrators were available to process documentation between 8.45am to 5:00pm on each business day over the period. The team at the reporting point consisted of 4 administrative staff under the management of Paul Swallow. The team has over 20 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 2,229 accounts equating to a monthly average of 371 accounts, ranging from 120-490. All accounts were opened within service level targets.

**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 56 accounts equating to a monthly average of 9 accounts, ranging from 4-15, 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 5,374 payments equating to a monthly average of 896. The objective of crediting the payment on the first business day following receipt was satisfied in every instance. There were, however, a couple of instances where the payment was applied to an incorrect account due to a manual error which were subsequently rectified on coming to light, each being recorded as a CASS rule breach.

**Corporate Actions- 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 387 corporate actions, of which 34 notifications were issued less than 7 business days from our stated deadline. In 33 instances this was a result of the late receipt of the notification from the company. In the other issue, we inadvertently missed issuing a notification to clients to take up an offer, we in turn honouring all subsequent elections at the firm's expense.

**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 9 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 3,241 income entitlements of which 3,206 (98.92%) were credited to clients' accounts within 2 business days of their receipt, 32 (0.99%) within 2-5 days, 2 (0.06%) between 6 and 10 days and 1 (0.03%) processed on day 21. The dividend that was processed outside of 10 days, the regulatory requirement resulted from the company in question not referencing the payment that we received as being a client entitlement. It was initially returned to the bank account it was sent from being processed on a timely basis when its purpose was properly identified.

**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 101,866 transactions (this compared to 81,367 to the 6-month period ending Dec 2020), of which 3 trades were identified as being untimely in nature. As the clients had been disadvantaged, the clients were put back in the position they would have been in had we executed the trades in a timely manner. A total of 4,521 (4.44 %) listed security trades were subject to a pricing review, in that they were identified as an outlier by our overnight "Best Execution" monitoring, where other than on 10 occasions we were satisfied that the trade was executed at an appropriate price due to mitigating circumstances. On challenging the market makers in respect of



the other 10 trades, they agreed to amend their price in all instances. We also commit to issue a confirmation notice of the transaction within 24 hours of receipt. Over the period there were three instances where confirmation notices were issued outside of this parameter. Two were in respect of the system outage we experienced on 27th May which delayed matters and one due to an administration issue with client trading restrictions within the database also in May 2021.

**Complaints Handling-** we have defined structures for handling all complaints received across the business in a professional, open, and independent manner. There were eight complaints over the period of which three were not upheld. The complaints that were upheld related to a delayed transfer, monies not being sent to a client in a timely manner, a spurious price showing online, an incorrect price detailed in a Corporate Action letter and no notification that a stock had earlier been delisted resulting in the client being unable to sell the stock. Small gesture of goodwill payments were made in four instances where this was felt appropriate in recognition of the client's inconvenience.

**Customer Fees-** these were automatically remitted to each firm client, within 24 hours of being processed.

## **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 (formerly JHC Systems), reflects a minimum target uptime of 99.95%. Over the reporting period the website functionality was operating 99.43% of the time and as such not meeting this target. There were a couple of outages in May 2021 where the website was unavailable for 25 hours and 17 minutes respectively, this being outside of scheduled maintenance work. The technical fault was identified and corrected by our service provider and in the case of the longer outage, led to senior management receiving a detailed and comprehensive incident report from our systems provider.

**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 with all other delays outside of our control.

**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. In the last two quarters the reports for the end of December were distributed before the 15<sup>th</sup> of the following month however, those for the end of March were not dispatched until the 16<sup>th</sup> of April due to issues identified during the checking process and how the Easter Bank Holiday Weekend fell.



# James Brearley

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Established 1919

Member of the London Stock Exchange

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**Timely handling of enquiries-** we aim to provide a response to each email enquiry from Pro-ICON firms within one business day of its receipt and our direct clients within five business days. Over the last six months we received 36,489 emails equating to a monthly average of 6,081 emails, having a monthly range of 3,380 to 7,874. In every instance we satisfied this internal target. Over the reporting period, we received 6,896 calls equating to a monthly average of 1,149 calls, having a monthly range of 686 to 1,548. During the 6-month period, some calls were not answered in a timely manner due to extreme high volumes received at the time and staff working from home. In the last month, call volumes have returned to normal levels with normal service resumed.

July 2021