



Online Services and Outsourced Administration Service Standards Overview Report 6 months ending December 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 staff have returned to working from home. In November 2021 the firm introduced a new hybrid working structure with staff working 5 days in the office and 5 at home over each two-week period. This lasted for six weeks up to the point the government guidance changed. 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. 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 and handle queries 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 22 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 2,325 accounts equating to a monthly average of 387 accounts, ranging from 331-433. 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 207 accounts equating to a monthly average of 34 accounts, ranging from 23-39, 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 5,776 payments equating to a monthly average of 963. The objective of crediting the payment on the first business day following receipt where the account number was known was satisfied in every instance except for one where this was applied two days later due to an administration error. There were 1,908 instances for Outsourced Administration Services accounts where the account number was not known at the outset due to the account not yet being set up however, the payments were applied within 10 days being our regulatory objective before returning the monies. There were, however, seven 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- 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 565 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 38 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 3,537 income entitlements of which 3,493(98.76%) were credited to clients' accounts within 2 business days of their receipt, 44 (1.24%) within 2-5 days, 0 (0.00%) between 6 and 10 days.

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 118,003 transactions (this compared to 101,866. For the 6-month period ending June 2021), of which 2 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 424 (0.36%) listed security trades were subject to a pricing review, in that they



were identified as an outlier by our overnight “Best Execution” monitoring other than on 6 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 these they agreed to amend 5 of them to the prices we believe should have been received. The outstanding issue and price was unable to be amended as the trade had already settled once the issue was identified and as such a credit was made to the client’s cash account for the difference. We also commit to issue a confirmation notice of the transaction within 24 hours of receipt. Over the period there was one instance where the confirmation notice was issued outside of this parameter, this being in respect of an issue whereby the system did not produce the contract note due to an incorrect number of days interest being entered.

Complaints Handling- we have defined structures for handling all complaints received across the business in a professional, open, and independent manner. There were 16 complaints over the period of which 11 were not upheld. The 5 complaints that were upheld related to two delayed transfers, a drafting error when detailing the time at which the website was available due to scheduled maintenance, a system issue ring fencing cash as part of a corporate action and an admin error in not closing an account in a timely manner. Small gesture of goodwill payments was made in a couple of instances and fees refunded.

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, reflects a minimum target uptime of 99.95%. Over the reporting period the website functionality was operating 99.97% of the time and as such meeting this target. Scheduled downtime is not incorporated in to the figures.

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 were distributed before the 15th of the following month however, it was identified that nineteen reports dating back as far as Q1 2018 had not been provided. Two processes have been put in place to avoid this from happening again. We now undertake a weekly check to ensure that all active accounts are linked to a “portfolio” (the cause of the issue), along with a check that the number of generated valuation reports agree with the expected number.

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 34,176 emails equating to a monthly average of 5,696 emails, having a monthly range of 4,968 to 6,271. In every instance we satisfied this internal target. Over the reporting period, we received 8,969 calls equating to a monthly average of 1,495 calls, having a monthly range of 1,289 to 1,695.

January 2022