

# Fair Value Assessment Statement

Consumer Duty Retail Customer Assessment of Price and Value at 31 July 2023.

In compliance with Financial Conduct Authority (FCA) Rules, the purpose of this document is to explain the Dentons Wealth approach to fair value and to provide other manufacturers and distributors with product information relating to our products and services. Dentons Wealth is an Independent Financial Adviser (IFA), providing holistic financial advice on a 'Whole of Market' basis.

Dentons Wealth is a trading name of Dentons Investment Services Limited.

## Manufacturers and Distributors

Under Consumer Duty rules, the term 'Manufacturer' refers to firms that create, develop, design, issue, manage, carry out, operate or (for insurance and credit purposes only) underwrite a product or service.

Dentons Wealth is a creator of its advice process, and in this context is classified as a manufacturer. Dentons Wealth also has its own Central Investment Proposition (CIP) which it has co-created with Square Mile (please see more information on page 2) with whom it is classified as a co-manufacturer. Dentons Wealth works closely with Square Mile to ensure the CIP provides fair value.

A distributor relates to firms that offer, sell, recommend, advise on, propose, or provide a product or service. Dentons Wealth is classified as a distributor as it recommends other providers' products and services in a range of advice areas, and this is its primary function and objective.

Occasionally, Dentons Wealth's business is conducted on a non-advised or execution-only basis. This means our clients have not sought financial advice and have decided to make their own decisions regarding their investments.

## Manufacturer's General Obligation

Dentons Wealth has made an assessment to ensure that its products and services provide fair value to retail customers in the target markets for those products and has made a commitment to review the assessment on an annual basis on the first January each calendar year, prior to publication of fee renewals.

The only service that Dentons Wealth is the sole manufacturer for, is its advice process. This is reviewed regularly, but in simple terms, it is the path a customer chooses to receive advice whether it be bespoke (using Environmental, Social & Governance (ESG) preferences) or using the CIP, advisory or discretionary, and choosing passive or active funds. The advice process also has other elements including the gathering of client financial information, assessment of attitude to risk and capacity for loss, selection of an appropriate risk profile, due diligence and research leading to the recommendation of a product or service, and choice of time-costed fees versus percentage fees, relative to the size of an investment. Dentons Wealth does not prescribe any route, and this level of choice provides customers with flexibility.

There is no separate fee for our advice process, or its review and it is designed to offer clients with the widest form of flexibility and to fulfill the 'Suitability Requirements' which underpin Consumer Duty for firms which offer any form of regulated investment advice.

The default service is advisory with Square Mile, but there is nothing to stop customers choosing a discretionary service or a more passive approach.

Our advice process and relationship with Square Mile is reviewed annually to ensure it remains fair value and fit for purpose.

## Square Mile - Co-manufacturers of our CIP

### Nature of the Product

Dentons Wealth is in partnership with Square Mile to provide an advisory service (our CIP). This is called the Advisory Portfolio Service. Square Mile conducts due diligence on funds and fund managers, volatility ratings, asset classes and risk profiles. The Dentons Wealth portfolios vary according to its five risk profiles (cautious, moderately cautious, moderate, moderately adventurous, and adventurous). The default proposition consists of mainly active with a few passive funds.

Dentons Wealth has quarterly reviews with Square Mile to agree any proposed changes to the funds or asset split and Dentons Wealth has the final say on whether to proceed with these changes. It is because of this control that Dentons Wealth is classified as a co-manufacturer. Dentons Wealth also conducts due diligence on Square Mile to check that their fund research is accurate and their rationale for fund and asset allocation is presented in a fair and logical way.

Dentons Wealth has an investment committee, comprising the IFAs, Technical Advisory Support Manager, Compliance Manager and Research Analysts, which reviews the funds and assets within the Square Mile Advisory Portfolio Service (APS) in preparation for quarterly reviews with Square Mile and on an ad hoc basis depending on market events.

As co-manufacturers, Square Mile have provided target market assessments, and price and value assessments, for each of the five risk profiles. These are available on request at our registered address: Sutton House, Weyside Park, Catteshall Lane, Godalming, Surrey, GU7 1XE.

Square Mile have nearly 50 staff, including 21 researchers, 5 investment staff and the others comprising operations, marketing, and distribution staff. Within their price and value assessment, they analyse portfolio performance, market outlook and constituent fund rationale.

### Distributors

Dentons Wealth primary service is provision of regulated investment advice, and this includes recommending personal pensions, other collectives and investments, Individual Savings Accounts (ISAs), Capital Gains Tax Planning, Income Tax Planning, Inheritance Tax Planning and Trusts. It also includes protection products (term and whole of life assurance), residential mortgages and lifetime mortgages.

Under Consumer Duty, distributors must review the fair value assessments and target markets of manufacturers, to ensure the total package represents fair value to the customer. Distributors must also comply with the requirements to assess fair value, know their target markets, and ensure that they achieve good outcomes for consumer understanding and consumer support. Dentons Wealth is the distributor of at least 30 types of advice, and where products are recommended within the advice, due diligence is conducted on a 'whole of market' basis to establish the products which offer best value according to our criteria, designed to provide the best value for customers.

The criteria include cost and value, financial strength, quality of service, features and benefits permitted, flexibility and compliance with regulatory requirements such as data privacy and data security.

### Expected Total Price

In anticipation of Consumer Duty, Dentons Wealth have undergone a full review of fees for their advisory service, and calculated the employees cost and time taken for different roles to perform their tasks for different advice areas. The balance between initial fees and ongoing fees, minimum and maximum fees, time-costed versus percentage have been considered in the context of fair value for customers.

### Initial Meeting

The initial meeting with the adviser is free. This will consist of the adviser presenting an overview of our service and establishing from the client what service is required from us and based on their objectives, which products or services should be considered. An outline of our fees will be provided, should the client wish to proceed.

### Second Meeting

If the initial meeting indicates that we can help the client based on their objectives and needs, then a full fact-finding meeting will follow in which all the relevant information is gathered to provide holistic financial advice. This will be time-costed based on the work involved as below. At this meeting, if it is clear that business is likely to follow then anti-money laundering evidence will be requested such as proof of identification, proof of address and consent to electronic credit reference checks.

There are three main methods that Dentons Wealth charge fees:

**Fixed fee:** Depending on the type of advice, fixed fees can be applied to financial reports on retirement options, Inheritance Tax (IHT) assessment and mitigation, cashflow modelling, pension switches, etcetera. The fixed fee can be agreed in advance with the financial adviser but will be based on the complexity of the case and the anticipated time taken to complete the work.

**Hourly rates:** In most cases we apply hourly staff rates to the work as follows: financial advisers (£365), research analyst (£300) and administrators (£285). However, there is a cap or maximum charge based on the value of the investment, and the percentage thresholds are as below under asset-based fees.

**Asset-based fees:** Implementation fee, including research and recommendation, charge is time-costed at the above hourly rates subject to a maximum fee as outlined below, based on the amount invested:

- > £0 - 240,000 - 3%
- > £240,001 - £550,000 - 2%
- > £550,001 - £800,000 - 1%
- > £800,001 - £1,500,000 - 0.5%

Over £1,500,000 lower fees may be applicable at the discretion of the adviser.

Annual ongoing fee 0.75%.

This fee applies to all investments but the level of service in terms of the number of reviews offered and whether they are face-to-face, virtual, or postal is dependant on the size of the funds under management. The same investment value thresholds apply to ongoing advice as to implementation fees as above.

## Comparison with other IFAs

Dentons Wealth have also compared charges with other IFAs for new business and ongoing service to assess whether our fees are reasonable and good value for the service offered.

Initial fees vary according to which of the above three methods have been adopted.

### Asset-based:

Fees are usually tiered by amount, and the bands vary between IFA firms, but the absolute range is approximately 3% for smaller investments under £50,000 down to about 0.35% for investments of over a million pounds. The FCA evaluation of the impact of the retail distribution review quoted an average initial 'Assets Under management' fee of 2.4%

### Fixed and Ad Hoc Fees

This is difficult to compare. Some IFAs charge for a discovery meeting and incorporate minimum and maximum fees for different services. Others charge for specific financial reports in different advice areas. Some IFAs charge a range of initial fees in monetary as opposed to percentage amounts, and some IFAs are registered for VAT whilst others are not, depending on their turnover.

### Annual/ongoing Fees

The 2022 NextWealth Benchmark report shows an average ongoing fee of 0.68%. According to LangCat's State of the Nation 2020 report, using a sample of 400 firms, it reported an average annual charge between 0.5% and 1%. Dentons Wealth's ongoing fee of 0.75% is about average, but cost is only one element to consider. Cost does not equal value and it is our belief that this is reflected in the level of service we provide.

Dentons Wealth justify charging 0.75% annual fees for all clients based on our flexible level of service which varies according to the size of the funds we manage.

## Dentons Mortgages

Dentons Mortgages is a trading name of Dentons Investment Services Limited. The scope of business for Dentons Mortgages includes first charge mortgages, mortgage protection and Lifetime Mortgages. For each of these business types, Dentons Mortgages will be paid a procuration fee directly from the lender, and our clients will not be invoiced.

However, in certain circumstances, Dentons Mortgages reserves the right to charge the client a time-costed fee based on the Mortgage Adviser rates of £297 per hour and the client will be notified in advance if a time-costed fee is applicable.

## Fair value assessment table

**Product: The Dentons Wealth Advisory Portfolio Service (APS)**

<b>Fair value assessment date</b>	31 July 2023 (Start date)
<b>Date of next assessment</b>	1 January 2024
<b>Fair Value Outcome</b>	Having conducted its fair assessment, including consideration of key metrics taking into account due diligence undertaken on funds and fund managers by Square Mile and Dentons Wealth, the advice process, risk assessment and profiling, asset allocation, quarterly performance reviews and market outlooks, complaint analysis, communication frequency to customers and staff costs, Dentons Wealth considers that this product provides fair value to members.
<b>Product Information: to include any features of the product which support or enhance its benefit to customers</b>	<p>Regular communication and quarterly reviews between Dentons Wealth and Square Mile to agree any changes to the portfolios given recent market experience and the market outlook. Dentons Wealth has an investment committee to review the APS.</p> <p>Flexible advice process.</p> <ul style="list-style-type: none"> <li>&gt; At least one client review per year, increasing to four for higher value customers</li> <li>&gt; Dedicated, experienced IFA, administration, and compliance team within Dentons Wealth</li> <li>&gt; Square Mile employs 48 members of staff and have won individual awards for their service.</li> </ul> <p>Very few complaints over the last ten years and no upheld complaints regarding our APS.</p>
<b>Product Information: to include any features of the product which support or enhance its benefit to customers</b>	<p>Regular communication and quarterly reviews between Dentons Wealth and Square Mile to agree any changes to the portfolios given recent market experience and the market outlook. Dentons Wealth has an investment committee to review the APS.</p> <p>Flexible advice process.</p>
<b>Non-Financial costs</b>	<p>The provision of personal data and the granting of permission to use that data under GDPR and UK Data protection law.</p> <p>Dentons Wealth also pays periodic regulatory fees and levies to the Financial Conduct Authority, Financial Ombudsman Service, Money and Pensions Service and for Treasury funding to tackle illegal money laundering.</p>
<b>Target Market</b>	Please see the Dentons Wealth website or request from us details of our target market which varies according to the five risk profiles available within the APS.
<b>Types of customers for whom the product will be unsuitable</b>	<p>Dentons Wealth treat all clients as 'Retail Clients'.</p> <p>Clients who are ineligible to invest in UK products because they are non-UK domiciled/resident and/or do not meet the eligibility criteria for UK products or services. Our IFAs are only authorised and regulated to give advice on UK products and services.</p>

<b>Vulnerability</b>	<p>Ever since the introduction of 'Treating Customers Fairly' Dentons Wealth has provided training to all staff on vulnerability and the importance of identifying special needs for clients who present with one or more vulnerabilities. This is now enhanced under Consumer Duty and Dentons Wealth has appointed the T&amp;C Manager to be the Vulnerability Champion and contact point for all questions on vulnerability.</p> <p>Vulnerability is embedded within our processes and procedures.</p>
<b>Any notable exclusions or circumstances where the product is not appropriate</b>	None, other than above.
<b>Is the product sold as part of a bundle/package?</b>	No
<b>Is the product sold as part of a bundle/package?</b>	Dentons Wealth is the distributor as well as the Co-manufacturer of this product so there should be no additional impact.

## Non-Advised and Execution Only Cases

Dentons Wealth discourage non-advised and execution-only cases except in rare circumstances. If there is a time constraint due to the end of the tax-year and there is insufficient time to provide a suitability report, then it may be in the client's best interests to take the non-advised or execution-only route. Otherwise, it is not good compliance practice to allow a pattern of advised and non-advised business.

## Surveys and Questionnaires

With the support of our marketing department, Dentons Wealth is to obtain regular feedback from clients, using a bank of questions based on the four pillars of Consumer Duty which are Products and Service, Price and Value, Consumer Understanding and Consumer Support.

The feedback will be reviewed, and our processes and procedures updated to reflect what clients want from us in terms of advice, products, service, fees, communication, understanding and support.

## Vulnerability

If clients are vulnerable Dentons Wealth will adapt our service to be more supportive according to the circumstances in each case. Vulnerability training for staff is vital to pick up the signals that clients need support, either on a temporary or permanent basis. This can be caused by physical or mental disabilities or life events such as the sad loss of a family member or friend, divorce, redundancy, ill-health, or financial difficulties.

## Conclusion

Dentons Wealth is confident that the Dentons Advisory Portfolio Service in collaboration with Square Mile offers fair value for money and that our advice process is targeted appropriately for the wide variety of products and services recommended by Dentons Wealth. This 'Fair Value Assessment' is an ongoing process and will be regularly reviewed to ensure it remains fit for purpose.

Using the Consumer Duty regulations as our guide, we believe the Dentons Wealth service offers fair value in the areas of products and service, price and value, consumer understanding and consumer support and compares well with other independent financial advisers' fees and services.

For further information please refer to the Dentons Wealth terms of business which can be found on our website [www.dentonswealth.co.uk](http://www.dentonswealth.co.uk) or provided on request.



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Dentons Wealth is a trading name of Dentons Investment Services Limited which is authorised and regulated by the Financial Conduct Authority.

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