

# Scottish Widows Platform

Client guide to Platform charges  
(For ex-Sterling ISA and GIA retail clients)



# How we charge

This guide outlines the charges that could apply to your Scottish Widows account(s). If we change or add to these charges in the future, we will provide you with confirmation of the new charges. The full range of permissible charges are detailed in your Terms & Conditions.

There are various charges that may apply to your account(s). Whether we apply them and their value will depend on:

- the type of account you hold;
- the value of each account;
- the type of assets you decide to hold in your account and who manages them; and
- the charges you have agreed with your financial adviser for their advice and/or service.

We have used our current ex-Sterling published standard terms and calculation methods throughout this guide. You can find details of the charges that apply specifically to your Scottish Widows account in the Charges Information Document, in your Document Library. Personal Pension account holders will also receive a personal retirement illustration.

If you have any questions about any of these charges you should speak with your financial adviser.

## Ongoing Platform Charge

This is an annual charge that is linked to the value of the account.

Value of assets	ISA	GIA
All account values	0.75%	0.75%

The amount to be taken from the account is calculated daily, accrued and then deducted monthly from the date the account is opened. Any cash within your account held outside a model portfolio, will not be subject to the Ongoing Platform charge.



### For example:

On an account where the overall value remained at £100,000 in an ISA or GIA every day for a complete year, the yearly charge would be:

**0.75%** on the first **£100,000** = **£750**

Yearly charge **£750**

The above is a basic example, the charges you will actually pay will depend on how much is invested. The personal Charges Information Document will detail the charges that you will pay.



# How we charge

(Continued)

## Interest Paid

Any Cash held in your Account may be eligible for interest payments.

We retain the difference between our published interest rate and the fluctuating rates paid by banking partner(s) and therefore the rate of interest which is applied to your Account will be determined by us. We reserve the right to change the rate of interest we pay at any time.

Current interest rates can be found [here](#).

## Family linking

Where account holders are married, in a civil partnership or are directly related family members (including a spouse or civil partner of a directly related family member), the Scottish Widows Platform Account(s) may be linked and the value of the eligible assets in each, aggregated for the purposes of calculating the Scottish Widows Platform Account(s) charge.

The combined value of the Scottish Widows Platform Account(s) must be £200,000 or more at the time they are linked.

If a Scottish Widows Platform Account(s) is held in trust it may also be eligible for family linking. Please speak to your financial adviser for more information.



# Charges for your chosen investments

This section outlines the charges that could be paid from your investment(s) to a third party you have appointed to administer your investments. The type of charges and the value of those charges will depend on the asset(s) you invest in.

## Charges on assets

The following charges will be deducted by mutual fund managers, or our nominated stockbroker and will depend on the assets that you are invested in.

### Mutual fund charges

The annual management charge and annual expenses are included in the mutual fund prices we quote. In addition there may be:

- An initial charge which applies each time an investment is made into a fund. Although for the vast majority of mutual funds we have negotiated a zero charge.
- A bid/offer spread.
- A performance related fee.
- A dilution levy or adjustment.

We have negotiated preferential terms on most of the mutual funds available. These come in the form of 'discounted initial charges'. We have also negotiated preferentially priced terms for over 100 funds on the platform.

### Charges Information Document

A Charges Information Document will be produced from the Platform to give the details of the charges applicable each time a disclosure point is triggered.

## Discretionary Investment Manager Charge

This charge is applied if you and your financial adviser have decided to invest in a model portfolio (a group of specifically selected funds or assets) managed by a Discretionary Investment Manager. The charge covers their costs for administering the money you have invested with them.

The charge is calculated daily, accrued, then deducted and paid to the Discretionary Investment Manager.

This charge is set by the Discretionary Investment Manager. You can find out exactly which charges relate to your account(s) and their value, in the Charges Information Document in your Document Library.

## Stockbroker Partner Trading Charge

The stockbroker trading charge is calculated as a percentage of the total value of the asset that has been bought or sold.

The charge is 0.07%, subject to a minimum amount of £7.50 and a maximum amount of £120. This charge is applied per individual asset transaction for each product.

Where dealing occurs within a discretionary model portfolio, you will pay £1 per individual asset transaction made within the model.



# Adviser charging

Through your Scottish Widow Platform Account, we can arrange the payment of adviser charges. These are charges for any advice and/or services that your financial adviser or their associates have provided to you.

You and your financial adviser will agree the amount to be paid and the frequency. Your financial adviser will then set this up within your account. The charges will be detailed on your personal illustration (for Scottish Widows Personal Pension accounts) and/or in your Charges Information Document.

You can see examples of how Adviser Charges will work in the Calculating & Paying Charges sections.

1

## Initial Adviser Charge

This charge is paid either as a percentage of what you invest or as a fixed monetary amount. There is a maximum of 5% charge on any one-off contribution or cash transfer but not on regular contributions or re-registration transfers. The charge is deducted from 'available cash' in your account.

In the case of a Scottish Widows Personal Pension, the charge will apply after pension relief at source has been added (where relevant). For example, a gross contribution of £10,000 is added to your account, (£8,000 from you and £2,000 from pension relief at source), the initial adviser charges will apply to the gross amount of £10,000.

2

## Ongoing Adviser Charge

If you have agreed to pay your financial adviser or their associate for their ongoing advice and services through your Scottish Widows account(s), an Ongoing Adviser Charge will apply. It can be paid as either a percentage of the value of the assets in your account or as a fixed monetary amount. Where a percentage is applied, the charge is calculated daily, accrued, and then deducted monthly, quarterly, half-yearly or yearly. The maximum annual charge is 2% of the value of the account. The fee will be deducted from 'available cash' in your account.

3

## Ad-hoc Adviser Charge

This charge is often used when you have a standalone service or advice requirement. It is a lump-sum payment you can ask us to make directly to your financial adviser. The payment is taken from 'available cash' in your account as and when we receive a request.

4

## Regular Initial Adviser charge

This can be selected when setting up a regular payment. Instead of one initial adviser charge, you can choose to pay your adviser via a fixed number of remuneration payments. These commence when at least one payment has been made into your account.



# Calculating charges

In this section we provide examples of how the different charges applied to your account are calculated.

## Ongoing Platform Charge

Let's assume that the total value of your Scottish Widows Individual Savings Account (ISA) on the first day you opened your account is £100,000. This means your Ongoing Platform Charge will be as shown below:

Account Charge Tier	Value of Assets	Ongoing Platform Charge (Yearly)	Total Yearly charge	Total Daily charge
All account values	£100,000	0.75%	£750.00	£2.0548
Total				£2.05

The daily charge on day one is £2.05. This calculation will be run each day until we reach the first charge payment date. Let's assume that is 30 days later and the total value of the account throughout the 30 days remains at £100,000, then the first monthly charge would be £61.50 (£2.05 x 30).

## Initial Adviser Charge

Let's assume you make a one-off gross contribution of £10,000 to start your ISA account and you agree to pay your financial adviser a 2.00% Initial Adviser Charge for their advice.

We will pay your financial adviser £200 (£10,000 x 2.00%) from the initial £10,000 paid into the 'available cash' in your account. This would mean £9,800 would be used to purchase assets in your ISA account.

## Ongoing Adviser Charge

Let's assume you have agreed an Ongoing Adviser Charge of 1% of the value of your assets with your financial adviser and the value of your account on day one is £10,000:

Account Value	Ongoing Platform Charge (Yearly)	Total Yearly charge	Total Daily charge
£10,000	1.00%	£100.00	0.2738

Total daily charge on day one is £0.2738. If we assume that the first charge is due in 30 days and the total value of your account remains at £10,000 throughout the period, then your first monthly charge would be £8.22 (£0.2738 x 30).



# Paying charges

We can take charges from your account in the following two ways. In both instances the money is deducted from 'available cash'.

1

## From the payment you make

When you make a payment, all the money is initially paid into 'available cash' in your account. It is at this point we would deduct any necessary charges, before using the balance to purchase assets in line with your instruction via your agent.

2

## From the value of the assets

It is important to always have sufficient 'available cash' in your account. Where there is sufficient cash to meet any charges, we will deduct what is required, leaving any remaining money in 'available cash'. Where there is insufficient cash available, a relevant disinvestment strategy will apply. This involves selling some of the assets in your account to generate enough money in 'available cash' to pay the charge. For more information on our disinvestment strategy, refer to your Terms & Conditions.



### The examples and figures in this guide are for illustration purposes only

Information is based on our understanding of current taxation law and HMRC practice, which may change. If you have any questions about any of the charges on your Scottish Widows account you should speak with your financial adviser.



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