

# Scottish Widows Platform

Adviser guide to Platform charges



# How we charge

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

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

- the type of account held;
- the value of each account;
- the type of assets held in the account and who manages them; and
- the charges you have agreed with your client for providing advice and/or services.

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

## Ongoing Platform Charge

This is an annual charge that is tiered, depending on the value of the account.

Value of assets	Platform charge at each band
On the first £100,000	0.35%
On the next £100,000 - £250,000	0.30%
On the next £250,000 - £500,000	0.25%
On the holdings above £500,000+	0.10%

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 client's 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 £200,000 on every day for a complete year, the yearly charge would be:

**0.35%** on the first **£100,000** = **£350**  
and **0.30%** on the subsequent **£100,000** = **£300**

Yearly charge

**£650**

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



# How we charge

(Continued)

## Additional Charges

### Pension Account Charge

If your client has a Scottish Widows Personal Pension Account we'll deduct an ongoing charge which is currently £75 each year (from each account), in monthly instalments of £6.25.

### Pension Sharing Or Splitting Order Administration

We apply a charge to the account if we are instructed to administer a pension sharing or splitting order, to be recorded against the assets in your client's Scottish Widows Personal Pension. The current charge for pension sharing or splitting orders is £120 (inc VAT) for each order received. These are flat fees and the cost is deducted from 'available cash' in the account as soon as practicable after the order is received.

## Interest Paid

Any Cash held in your client's 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 the 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.



# Charges for chosen investments

This section outlines the charges that could be paid from your client's investment(s) to a third party appointed to administer these investments. The type of charges and the value of those charges will depend on the asset(s) invested 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 your client is 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 your client is invested 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 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 client's account(s) and their value, in the Charges Information Document in their 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, your client will pay £1 per individual asset transaction made within the model.



# Adviser charging

Through your client's Scottish Widow Platform Account, we can arrange the payment of adviser charges. These are charges for any advice and/or services you have agreed with your client for services you or associates have provided.

You and your client will agree the amount to be paid and the frequency. You will then set this up within the account. The charges will be detailed on the personal illustration (for Scottish Widows Personal Pension accounts) and/or in the 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 is invested 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 the 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 the account, (£8,000 from your client 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 a client has agreed to pay you or an associate for ongoing advice or services through their 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 the 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 the account.

3

## Ad-hoc Adviser Charge

This charge is often used when you have provided a standalone service or advice requirement. It is a lump-sum payment a client can ask us to make directly to you. The payment is taken from 'available cash' in the 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, your client can choose to pay you via a fixed number of remuneration payments. These commence when at least one payment has been made into the account.



# Calculating charges

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

## Ongoing Platform Charge

Let's assume that the total value of your client's Scottish Widows Personal Pension on the first day the account was opened is £180,000. This means the Ongoing Platform Charge will span two tiers as shown below:

Account Charge Tier	Value of Assets	Ongoing Platform Charge (Yearly)	Total Yearly charge	Total Daily charge
On the first £100,000	£100,000	0.35%	£350.00	£0.9589
On the next £100,000 - £250,000	£80,000	0.30%	£240.00	£0.6575
Total				£1.61

The daily charge on day one is £1.61. 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 £180,000, then the first monthly charge would be £48.30 (£1.61 x 30).

## Initial Adviser Charge

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

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

## Ongoing Adviser Charge

Let's assume your client has agreed an Ongoing Adviser Charge of 1% of the value of the assets with you and the value of the 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 the account remains at £10,000 throughout the period, then the first monthly charge would be £8.22 (£0.2738 x 30).



# Paying charges

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

1

## From the payment you make

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

2

## From the value of the assets

It is important to always have sufficient 'available cash' in your client's 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 the account to generate enough money in 'available cash' to pay the charge. For more information on our disinvestment strategy, refer to the client 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 client's Scottish Widows account please contact us.



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