

THE ADVICE AUDIT

# Leaked document reveals the UK's priciest wealth managers

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The analysis showed the impact of each firm's charges over 10 years  
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Investec is the UK's most expensive wealth manager, charging its customers more than double the rate of the cheapest firm, according to a leaked document seen by Money.

The analysis, by the accountancy firm Grant Thornton, compares the cost — known as a reduction in yield (RIY) — of investing £100,000 with 20 of Britain's largest financial advice firms. It shows the impact of each firm's charges over 10 years, assuming that the underlying investments grow 5% a year.

The document, which is dated September 2019, reveals for the first time the impact of charges across different wealth management firms. It is notoriously difficult to compare these, as each firm will levy different fees. Several do not publish their costs online.

The most expensive is Investec with an RIY of 3.8%, followed by Rathbones at 3.4%. Barclays Wealth, 1825 — the advice arm of Standard Life — and Smith & Williamson are joint third, with a rate of 3.2%.

It is understood that the document is used by St James's Place (SJP), Britain's largest wealth manager, to show its clients where it ranks against rivals. However, it is normally presented without the names of those rivals.



SJP is the fifth cheapest on the list with a rate of 2.4%, beating the private bank Coutts at 2.5%, Hargreaves Lansdown (2.6%), Brooks Macdonald (2.7%), Quilter (2.8%), Brewin Dolphin (3%) and Tilney (3.2%).

The cheapest overall is HSBC at 1.7%, followed by Nationwide at 2%.

The analysis was based on publicly available information as well as face-to-face “mystery shopper” exercises.

Investec said: “Until we see the report, which we have not had access to, we are unable to comment further.”

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Smith & Williamson said: “We have not seen this data and don’t recognise the numbers. They are not an accurate representation of the actual costs to clients.”

Barclays said: “The 3.2% figure is not one we recognise as representative of our fees.”

SJP said: “The analysis is compiled for internal benchmarking purposes only. We do not comment on confidential matters.”