

Approaching due diligence

As the market evolves, there is a need to ensure your service proposition can be delivered by the platform you select. Historically, platforms were primarily selected as an enabler for business efficiency and their capability defined the service proposition offered to clients. Now the opposite is true; the service proposition is defined and an appropriate platform is then selected to deliver that proposition in a robust, scalable and consistent way.










Making the wrong decision can have significant implications for the adviser's business and clients:

- Inefficient processes and increased cost in the business
- Disengaged staff
- Increased business risk
- Unsatisfactory client experience.

FCA commentary has made clear that all advisers using a platform must clearly document their process and rationale for selecting their chosen platform.

A crucial element of this process is conducting thorough due diligence to ensure that the chosen platform meets the suitability requirements for each client segment. Currently, no standard approach has been adopted by the industry for this process.

The FCA say there are 9 areas to consider. It's key that you consider which of these are relevant to your business:

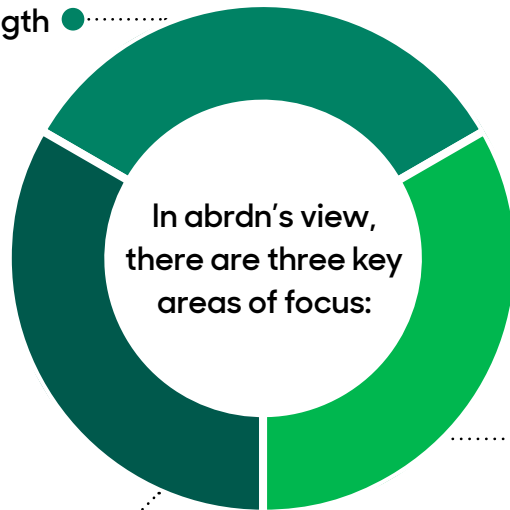
 The provider	 Ts&Cs
 Charges	 Asset classes
 Range of funds and tax wrappers	
 Functionality	 Accessibility
 Tools	 Support services



Approaching due diligence



Financial strength
and scale



Operational
capability

Functionality

Financial strength and scale

Does the platform have strong backing and can it continually re-invest in and develop the business as well as develop strong foundations to support scale growth and sustainability?

Operational capability

Can the platform manage significant volumes with minimal errors? Can the provider demonstrate a track record of sustained performance in getting the basics right such as distribution payments?

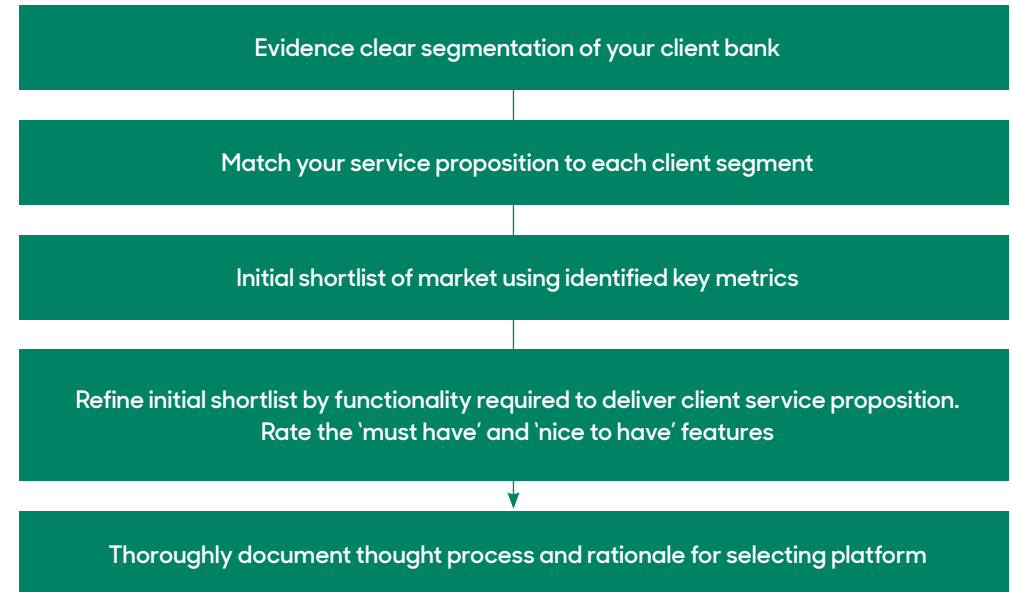
Functionality

Does the platform have the core tools and features required to underpin your service proposition? Is there commitment to ongoing development and a clear delivery plan?

Supporting you through the process

At abrdn we've constructed some guidance on how to conduct effective due diligence:

Approaching your due diligence



For more information see our [Wrap due diligence guide](#) or [Elevate due diligence guide](#) to support you through each stage of the selection process. These guides also highlight the due diligence questions you should ask to comply with the regulator.

Additional sources of insight

The following can help you undertake an effective comparison of the platform market:

- Website comparison tools (feature or price based) e.g. the **Lang Cat platform analyser tool**
- Service and compliance providers
- External consultants (the outsourced model).

For more information visit aberdeenadviser.com

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