



Rated by Experts

Leading the market in
clarity and transparency



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Overview

Our product ratings use a set of 'red line' criteria to calculate an underlying score for each product, which translates to a star rating. Products can achieve between one and five stars.

To achieve a five-star rating, products must meet all of our red line criteria. We focus on core product features, and don't give extra marks for unnecessary features or optional extras.

Our current red line criteria are contained in the following pages.

Unlike our insurance ratings, our banking and investment platform ratings take into account the price of the product. This is because consumers can incur additional costs over the life of the product.

Lifetime ISAs (self-invested)

One of the first 3 red lines applies to each product- if the product allows a customer to deal in funds and shares we use the fund and share dealing scenario (red line 1), if a product offers only fund dealing we use the fund dealing scenario (red line 2), if it offers only share dealing we use the share dealing scenario (red line 3)

Red Line 1 – Fund and share dealing scenario

The cumulative annual charges for the first two years of an account must be less than the sector 40th percentile to pass this red line. The cumulative annual charges are based on a portfolio of £50,000 wherein £22,500 is invested in shares, £22,500 is invested in funds and £5,000 is kept as uninvested cash. The cumulative charges include the account set-up fee, where this applies, charges for dealing activity plus any platform fee, annual fund dealing fees and annual share dealing fees minus any interest earned on uninvested cash. The scenario assumes a low frequency rate of trading (2 trades in stocks and 2 trades in funds per annum). As of January 2024, the red line is -£10.90.

Red Line 2 – Fund dealing scenario

The fund dealing scenario only applies to portfolios which allow fund trading only. The fund dealing scenario is the cumulative annual charges for the first two years for a portfolio of £45,000 invested in funds and £5,000 kept as uninvested cash. As of January 2024, the red line is £54.60.

Red Line 3 – Share dealing scenario

The share dealing scenario only applies to portfolios which allow share trading only. The share dealing scenario is the cumulative annual charges for the first two years for a portfolio of £45,000 invested in shares and £5,000 kept as uninvested cash. As of January 2024, the red line is -£125.80.

Red Line 4 – Account closure fee

There must be no fee for closing an account. The majority of providers in this sector don't charge an account closure fee, so we consider anything above £0 as a potential barrier to exit and unfair.

Red Line 5 – Charge for transferring cash to another platform

The fee for transferring out as cash must be £0. Most policies do not charge a fee for transferring out in cash, so we consider anything above £0 as a potential barrier to exit and unfair.

Red Line 6 – Charge for transferring investments to another platform

There must be no charge for transferring investments to another provider (In-specie) . Most products do not charge a fee for transferring out, so we consider anything above £0 as a potential barrier to exit and unfair.

Red Line 7 – Inactivity charge

Accounts must not charge for inactivity. The mode for the sector is £0 so we consider anyone who charges for inactive accounts to be unfair.

Red Line 8 – Charge for automatic reinvestment

The charge for automatic reinvestment must be less than £10. Most providers charge a flat fee between £1-£2 whereas others charge a percentage fee. Depending on the size of the reinvestment a percentage charge could lead to much higher costs for the consumer and we consider anything above £10 to be unreasonable.

Red Line 9 – Charge for telephone/postal share dealing

The charge for dealing shares via telephone or post must not exceed £30. The average charge across the sector for this is £26.49. Therefore, we feel anything above £30 is excessive.

Red Line 10 – Charge for selling holding if not enough money in account to pay other charges

The charge for selling holdings if there is not enough money in the account to pay for other charges must not exceed the company's share dealing charge. The sale of units is equivalent to a share deal and it would therefore be unfair to charge the customer more for this.

Red Line 11 – Charge for limit orders

There must be no charge for limit orders. The sector mode is £0 so we consider it unfair to charge for limit orders.

Red Line 12 – Annual charge for receiving paper statements

The annual charge for receiving quarterly paper account statements must not exceed £50 to pass this redline. A number of providers are online only services and do not offer paper statements, these accounts pass this redline. Most providers do charge for paper statements so we have used the sector average of £50 per annum as the redline, anything above this we consider to be excessive.

Red Line Weightings

Red lines	Approx. weighting
Fund and share dealing scenario	50%
Share dealing scenario	
Funds dealing scenario	
Account Closure Fee	5%
Transfers Out (as cash)	10%
Transfer Out (as Stock/in-specie) Scenario	10%
Inactivity charge	7%
Charge for automatic reinvestment	3%
Telephone and Postal Share Dealing	3%
Charge for Selling Holdings if not Enough Money in Account for Charges	3%
Charge for Limit Orders	3%
Completing paper applications	3%
Quarterly Statement (Paper)	3%

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