



FCA acts to improve competition in the investment platforms market

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The Financial Conduct Authority (FCA) has today set out a package of measures to help consumers who invest through investment platforms more easily find and switch to the right one for them. The package - set out in the final report of its Investment Platforms Market study - includes proposed FCA rules and actions industry is taking forward.

Christopher Woolard, Executive Director of Strategy and Competition at the FCA, said:

'While the market is working well for most of its consumers, the package we've announced today should make it less expensive and time-consuming for investors to shop around and move to the platform that best meets their needs. As part of that, we believe it is right that we restrict exit fees, so people can move their money freely.'

The FCA found that while competition is generally working well, some consumers and financial advisers can find it difficult to shop around and switch to a platform that better meets their needs. Consumers can find it difficult to switch due to the time, complexity and cost involved - driven in part by the exit charges they incur and difficulties switching between unit classes.

To address the issues uncovered, the FCA is consulting on rules to allow consumers to switch platforms and remain in the same fund without having to sell their investments, and is proposing to ban or cap exit fees.

The proposed restriction on exit fees would apply to platforms, and also firms offering a comparable service to retail clients. The FCA is seeking views from the wider market about how a restriction could work, before consulting on any final rules.

The FCA has welcomed the progress industry is making to improve the switching process, most recently through their [STAR](#) initiative to improve the efficiency of the transfer process across the retail investment and pensions sectors. The FCA is encouraging firms not already involved in this initiative to consider taking part as a way of improving the switching process and achieving better outcomes for consumers.

The FCA will review progress made by the industry to improve the switching process later this year, and again in 2020, if needed. The FCA will consider taking forward further regulatory action if the efficiency of the switching process does not improve.

Since publishing its interim report, the FCA has seen firms and the industry acting to improve the provision of information about costs and charges, helping consumers shop around. As a result, the FCA is not proposing new rules but will review the progress of industry in 2020/21, and consider if further action is necessary.

The FCA consultation on new rules for switching and feedback on the questions regarding exit fees runs until 14 June 2019. The FCA may then consult on final rules for exit fees.

Notes to editors

1. [Final report of the Investment Platforms Market Study](#)

2. [Consultation Paper 19/12: Consultation on Investment Platforms Market Study Remedies](#)
 3. STAR was appointed by the Transfers and Re-registrations Group following publication of its industry [framework](#) in July 2018 for firms to work on to improve transfers and re-registrations.
 4. The FCA has an overarching strategic objective of ensuring the relevant markets function well. To support this it has 3 operational objectives: to secure an appropriate degree of protection for consumers; to protect and enhance the integrity of the UK financial system; and to promote effective competition in the interests of consumers.
 5. Find out more information [about the FCA](#).
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