



**MORGAN
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Morgan Lloyd SIPP Services Ltd

Morgan Lloyd Invest Ltd

Morgan Lloyd Trustees Ltd



The Consumer Duty Guide for Distributors
Including the Fair Value Assessment
For Financial Advisers



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Important Information

Morgan Lloyd SIPP Services Ltd is authorised and regulated by the Financial Conduct Authority (FCA). Firm reference number: 516447.

Morgan Lloyd Invest Ltd is an appointed representative of Morgan Lloyd SIPP Services Ltd. Firm reference number: 820737.

Registration details are set out in the FCA Register: www.fca.org.uk/register

Morgan Lloyd Trustees Ltd is not regulated by the Financial Conduct Authority.

Registered address: The Pavilions, Eden Park, Ham Green, Bristol, BS20 0DD.

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The information and opinions expressed herein are the views of Morgan Lloyd and are based on current information we believe to be reliable, but we do not represent that they are accurate or complete and should not be relied upon as such. Any information herein is given in good faith but is subject to change without notice.



Introduction

As required by the FCA's Consumer Duty, we complete reviews to enable us to demonstrate how we meet the four outcomes rules (the **Products and Services** outcome, the **Price and Value** outcome, the **Consumer Understanding** outcome and the **Consumer Support** outcome) for our existing open products and services.

When reviewing products and services, we must:

- Specify the target market (taking account of vulnerable customers).
- Assess all relevant risks to customers in the target market and ensure the product is designed to meet the needs of the target market.
- Ensure that products and services do not adversely affect groups of customers in the target market and avoids causing foreseeable harm.
- Ensure the distribution strategy is appropriate for the target market and to take reasonable steps to ensure it is distributed to the target market.

Morgan Lloyd SIPP Services Ltd is satisfied that its product governance policies and procedures are appropriate and satisfy relevant regulatory requirements, enabling us to identify effectively whether our products offer fair value to our customers, both at product design stage and on an ongoing basis.

Our Fair Value Assessment Summary includes:

- Target market
- Product information
- A fair value assessment outcome

Morgan Lloyd was established in 2003 to provide professional pension trustee and administration services for Small Self-Administered Schemes (**Morgan Lloyd Trustees Ltd**).

Services were expanded in 2008 through the formation of **Morgan Lloyd SIPP Services Ltd** which now provides a range of different products and services, including a comprehensive range of SIPP products and an investment platform (**Morgan Lloyd Invest**).

Our expertise and innovative approach presents our clients with the ability to explore many investment and business funding opportunities via SSAS or SIPP.

Product Reviews and Target Market

If, on review, we find that an existing product does not meet the needs of our identified target market, we will make changes to ensure that the product does meet the needs of the target market or, if necessary, stop distributing the product.

In addition, we must provide information to our distributors in good time to enable them to comply with their own obligations under the Consumer Duty.



Cross Cutting Behaviours

Act in good faith

This is a standard of conduct characterised by honesty, fair and open dealing and consistency with the reasonable expectations of consumers. The FCA believes that this requirement acknowledges the inherent imbalance (e.g., knowledge, bargaining position etc) in the relationship between consumers and financial services firms.

While consumers have a role to play if they are to achieve good outcomes, the FCA's view is that consumers can only reasonably be expected to take responsibility for their choices and decisions if firms act openly and with honesty.

Our response:

- We always endeavour to deliver good outcomes for our consumers.
- We always endeavour to ensure good consumer outcomes in a clear, fair and not misleading way.
- We always treat consumers displaying signs of actual or potential vulnerability with professionalism and empathy to ensure they are treated in a way to mitigate the risk of detriment.
- We always ensure that the interests of the firm are not carried out to a higher standard than the interests of our consumers.



Avoid causing foreseeable harm to consumers

This requires firms not to cause harm to consumers through their conduct, products or services. It also requires firms to take proactive steps to avoid harm (where it is within the firm's control to do so).

Firms should not seek to exploit consumers' vulnerabilities, behavioural biases or lack of knowledge.

Our response:

- We monitor and test our products and services to ensure they perform as intended.
- We ensure that products and services are distributed to consumers for whom they were designed, i.e. our 'Target Market'.
- We ensure that our charging structure is clear.
- We endeavour to ensure that our consumers understand our charging structure and understand the value of our products and services.
- We ensure appropriate consumer support for consumers showing characteristics of vulnerability, and we also endeavour to ensure our staff are suitably skilled and knowledgeable to identify characteristics of vulnerability.
- We have systems in place to help consumers avoid scams by providing effective warnings.
- We ensure that our procedures and processes are clear to ensure consumers are able to cancel or exit a product or service.



Enable and support consumers to pursue their financial objectives

This means that firms should take responsibility for establishing an environment in which consumers can act in their own interests. The FCA has identified that harms may arise when firms do not sufficiently recognise and take account of consumers' behavioural biases and the impact that characteristics of vulnerability can have on consumers' needs.

Firms should take reasonable steps to understand these factors and use their knowledge of how consumers behave to enable and support them to make good decisions.

Our response:

- We endeavour to ensure that we put our consumers in a position to make decisions aligned with their needs and objectives.
- We acknowledge that our consumers can only take responsibility when they are appropriately supported to make informed decisions. However, this is dependent on the nature of the product and services and is determined by what is in our control.
- We consider the characteristics of our consumers and tailor our communications so they are likely to be understood.
- We ensure that our channels of support work effectively and do not act as a barrier to consumers utilising our products, cancelling or switching to another provider.



Products and Services Outcome

Manufacturers must approve existing products or services, any significant adaptation to a product or service, or any new product or service they introduce.

Furthermore, a manufacturer must identify a target market of consumers for whom a product or service is designed and develop a distribution strategy appropriate for the target market.

Our target market evaluation is based on our analysis of the common needs and requirements across our typical and target market clients.

A manufacturer must also consider the needs of consumers with characteristics of vulnerability in its target market.

<i>Obligations:</i>	<i>Our response:</i>
<p><i>Develop an approval process for products or services.</i></p>	<p>The products available are driven by demand from customers, mainly via financial advisers. This allows us to identify a target market and make products available that aim to meet those needs.</p> <p>Products and services are designed with clear and straight-forward features so they can be understood by consumers in our target market.</p>
<p><i>Identify a target market of consumers for whose needs, characteristics and objectives regarding the product or service is compatible</i></p>	<p>A range of established governance groups and committees within the firm oversee and approve products and services, including board, senior management, compliance, due diligence, investment, and risk committees.</p> <p>This includes the consideration of target markets as part of overall Product Governance controls.</p> <p>The target market for more complicated products and services will be consumers we consider to be more sophisticated regarding their needs as we recognise that products / services could cause significant harm if bought by consumers outside of the target market who may not understand the risks or be able to afford potential losses.</p> <p>Appropriate distribution channels are in place, which includes the delivery of sufficient information for distributors to understand our product governance and target market.</p>



<p><i>Test the product or service and ensure it is designed to meet the needs, characteristics and objectives of the target market.</i></p>	<p>A number of methods are used, or will be arranged, to determine whether products meet customers' needs, including seeking feedback from advisers and clients, complaints data, and other management information.</p> <p>In addition, for more complex products, specific analysis is conducted with the customer, before they are accepted into the product.</p>
<p><i>Develop distribution arrangements for each product or service distributed.</i></p>	<p>We have developed a distribution strategy in which the product can (typically) only be sold with advice. We have identified distributors with the appropriate skill and experience to advise on and recommend the product and services.</p>
<p><i>Select distribution channels that are appropriate for the target market and provide adequate information to distributors to enable them to understand the product or service and the target market.</i></p>	<p>We provide all relevant information about the product and its target market to the distributor.</p> <p>This enables our distributors to assess whether the product is suitable for particular consumers and ensure it is only sold to consumers in the target market.</p>
<p><i>Obtain information from the manufacturer to understand the product or service, its target market and its intended distribution strategy.</i></p>	<p>Compliance and senior management will be working closely with its distributors to ensure products and services are being recommended as intended, i.e. to the target market.</p>
<p><i>Consider if there are any consumers with characteristics of vulnerability in the target market and take account of any additional or different needs of those consumers.</i></p>	<p>All identified vulnerabilities are recorded and each case is reviewed individually to determine if the customer has any additional needs. Vulnerable customer awareness is included in regular training for all staff.</p> <p>Controls have been implemented to ensure that vulnerability characteristics can be identified by staff, documented, and forwarded to staff with appropriate expertise who will advise regarding best practice in relation to the needs of the consumer.</p> <p>We will be working with distributors to understand their distribution strategies.</p>



Regularly review the product or service and its distribution and take appropriate action to mitigate the situation if they identify circumstances that may adversely affect their consumers.

Formal reviews are undertaken (at least) annually.

Furthermore, the various management groups and committees within the firm ensure that monitoring and reviews occurs on an ongoing basis. This includes analysis of complaints and feedback from customers and advisers.



Price and Value Outcome

The FCA acknowledge that consumers have the ultimate responsibility for choosing whether to buy a product or service; however, the FCA view is that consumers should be able to rely on the firm taking steps to ensure that any product or service it offers represents fair value. Again, the FCA has set out considerations for manufacturers and distributors to take into account when considering whether the price for the product or service is a fair one.

Manufacturers assessing fair value must include consideration of the following.

Obligations:	Our response:
<i>The nature of the product or service, including the benefits (and limitations) that will be provided, and needs of the target market.</i>	<p>Our products and services are designed to suit a range of customer profiles and customer needs.</p> <p>Refer to the Appendix for our Product Governance oversight for details regarding target market and suitability.</p>
<i>Our value measures</i>	<p>We consider a range of measures when assessing value, including:</p> <ul style="list-style-type: none"> - Product benefits (performance, service, etc) - Investment governance (investment committee, etc) - Product Governance (reviewing target market and products/services) - Costs and charges analysis (including peer group analysis) - Technical support - Quality and clarity of literature - Support services (technical, compliance, administration) - I.T. resilience (in-house services) - Customer feedback <p>Refer to the Appendix for further information.</p>
<i>Any particular features of product or the terms and conditions that may give rise to concerns about poor value</i>	<p>None identified. However, important to maintain communications with distributors to ensure products and services are being distributed to the target markets.</p>
<i>Product testing including scenario analysis and testing on consumers</i>	<p>Products are tested on an ongoing basis, including scenario analysis where necessary. We continue to assess whether the products meet the needs, objectives and characteristics of customers in the target market.</p> <p>In the event of a product no longer meeting the needs of the target market, we will make changes or cease distribution.</p>



<p><i>The charging structure of the product, including whether the costs and charges are compatible with how suitable the product is to consumers</i></p>	<p>The charging structure is monitored and reviewed on an ongoing basis with a formal review at least annually, which includes peer group analysis.</p> <p>Reviews will include an assessment of whether products and services remain aligned with our target market, which will be supported by our dialogue with our distributors to assess how advice in relation to products and services is suitable.</p> <p>If results suggest that the product or services do not meet the needs, characteristics and objectives of the target market, the firm will cease distributing the product or service, and changes will be made as necessary.</p>
<p><i>Transparency of costs and charges</i></p>	<p>Costs and charges within literature are clear and transparent. Ongoing dialogue with distributors will assess how costs and charges are being disclosed.</p>
<p><i>Any limitations that are part of the product / service.</i></p>	<p>Our products and services have been designed with the needs of the customer in mind. Therefore, any limitations are by design based on the needs of the target market. Please refer to the Appendix for further information.</p>
<p><i>Any characteristics of vulnerability in the target market for the product or service.</i></p>	<p>None identified. However, a formal process is in place to record and monitor customer information when characteristics of vulnerability are identified.</p>



Consumer Understanding Outcome

The FCA believes that consumers can only be expected to take responsibility for their choices when a firm's communications enable them to understand their products and services so that consumers can make informed choices.

While firms already have an obligation to consumers under Principle 7 (A firm must pay due regard to the information needs of its consumers and communicate information to them in a way which is clear, fair and not misleading), the Consumer Duty goes further as it requires firms to focus more on consumer outcomes and their understanding throughout the consumer journey.

We are required to provide information to consumers, at the right time, and presented in a way they can understand.

Importantly, firms should ensure that their terms and conditions (as a key communication and contract between firms and consumers) are clear, fair and easily understood by consumers. Furthermore, in order to meet this obligation, the FCA highlights a number of actions that firms should consider as part of meeting this outcome and a summary of key actions is set out below.

Tailoring messages

When designing a product, firms need to identify a target market, and when communicating with consumers firms should ensure that messages are tailored to the appropriate target market. For example, the target market for complex investments will have different information needs to the target market for a straightforward savings product. For consumers in vulnerable circumstances, firms should take particular care and follow the FCA's guidance.

Our response:

Communications are created, and reviewed regularly, using a rigorous set of conditions, which includes making sure of the following:

- Appropriate for Target Market
- Method of communication appropriate
- Fair, clear, and not misleading
- Meets the information needs of retail customers
- Likely to be understood by retail customers
- Equips retail customer to make properly informed decision
- Information explained or presented in a logical manner
- Plain and intelligible language
- Where jargon/technical terms unavoidable, their meanings are explained as simply as possible
- Key information prominent and easy to identify, for example through headings, bullet points, design, layout, font, & graphics
- No unnecessary disclaimers



- Appropriate level of detail - avoids providing too much information
- Contains signposting wherever possible.

For vulnerable customers, takes into account:

- Characteristics of vulnerability
- Communication channel used
- Complexity of product

Allows customer to identify and understand:

- Any actions required by customers and any consequences of inaction
- The key features, benefits, costs and risks of a product or service
- How customers can access any additional information or support they might need.

Timely basis

Both products/services features and consumer circumstances (e.g., retirement) can vary over time. Firms should be aware of this and communicate appropriately with consumers, for example prompting consumers to consider whether products still meet their needs.

Our response:

We actively monitor the products utilised by customers and, where possible, identify where a product or service may no longer be appropriate or suitable for them.

For example, if we identify circumstances where a customer is not actively using a particular feature and, therefore, an alternative product may now be more appropriate, we will continue to develop strategies to ensure active engagement with the financial adviser or directly with the customer.

Channels of communication

Regardless of the type of channel of communication that is used, the communication should be effective.

Our response:

See 'Tailoring messages'. Furthermore, our digital communications are compatible with a range of devices, including smartphones, laptops and tablets.

Testing and monitoring communications

Firms should ensure that their communications are understood not only by those that design them, but by their consumers. In order to test their communications firms could use various methods including obtaining customer feedback, running focus group sessions, etc.

Our response:

See 'Tailoring messages'.

Furthermore, we will actively seek customer feedback on an ongoing basis at various points during the customer journey / product lifecycle.



Consumer Support Outcome

The FCA expects firms to provide consumers with support to allow them to realise the benefits of products and services. The FCA believes that this support will ensure that consumers can pursue their own financial objectives and can act in their own interests.

The overarching requirements of the consumer support outcome are that firms achieve the following.

Consider the support consumers need and make sure their consumer service meets those needs

The consumer support outcome requires firms to provide a level of support that meets consumers' needs throughout their relationship with a firm. Firms are required to design and deliver support to retail consumers in a way that meets the needs of all retail consumers, including those with characteristics of vulnerability.

Our response:

Our products and services have always been designed with the customer in mind based on our understanding of our target market.

We endeavour to ensure they do not disadvantage particular groups of consumers, including those with characteristics of vulnerability.

We also ensure that retail customers can use their product as reasonably anticipated, and ensure that they receive appropriate information during the consumer journeys to mitigate the risk of harm.

Support consumers in a way that takes their needs into account,

This includes avoiding processes that include unreasonable barriers that may prevent consumers realising the benefits of the product or service, or prevent them from acting in their own interests.

Our response:

We ensure that retail consumers do not face unreasonable barriers during the lifecycle of the product, e.g. to switch or transfer a product, to access a benefit, to make a complaint or cancel a contract

We also ensure that the channels of support provided work effectively.



Monitor the quality of the support provided

Firms are expected to look for evidence that may indicate areas where it falls short of the consumer support outcome, and act promptly to address these.

Our response:

We plan to introduce a 'Customer thermometer' allowing us to automatically invite customer feedback at certain points throughout the product lifecycle.

Complaints are reviewed regularly and an analysis of the root causes is undertaken so that corrective and preventative action can be taken where necessary, including changes to the support available to customers, and how details of our products and services are communicated to customers.

We will also be working with our distributors (advisers) to understand how they are supporting their customers.



APPENDIX – Products/Services, Target Market, Distribution and Fair Value Assessment

<i>Morgan Lloyd Trustees Ltd (MLT) – Small-Self-Administered Scheme (SSAS)</i>	
Overview	<p>The MLT SSAS is designed primarily for business owners and individuals who require a comprehensive range of self-investment options such as the ability to utilise ‘Pension-Led Funding’ for the purpose of business funding.</p> <p>Business owners / directors / clients seeking alternative sources of business funding and / or more sophisticated investment needs.</p>
Target market	<p><i>Who is the product suitable for:</i></p> <ul style="list-style-type: none"> - Business owners seeking to utilise ‘Pension-Led Funding’. - Individual clients seeking a broad range of self-investment choices. - Clients in decumulation. - Suits a range of risk profiles (moderate to high risk). - Suitable for informed and advanced investors <p><i>Who is the product <u>not</u> suitable for:</i></p> <ul style="list-style-type: none"> - Smaller pots. - Basic investors with basic needs (limited knowledge and experience). - Short-term investors. - Individuals who want to invest in assets that are permitted under HMRC rules, but not permitted by Morgan Lloyd, e.g. Unregulated Collective Investment Schemes (UCIS). - Individuals who do not want the added responsibility of acting as a pension scheme trustee.
Distribution channels	Financial advisers.
Distributor remuneration	<p>MLT does not agree remuneration with each distributor. However, MLT will collect information from distributors regarding their fees to enable MLT to assess whether fees could impact the value of the product.</p> <p>Distributors must be able to confirm fees are reasonable and fair relative to the product / service.</p>
Vulnerable customers	No specific vulnerable customer characteristics presented themselves as risks during the development of the product.



Morgan Lloyd SIPP Services Ltd (MLSS) – Qualitas SIPP	
Overview	The MLSS Qualitas SIPP is designed primarily for business owners and individuals who require a comprehensive range of self-investment options such as the ability to utilise ‘Pension-Led Funding’ for the purpose of business funding.
Target market	<p><i>Who is the product suitable for:</i></p> <ul style="list-style-type: none"> - Business owners seeking to utilise ‘Pension-Led Funding’. - Individual clients seeking a broad range of self-investment choices. - Clients in decumulation. - Suits a range of risk profiles (moderate to high risk). - Suitable for informed and advanced investors. <p><i>Who is the product <u>not</u> suitable for:</i></p> <ul style="list-style-type: none"> - Smaller pots. - Basic investors with basic needs (limited knowledge and experience). - Short-term investors. - Individuals who want to invest in assets that are permitted under HMRC rules, but not permitted by Morgan Lloyd, e.g. Unregulated Collective Investment Schemes (UCIS).
Distribution channels	Financial advisers.
Distributor remuneration	<p>MLSS does not agree remuneration with each distributor. However, MLSS will collect information from distributors regarding their fees to enable MLSS to assess whether fees could impact the value of the product.</p> <p>Distributors must be able to confirm fees are reasonable and fair relative to the product / service.</p>
Vulnerable customers	No specific vulnerable customer characteristics presented themselves as risks during the development of the product.



Morgan Lloyd SIPP Services Ltd (MLSS) – Low-Cost SIPP Range	
Overview	<p>MLSS' Low-cost SIPP range is designed for general investment / wealth accumulation purposes. Typically recommended by financial advisers for standard retail clients covering a range of client types, e.g. investors with basic needs to investors with more sophisticated requirements:</p> <ul style="list-style-type: none"> - ML Invest SIPP: for clients who are investing into a range of funds, equities, ETFs and managed portfolios on the ML Invest platform. - ML SIPP: for clients who are investing into a range of funds, equities, ETFs and managed portfolios via a panel of third party platform providers (currently Hubwise and Platform One). - ML Directus SIPP: for clients who are investing in standard assets only but requiring whole of market investment choice, both on and off platform.
Target market	<p><i>Who are the products suitable for:</i></p> <ul style="list-style-type: none"> - Individual clients seeking a range of investment choices. - Clients in decumulation. - Suits a range of risk profiles (low to high risk). - Suitable for basic, informed and advanced investors. <p><i>Who is the product <u>not</u> suitable for:</i></p> <ul style="list-style-type: none"> - Individuals who want unrestricted access to the asset types permitted by Morgan Lloyd, e.g. direct investment in commercial property. - Individuals who want to invest in assets that are permitted under HMRC rules, but not permitted by Morgan Lloyd, e.g. Unregulated Collective Investment Schemes (UCIS). - Individuals who wish to make joint investments, with other SIPP holders/third parties.
Distribution channel	Financial advisers.
Distributor remuneration	<p>MLSS does not agree remuneration with each distributor. However, MLSS will collect information from distributors regarding their fees to enable MLSS to assess whether fees could impact the value of the product.</p> <p>Distributors must be able to confirm fees are reasonable and fair relative to the product / service.</p>
Vulnerable customers	No specific vulnerable customer characteristics presented themselves as risks during the development of the product.



Morgan Lloyd SIPP Services Ltd (MLSS) – Outlook SIPP	
Overview	The MLSS Outlook SIPP is for clients who are investing in both non-standard (e.g. P2P) and standard assets. Costed accordingly based on the nature of the investment(s).
Target market	<p><i>Who are the products suitable for:</i></p> <ul style="list-style-type: none"> - Individual clients requiring non-standard investment choices. - Suitable informed and advanced investors. <p><i>Who is the product <u>not</u> suitable for:</i></p> <ul style="list-style-type: none"> - Basic / inexperienced investors. - Individuals who want unrestricted access to the asset types permitted by Morgan Lloyd, e.g. direct investment in commercial property. - Individuals who want to invest in assets that are permitted under HMRC rules, but not permitted by Morgan Lloyd, e.g. Unregulated Collective Investment Schemes (UCIS). - Individuals who wish to make joint investments, with other SIPP holders/third parties.
Distribution channel	Financial advisers.
Distributor remuneration	<p>MLSS does not agree remuneration with each distributor. However, MLSS will collect information from distributors regarding their fees to enable MLSS to assess whether fees could impact the value of the product.</p> <p>Distributors must be able to confirm fees are reasonable and fair relative to the product / service.</p>
Vulnerable customers	No specific vulnerable customer characteristics presented themselves as risks during the development of the product.



Morgan Lloyd Invest (MLI) – Investment Platform	
Overview	Morgan Lloyd Invest is our investment platform which offers General Investment Account (GIA), ISA, SIPP and Offshore Bond investment accounts. We make the process of managing your investments as easy as possible, by working closely with advisers to get the most out of the service and achieve excellent customer outcomes.
Target market	<p><i>Who are the products suitable for:</i></p> <ul style="list-style-type: none"> - Individual clients seeking a range of investment choices. - Clients in decumulation. - Suits a range of risk profiles (low to high risk). - Suitable for basic, informed and advanced investors. <p><i>Who is the product <u>not</u> suitable for:</i></p> <ul style="list-style-type: none"> - Individuals who want a wider range, and more control, over their SIPP investments, including those who wish to invest off-platform or manage their own investments. - Individuals who want unrestricted access to the asset types permitted by Morgan Lloyd, e.g. direct investment in commercial property. - Individuals who want to invest in assets that are permitted under HMRC rules, but not permitted by Morgan Lloyd, e.g. Unregulated Collective Investment Schemes (UCIS). - Individuals who wish to make joint investments, with other SIPP holders/third parties. - Those who wish to invest without financial advice.
Distribution channel	Financial advisers.
Distributor remuneration	<p>MLSS/MLI does not agree remuneration with each distributor. However, MLSS will collect information from distributors regarding their fees to enable MLSS to assess whether fees could impact the value of the product.</p> <p>Distributors must be able to confirm fees are reasonable and fair relative to the product / service.</p>
Vulnerable customers	No specific vulnerable customer characteristics presented themselves as risks during the development of the product.



Morgan Lloyd SIPP Services Ltd – MyViewpoint	
Overview	<p>A client's entire financial life brought together in one place. Mobile and web-based, MyViewpoint offers 24/7 access to view investments, savings, pensions, property, banking, mortgages, credit cards and insurances.</p> <p>MyViewpoint is updated daily and provides clients with a unique and safe portal using just one username and password.</p>
Target market	<p><i>Who is the service suitable for:</i></p> <ul style="list-style-type: none">- Individual clients who use the Morgan Lloyd Invest platform. <p><i>Who is the service <u>not</u> suitable for:</i></p> <ul style="list-style-type: none">- Those who manage their own financial arrangements.
Distribution channel	Financial advisers.
Distributor remuneration	Not applicable. This is an integral part of the service via Morgan Lloyd Invest.
Vulnerable customers	No specific vulnerable customer characteristics presented themselves as risks during the development of the product.



Morgan Lloyd SIPP Services Ltd – Fair Value Assessment

- Undertake ongoing research and analysis to understand the needs of our target market. This includes consideration of potential characteristics of customer vulnerability within the target market for products and services.
- Continue to develop a wide range of operational processes including technical support, investment due diligence, risk analysis, product review and design, compliance/regulatory oversight, training and development support, investment platform configuration, hosting investment model portfolios, with the aim of ensuring that our clients are being supported and their products and portfolios are being administered accurately and efficiently.
- To act in good faith, avoid foreseeable harm as far as possible, enable and support customers, and ensure other outcome rules are met in respect of our products and services.
- In assessing whether the product, and associated service, delivers fair value, we consider:
 - Our product fees, including the level of the fees and their complexity.
 - Ensure exit fees only reflect the administration costs involved, rather than being punitive.
 - Fees elsewhere in the distribution chain, for example investment management fees and adviser charges.
 - The features and benefits of the product.
 - The cost to us of providing the product, including non-monetary costs like increased risk.
 - Most importantly, whether there is a reasonable relationship between the price customers pay and the benefits of the product.
- Take costs into account when reviewing existing products or designing new products. This includes maintaining a price cap on the Morgan Lloyd Invest platform.
- We benchmark our fees against other SIPP providers across the market, who provide similar products (except where there is not a product in the market which is closely comparable). This does not necessarily mean offering the cheapest product in the market – where a product provides unique features or enhanced service, the fees will reflect this. The Qualitas SIPP permits the widest range of investments under any of our products and is unique in that each SIPP is an individually registered pension scheme. The level of expertise and amount of resource required to effectively administer the scheme is higher than, for example, the ML Invest platform SIPP, and the level of fees reflects this.



Morgan Lloyd SIPP Services Ltd – Fair Value Assessment (continued)

- The level of fees also has to ensure that the business meets regulatory capital requirements, and remains profitable, which are essential to the ongoing provision of the products and services. In setting the fees, we review the nature and level of risk of the product, and the level of administration and reporting required to run the product effectively and in a compliant manner.
- Aim for costs and charges to be as transparent as possible to help retail customers understand what they are paying and assess if they offer value for money given the products and services being provided. This includes a price cap of £960 per annum (for advised clients) on the Morgan Lloyd Invest platform.
- Aim for all literature to be clear and understandable to help retail customers understand their products, and to actively seek to identify where additional customer support may be required.
- Actively seek customer feedback.
- Ensure all staff are suitably knowledgeable, skilled and empowered to identify characteristics of customer vulnerability, and to understand how to respond sympathetically and professionally.
- We will work with our distributors (advisers) where the need has been identified to help evidence their adherence to the Consumer Duty and to assist in ensuring good customer outcomes. For example, if information obtained from a distributor illustrates that products are being recommended beyond the target market.
- Undertake regular analysis and provide regular management information to Morgan Lloyd's board of directors to demonstrate good customer outcomes, fair value, etc.
- Based on our analysis in the above areas, we believe that our products and services provide fair value.
- Value and product pricing will be reviewed at least annually. We will consider all of the above when reviewing the value of our products, along with any emerging issues that may impact on value. We will also be seeking feedback from distributors going forward on the value of the product (as well as other aspects of the Consumer Duty).



For more information please call: 01275 379 200
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