

Baillie Gifford & Co

Investment Consultants Market Investigation

Working Paper: information on fees and quality

We welcome the opportunity to comment on the CMA's Working Paper. We hope that this part of the investigation to lead to an appropriate competitive process evolving to enable customers (Trustees) and potential customers to be able to judge the value for money of investment consultants and fiduciary managers

This should introduce a reporting framework, similar to that being developed by the IDWG for asset managers reporting to their institutional clients, to enable such a value for money assessment and allow ready comparison between alternative providers. To this end we support the CMA's potential remedy approaches including standardised information for prospective clients, better fee information including a full breakdown of all costs and charges, standardised performance metrics and stronger service quality metrics.

Our primary concern, with regards fees in fiduciary management, is bundling. Providing aggregate costs without appropriate granularity will deny customers or potential customers the ability to assess the value for money of all the components of the service. This may, either consciously or subconsciously lead to Fiduciary Managers overcharging for the services they directly provide to the detriment of those sourced from third parties and thereby to the detriment of the quality of the service overall.

Piers Lawson

Director