Please find below are my comments on your proposed remedies.

Full divestiture v partial divestiture

In my opinion, a full divestiture is the preferred option. At one end of the scale, the industry is dominated by three large technology houses, and at the other, a handful of smaller technology houses that do not have the scale and capital to compete for large-ticket projects. The GBST acquisition would give FNZ more than 53% market share of the retail platform industry resulting in undue influence and dominance, stifling competition and possibly even innovation (see image below for market share, source: Fundscape).

Platforms by technology in Q220 (£bn)				
	FNZ	Bravura	GBST	Prop
7im				10.7
Advance	15.6			
Aegon	50.9		91.8	
AJ Bell			47.7	
ATS			15.7	
Ascentric		15.5		
Aviva	30.2			
Fidelity		91.2		
HL				101.8
James Hay				26.4
Hubwise				1.8
Novia			7.1	
Nucleus		15.8		
Parmenion				7.3
Praemium				1.8
R James				11.7
OMW	57.5			
St Life	61.2			
Transact				39.7
TPI				11.2
Total	199.7	122.5	177.9	212.4
Mkt share	30.2%	17.2%	22.8%	29.8%

The CMA's proposed remedies include a full or partial divestiture of GBST along geographic or business unit lines with plenty of caveats. It's difficult to see how either could be achieved without damaging GBST and reducing its overall competitiveness. A divide along business unit lines would be possible, but ultimately very difficult to achieve since there is likely to be a significant amount of overlap in terms of technology and common code between the two business units. Unpicking this would be difficult.

At the same time, a partial divestiture along geographic lines will be even worse for the market and UK clients. The Australian business would hold the entire code and the UK business would be hamstrung with technology that would quickly become obsolete without ongoing innovation from the Australian parent. Clients would suffer.

I believe that an acquisition by SS&C would be a sensible and complementary fit for GBST, ensuring the industry had access to three well-rounded, robust technology houses with similar-sized market shares. SS&C's Buedoor technology has fallen behind its peers' technology so an acquisition would give it a new tech and balance the competitive market. The best option, therefore, would be full divestiture, probably to SS&C.

You may use all the commentary and the image.

Best wishes

Bella Caridade-Ferreira | CEO | Fundscape