

Investec Wealth & Investment (UK)

Assessment report



Investec Wealth & Investment (UK)

Contents

Investec Wealth & Investment (UK)	2
Purpose of this assessment report	3
Due Diligence: What is it, and why is it so important?	4
The Due Diligence process	6
The threesixty assessment: Our methodology	7
The threesixty assessment: The report format	7
The threesixty assessment: How to use it	7
Assessment report	8
Investec Wealth & Investment (UK): Key details	8
Assessment findings	9
A. Corporate governance and systems & controls	9
B. Client and referring / introducing intermediary arrangements and financial promotions	13
C. Recruitment	18
D. Training & competence (T&C)	21
E. Discretionary management procedures	25
F. Outsourcing	29
G. Financial crime, anti-money laundering, data security, fraud and the Bribery Act	30
H. Complaints	32
I. Business continuity / disaster recovery	33

Purpose of this assessment report

This report is designed to assist intermediaries in carrying out their due diligence assessment prior to using the services of a discretionary investment manager (DIM), and on the regular review of such arrangements.

It is important to note the aim of the work undertaken by threesixty services LLP (threesixty), is to assess at a high level, the adequacy of the controls and procedures the firm has established to mitigate the regulatory and business risks arising from the provision of its discretionary management service to intermediaries. The focus of the assessment is to review controls and procedures, and therefore it is only part of the overall assessment that an intermediary should carry out when looking to use the services of a DIM.

Due Diligence: What is it, and why is it so important?

Research and due diligence are seen as one of the pillars of ensuring delivery of good outcomes and advice to clients i.e.

1. Competence: ensuring advisers are competent on the subject of the product or service concerned
2. Research and due diligence: the FCA uses these terms to refer to the processes used to assess:
 - a) The nature of the product or service, for example both investment structure and performance
 - b) The risks and benefits
 - c) The provider – To establish whether it is appropriate to entrust the provider with client assets

It is important for intermediary firms to differentiate between the different aspects of research and due diligence.

Research is the initial filter from a range of products or services that potentially meet the requirements that intermediary firms are looking for in relation to a given scenario, in this case a discretionary investment manager. The research stage would identify a number of discretionary investment managers that may meet the intermediary firm's requirements.

Due diligence is the next stage of the assessment process whereby a deeper analysis is conducted by the intermediary firm on the services of the discretionary investment manager identified at the research stage.

This assessment report should form part of an intermediary firm's due diligence process conducted on a discretionary investment manager.

Both research and due diligence form part of a wider range of regulatory requirements including the FCA regulatory principles that 'a firm must conduct its business with due skill, care and diligence' and 'a firm must pay due regard to the interests of its customers and treat them fairly', product governance and suitability, which together, combine to help intermediary firms deliver good client outcomes.

Assessing suitability: where advisers are competent and understand the individual products or service, they should be able to assess for each client if the solution is suitable.

In relation to looking at any services to be provided by a DIM, intermediaries need to understand the above factors in order to assess whether the proposed solution is suitable for their clients.

In early February 2016 the FCA issued its findings following a thematic review into firms' research and due diligence processes ([FCA - TR16/1: Assessing suitability: Research and due diligence of products and services](#)). It has provided some useful pointers for firms on what helps to ensure appropriate research and due diligence processes are in place. The review covered how firms select products, funds, platforms as well as the services of DIMs.

Whilst the FCA's findings are high level comments, the particular references that have relevance to the assessment of discretionary management services are as follows:

1. The key driver of good research and due diligence is a corporate culture of challenge. The FCA commented 'The better firms had either in-built challenge in the process and/or individuals who were knowledgeable, enthusiastic and challenged the firm's approach. Where there was no culture of challenge within the firm, the research and due diligence process showed weaknesses'.
2. The size of a firm is not a barrier to carrying out good research and due diligence.
3. Processes and tools used in research and due diligence will vary depending on the circumstances, and the FCA does not set out specific requirements. The emphasis is on the firm to take reasonable steps to ensure the solutions are suitable for their clients.
4. Research and due diligence need robust systems and controls in order to be effective.

5. Firms need to be structured in their research and due diligence process in order to ensure that information is up to date and challenged adequately.
6. Research and due diligence should be an objective process and 'not a case of retro-fitting due diligence to justify the outcome the firm had already previously decided upon.'

The Due Diligence process

As noted previously the FCA has not set out a defined process for firms to follow when assessing the services of a discretionary investment manager. The approaches taken will vary in different circumstances, and to a large extent are influenced by the type of service the intermediary is seeking from the DIM. It is also possible that the solutions you identify for your clients may involve the services of more than one DIM. However, whether you are seeking to merely refer your clients to a DIM and chose to let them take responsibility for the suitability of advice, or you intend to advise your clients on a model portfolio operated by the DIM, in which you take responsibility for the suitability of advice, the process should encompass the following stages:

1. Define why you need a DIM
2. Set out the key criteria by which you will assess the DIM
3. Identify and list the DIMs that you will research
4. Reduce/filter the list based on your key criteria
5. Gather information – Multiple sources and of various types, for example:
 - Companies House/ FCA register checks
 - Accounts
 - Website and other internet information
 - 3rd party reports, for example threesixty, ARC
 - Research databases, for example Defaqto
 - DIM's own material – Due diligence packs or brochures
 - A due diligence questionnaire sent to the DIM
6. Meet the shortlist of firms
7. Decide on which one or more DIMs to use – Document why and the approval process followed by your firm's senior management
8. Monitor and record performance of the DIM(s)
9. Periodic review of DIM(s) and report findings to senior management

It is important to document each stage of the process so that you are able to demonstrate the process if called upon to do so.

The threesixty assessment: Our methodology

The assessment consists of a combination of a series of remote meetings with the DIM which generally take 2 days, and a review of various documented procedures and papers supplied by the DIM prior, during and after the meetings.

During the assessment our business risk consultant meet with key individuals from the DIM from different sectors of the business to allow them to explain in more detail how their firm operates and the controls and procedures that are in place. In general, the assessment involves meetings with senior representatives from Investment Management, Operations, Compliance, Risk Management, HR, Training and Competence and I.T.

On occasions the DIM will inform us that certain documents that we request are not available due to the confidential nature of the information they contain. In cases in which this has occurred we simply note that the document could not be provided due to the confidential nature of the information.

The threesixty assessment: The report format

The report that follows is divided into the various subject headings as follows:

- Corporate governance / systems and control
- Client and referring intermediary arrangements and financial promotions
- Recruitment
- Training & competence
- Discretionary management procedures
- Outsourcing
- Financial crime
- Complaints
- Business continuity

The aim is that the review of the combination of different areas of the business ensures that all the key aspects of the business are reviewed. In each section our overall focus is to attempt to explain what procedures the DIM firm has put in place to control its business, and to manage the risks so as to ensure good client outcomes can be achieved.

The threesixty assessment: How to use it

As noted above the threesixty report is only part of the information that you will need to gather within the overall due diligence process. In part it aims to provide some independent verification for you that certain key procedures and controls are in place within the DIM. However, it will also hopefully help you to construct further questions that you may wish to ask the DIM during the due diligence process.

Assessment report

threesixty has only reviewed those documents made available on our review. We have not investigated their efficacy and practical use. All reasonable precautions have been taken to ensure that the information contained is correct, threesixty services LLP does not accept any responsibility for errors, inaccuracies, omissions or any inconsistencies. This information should not be relied upon by third parties and should not be considered as an endorsement as to individual suitability of the firm for a financial advisers' clients.

The assessment report does not include any comment on the firm's procedures in respect of holding client money, or assets, in accordance with FCA rules as this is outside the scope of our assessment.

Investec Wealth & Investment (UK): Key details

Firm name	Investec Wealth & Investment (UK) is a trading name of Investec Wealth & Investment Limited, which is a subsidiary of Rathbones Group Plc, based in 30 Gresham Street, London. It also has offices in Belfast, Birmingham, Bournemouth, Bristol, Cheltenham, Edinburgh, Exeter, Glasgow, Guernsey, Guildford, Leeds, Liverpool, London, Manchester and Sheffield.
Turnover	£257.3m (IW&I, 9 months to 31st December 2023)
Established since	The firm has been offering outsourced discretionary services to financial advisers for over 25 years
Funds under management	£43.0 bn (IW&I as at 31st March 2024)
Contact details	Simon Taylor, Head of Strategic Partnerships & Platforms Direct line – 020 7597 1618 Mobile – 07720 810327 Email – simonj.taylor@investecwin.co.uk
Useful links	www.investecwin.co.uk



ARC performance is available for Investec Wealth & Investment (UK) upon application.

Investec Wealth & Investment (UK) are happy to provide potential and existing supporting IFAs with its ARC performance data upon application and as appropriate. To request this information, please contact your local Business Development Director or by emailing _Intermediaryservices@investecwin.co.uk.

Assessment findings

A. Corporate governance and systems & controls

This section explains how the business is structured and managed. It seeks to explain the key procedures that control the risks within the overall business.

Review findings

1. Investec Wealth & Investment (UK) [IW&I] became part of Rathbones Group Plc on 21st September 2023 to form the UK's leading discretionary wealth manager. The Rathbones Group is a FTSE 250 company listed on the London stock exchange. Prior to this Investec Wealth & Investment (UK) Limited was a wholly owned subsidiary of the Investec Group.
2. At the date of the assessment IW&I remains a separately regulated firm. A migration project is underway which will see IW&I clients and intermediary relationships migrate from IW&I to the Rathbones Group.
3. The structure of corporate governance within IW&I itself comprises a Board of directors supported by a series of committees reporting on key issues. The Board of IW&I now comprises representatives from the Rathbones Group, independent non-executive directors and executive directors which meet on a quarterly basis. Rathbones Group has four Board committees that IW&I report into:
 - Group Risk Committee
 - Audit Committee
 - Nominations Committee
 - Remuneration Committee
4. The key oversight committee which reports into the Board is the Management Committee (MANCO), there are a further series of sub-committees with various functions. These were noted as – Investment, Risk Management, High Risk Client, Operations, Product Approval, Client Outcomes and Remuneration.
5. The Compliance & Risk Department comprises six teams with other supporting teams:
 - Regulatory governance
 - Compliance monitoring
 - Compliance advisory team
 - Operational risk
 - Financial crime
 - Data protection

In addition to the six teams a Head of Senior Management & Certification Regime (SM&CR) role is in place who reports into the Head of Compliance & Risk.

6. A Compliance Monitoring Plan (CMP) is in place which is the responsibility of the IM Compliance Monitoring Teams.

7. The CMP is reviewed every six months and the plan for each year is based on the findings of the previous CMP, any challenges IW&I faces through regulatory thematic issues, and the impact of company strategy and overall development plans.
8. The Compliance monitoring team undertake various risk based and themed reviews based on regulatory developments and FCA guidance. An example of a recent thematic review was a review of Vulnerable Clients.
9. Findings from the CMP are discussed with the business and action plans agreed. The output from the CMP is reviewed by the Risk Management Committee on a bi-monthly basis.
10. The Regulatory Governance Team is a unit within the Compliance team that is responsible for keeping abreast of any changes in regulation and the work undertaken by the team is noted within the CMP.
11. A Regulatory Development Forum meets monthly to review regulatory change and the impact it will have on the business. Output from the Forum is reviewed by the Risk Management Committee.
12. The Investment Management Assurance Team (IMAT) is a client liaison team, based within the business that undertakes routine risk based and thematic focused Investment Manager Reviews that review Suitability, Know Your Client and the management of client portfolios and reports into the Head of Risk and Compliance. The reviews include sampling client files and telephone calls to assess adherence to the firm's standards and adherence to regulatory requirements. Results of such reviews are recorded on Investment Manager Review Worksheets and a Telephone Monitoring Log. The IMAT assess Investment Managers using a scoring system, and the frequency of assessments is based on the results of previous scores. The Compliance team review the findings from the IMAT.
13. Rathbones Group has an internal audit function which provides independent review of governance structures. The scope of the Internal Audit Department, which is a group level function, covers the:
 - Effectiveness of the internal governance arrangements
 - Information presented to the Board and Executive Management
 - Procedures and controls supporting decision making on operational and strategic issues
 - Assessment of, and adherence to, the firm's risk appetite
 - Risk and control culture
14. Details of the IW&I risks can be found in the firm's report and accounts to 31 December 2023 that can be found on companies house. Key risks include reputational, market, regulatory and operational risk.
15. IW&I's approach to Consumer Duty is incorporated within the Conduct Risk Framework and, Conduct Risk Policy and is monitored by the Conduct Risk Forum. The Conduct Risk Forum reports into the Risk Management Committee.
16. The Conduct Risk Policy and Framework was updated as part of the firm's Consumer Duty project. The framework explains the company's approach to the definition and identification of conduct risks, and how they will be addressed within the organisation. It is IW&I's policy that all business units are required to assess themselves against the defined risks set out within the Policy and Framework and ensure that effective and appropriate controls are implemented and maintained. Challenge to these assessments is then provided by the Operational Risk Department.
17. A key aspect of the Conduct Risk Policy and Framework is contained in the Appendix which sets out a Conduct Risk Matrix. This is IW&I's assessment of the probability and impact of various risks and the

actions that are to be taken to mitigate risks. Risks are rated as Green, Amber & Red in terms of the level of controls in place and likely risk of detriment to clients.

18. IW&I maintains a key staff document entitled 'Investec Wealth & Investment Core Values'. The core value areas summarised cover integrity, clients, people, risk, and social responsibility and are linked to the FCA's six TCF outcomes and the Consumer Duty outcomes. There is a dedicated Conduct Risk Reporting mailbox in place for staff to report any behaviours or outcomes which do not appear to support the internal values. IW&I has a Whistleblowing Policy in place and a dedicated external whistleblowing hotline. Whistleblowers can also contact the People team or the Head of Compliance & Risk. Posters are placed in all IW&I offices providing contact details for staff to use if they want to blow the whistle.
19. There is a conflicts of interest policy in place which was last reviewed in June 2024. threesixty was advised that senior management regularly review conflicts of interest, any new conflicts of interest and outside business interests are reviewed, and RAG rated by the compliance team. Conflicts of interest in relation to IW&I's investment management and dealing services are covered within Section 22 of the firm's Terms and Conditions and the policy is included as Appendix 6 of the same document.
20. A Conflicts of interest register is in place to log any identified conflicts including outside business interests which is reviewed regularly by both the Conduct Risk Committee and the Board. A copy of the conflicts register was not provided for review. All employees are required to complete an annual attestation on conflicts of interest.
21. A representative from the compliance team confirmed the firm has a compliance manual in place which provides details of the firm's regulatory responsibilities and references the firm's policies and procedures. threesixty was advised the compliance manual was last updated in February 2024 and will next be reviewed in June 2025.
22. A Policy Forum is in place which is chaired by the Head of Policy, Governance & Reporting and is responsible for the review of policies ahead of key committee approval being sought. The Head of Policy, Governance & Reporting ensures approved policies are disseminated to the firm's employees via the intranet and internal communications.
23. IW&I has a Vulnerable Client Forum which meets monthly with representation from across the business to discuss and review the firm's practices in respect of Vulnerable Clients.
24. Professional Indemnity (Civil Liability) and Direct Final Loss (Crime) Insurance for IW&I is covered by a Rathbones Group policy. threesixty was advised the current insurance policy provides cover for negligence, fraud, infidelity or loss of documents to a limit of £40 million in aggregate.
25. The on-going requirements in respect of the Senior Managers & Certification Regime (SM&CR) are overseen by the firm's Head of Corporate Governance. IW&I is categorised as an enhanced firm under SM&CR.
26. IW&I has FCA permission to hold client money (CASS). IW&I is a Large CASS firm. All CASS requirements are the responsibility of the CASS Team which is part of the Operations Department reporting into the Chief Operating Officer.
27. IW&I has transaction reporting obligations which are managed by the Operations Department and are reviewed by the Compliance team as part of the Compliance Monitoring Plan.
28. Breaches and errors are recorded and reviewed by the Conduct Risk Forum.

29. Risk events including breaches and errors are investigated by the Detriment Team to assess whether there was or could be client detriment.
30. As part of the firm's implementation of Consumer Duty it introduced its Client Outcomes Committee. The committee includes key stakeholders from the firm, is governed by a Terms of Reference, meets monthly and reports into MANCO. The Head of Private Client Investment Management chairs the Committee. It was noted a number of other working groups including the Vulnerable Client Working Forum and the Document Review Group provide information to the Client Outcomes Committee for consideration.
31. It was noted the firm's Consumer Duty Assessment report was reviewed by the Client Outcomes Committee before being approved by the Board.
32. Product Governance is overseen by the Product Approval Committee (PAC), the committee includes representatives from across the firm and reports into MANCO. Any new products and services are assessed by the PAC at both 'concept' stage and prior to launch. Existing products and services are also reviewed by the PAC.
33. An overview of the firm's ICARA process was provided to threesixty during the assessment. threesixty was advised the ICARA is at the centre of the firm's risk management process. IW&I has embedded monitoring processes within its control framework to ensure the firm is compliant with its capital adequacy requirements.
34. IW&I has produced MIFIDPRU disclosures, the latest version for the period ending 31 December 2023 was provided to threesixty as part of the assessment.
35. threesixty was advised by the Compliance Advisory, Team the firm conducted a review of all relevant communications as part of its Sustainability Disclosure Requirement project to ensure it is complying with the anti-greenwashing rules.

There is a significant migration project underway since the acquisition of IW&I by the Rathbones Group. IW&I will remain a separately regulated firm until the latter stages of the migration project.

Based on meetings with representatives from the firm, there appear to be the appropriate systems and controls in place to oversee the firm's activities as it migrates across to the Rathbones Group.

B. Client and referring / introducing intermediary arrangements and financial promotions

This section looks at how the DIM deals with clients and what are the legal and procedural arrangements with introducing intermediaries. It looks at the contracts and on boarding procedure and what checks they will do on the intermediary business. It seeks to identify whether or not the process, and the responsibilities of all parties are clear.

This section also looks at how the DIM markets itself, and what controls it has to ensure that promotions are clear, fair and not misleading.

Review findings

Client and referring / introducing intermediary arrangements

Full details of IW&I's services and respective regulatory responsibilities with referring / introducing intermediaries are supported and set out in a range of supporting intermediary guides available direct from IW&I. threesixty was advised there were no immediate planned changes to the services provided by IW&I, details of the current service offering is provided below:

1. IW&I provides a range of services to the clients of intermediaries including:
 - a) Bespoke Discretionary Management
In which the IW&I Investment Manager aims to work closely with the intermediary to design a portfolio around the individual client's needs and values. This service is designed for portfolios greater than £150,000 with a minimum fee of £1,200 plus VAT. IW&I confirmed the average discretionary client has approximately £1,025,000 in linked accounts.
 - b) Managed Portfolio Service (MPS) on Platforms
Offering a choice of six investment strategies, ranging from a low-risk defensive strategy to a medium-high risk growth strategy. The service is rated 5 stars by Defaqto and is available to clients of intermediaries on an 'agent as client' basis for clients with less than £150,000 to invest. The MPS service is available on a number of platforms including 7IM, abrdn Elevate, abrdn Wrap, Aegon (ARC & Co Funds), Aviva, Fidelity, Fundment, Morningstar Wealth, Parmenion, Quilter, Scottish Widows, Transact and Wealthtime.

The Managed Portfolio Service (MPS) on Platforms does not charge VAT.
 - c) AIM Portfolio IHT Plan
This is a service to help clients protect their money from Inheritance Tax (IHT). The minimum investment for this service offering is £100,000.
 - d) Structured Product Service
This service provides two options investing in structured products for clients of intermediaries looking for a defined return over a specific period. The minimum investment for this service is £250,000.
2. The Bespoke Discretionary Management Service is only available via Investec's own platform with custody provided by one of four wholly owned nominee companies including Rensburg Client Nominees Limited.
3. The intermediary is provided with a 'Set Up Procedures for Clients of Advisers' document which explains the roles of both parties and how IW&I can work with the intermediary and their clients. This document notes:

- The intermediary will accept full responsibility for determining their clients' selection of the appropriate service from IW&I and for determining their clients' level of portfolio risk and investment objectives, both initially and on an ongoing basis.
 - The intermediary will have undertaken a comprehensive review of the clients' needs and have completed a Know Your Client (KYC) / fact find process, undertaken an assessment of risk and ensured compliance with anti-money laundering requirements.
 - The relationship with the intermediary is based on the 'reliance on others' model where the intermediary arranges for their client to have a direct contractual relationship with Investec.
 - If the intermediary uses the Managed Portfolio Service on Platforms, the arrangement operates on an 'agent as client' basis whereby IW&I contracts directly with the intermediary but not the intermediary's client.
 - IW&I will periodically seek to confirm in writing that the intermediary's clients' investment risk profile and objectives remain suitable based on their comprehensive understanding of their personal circumstances. The Investment Management Team's monitor client's mandates on an on-going basis to ensure they remain suitable.
4. IW&I can assist the intermediary with its due diligence assessment of IW&I by providing a range of documents tailored to providing further information and explanation about the services and approach adopted by IW&I. These include, but are not limited to the following:
 - Due Diligence Information for Financial Advisers
 - Investment Management Services for Financial Advisers
 - Managing Your Investments for Clients of Financial Advisers
 - Set Up Procedures for Clients of Advisers
 - Client Protection
 - Corporate Brochure
 5. IW&I has also set out template wording in their 'Set Up Procedures for Clients of Advisers' document which can be used to assist intermediaries in drafting suitability reports for their clients when making a recommendation to use IW&I.
 6. The intermediary set up procedures also note that IW&I will undertake due diligence on the intermediary itself. This will entail the completion of a due diligence questionnaire ('IW&I Due Diligence Questionnaire for new and existing adviser firms') before any agency agreement is established and set up. The questionnaire explores a number of core areas about the intermediary firm, its controllers, its authorisation status, business model and compliance details. On-going due diligence is conducted by reconciling information against the FCA register for any changes in status or authorisation.
 7. The majority of services provided for clients introduced by intermediaries are on a discretionary basis. Although IW&I can accept advisory or non-managed business it does not support adviser agreed remuneration on this type of business. This is because in this situation IW&I takes on responsibility for the suitability for the mandate of any investment portfolio and treats the client as if they came to them directly.

8. A Financial Adviser Private Client Agreement for clients of intermediaries is signed by the intermediary and the client which confirms that the intermediary is responsible for assessing suitability. IW&I therefore has a contractual relationship with both the intermediary and the client with the intermediary responsible for strategic financial planning and recommendation of the IW&I service and portfolio approach and IW&I being responsible for the portfolio management to an agreed risk strategy and objective.
9. The IW&I document entitled 'Managing Your Investments for Clients of Financial Advisers' is available for the intermediary to provide to their client. The document explains the process and the responsibility of the intermediary and the role of IW&I.
10. In bespoke arrangements IW&I prefers to meet with the intermediary alongside their client, to enable the roles of both parties and the features and benefits of the services to be explained and understood by the underlying client.
11. The intermediary's client is issued with a detailed Terms & Conditions document in addition to the 'Financial Adviser Private Client Agreement' which outlines the suitability obligations of the parties involved. It notes that in instances where the client's intermediary has confirmed to IW&I that it has assessed suitability in line with FCA requirements then IW&I will not seek information from the client on knowledge and experience, financial situation, or investment objectives.
12. For intermediaries using the MPS on Platforms service an 'IW&I Terms of Business for MPS on Platforms' is provided to intermediaries for completion. A copy of the 'IW&I Terms of Business for MPS on Platforms' was previously provided to threesixty as part of the assessment. The Terms of Business outlines the roles and responsibilities of both parties when using the service.
13. IW&I allocates a dedicated Investment Manager to each bespoke client. To cover the requirements relating to suitability statements and aggregated costs and charges IW&I produces an 'Our Investment Approach' document (Portfolio Suitability Report) for each new client portfolio following completion of the 'Client Investment Recommendation Request' and then the appropriate 'Financial Adviser Private Client Agreement for clients of Financial Advisers' application pack. The initial Portfolio Suitability (Report) is issued direct to the intermediary at the outset of the relationship.
14. Once a client has been on-boarded both the intermediary and the underlying client are able to access the portfolio using the IW&I Online web portal 'Investec Online'. Intermediaries are also able to access their client's portfolios on both smartphone and tablet.
15. The 'Our Investment Approach' report sets out IW&I's understanding of the client's situation and confirms how the portfolio is to be managed to the client's specific objectives and requirements. Additionally, the report covers a summary of costs and charges alongside an illustration of projected portfolio growth. It is important to note however that the summary of costs and charges only aggregates the direct costs relating to the management of the portfolio (i.e., IW&I costs and the portfolio holdings) and in the example provided for a previous assessment the intermediary's remuneration for advice is included separately. Intermediary firms will therefore need to ensure that they provide an aggregated summary including their own adviser charges if these are to be levied.
16. IW&I states it aims to issue the 'Our Investment Approach' report within five business days and the report makes clear what aspects the intermediary and IW&I are responsible for and covers the following main areas:

- An outline of the relationship between the parties
 - Investment solution / objectives
 - How the portfolio will be managed
 - The proposed investment plan
 - An illustrative portfolio
 - Charging structure
 - Ongoing charges illustration (costs and charges)
 - Relative performance and benchmarking
 - Comparative performance against peer group
 - A summary of the position and a range of appendices
17. An adviser charging declaration needs to be completed by the client as part of the account opening process. Any subsequent changes to the adviser charge require an amendment form to be signed by the client.
 18. The MPS on platform service is independently risk rated by Dynamic Planner, Defaqto, EV, Finametrica, Oxford Risk and Synaptic. IW&I produces a quarterly Risk Mapping Summary document which is available for intermediaries, a copy for Q2 2024 was provided as part of the assessment.
 19. In the financial advisers' section of the firm's website there is a due diligence section which provides an Investec DDQ document, an AKG financial strength report, a Defaqto report, a copy of the latest threesixty report and information on DD Hub. Included in the due diligence section are Target Market and Value Assessments dated April 2024 on each of the firm's services. The Target Market and Value Assessments have assessed the service against each of the four consumer duty outcomes.
 20. In 2017, IW&I and several other major investment management firms formed a partnership called the DFM Alliance to offer financial intermediaries a platform for improving client outcomes through information, education, and collaboration. This partnership has now evolved to include approximately 15-20 investment managers and has been renamed DFM Connect and linked informally with PIMFA. The partnership has an educational and best practice focus and aims to:
 - Educate advisers on the benefits of outsourcing investment management
 - Provide a knowledge base for advisers to draw upon when undertaking DIM due diligence
 - Work collaboratively with advisers to assist in improving business practices for the benefit of the end client, and
 - Debunk the myths around working with a DIM and what it means for advisory business

Financial promotions

IW&I has procedures in place to approve all forms of communications/financial promotions, and ensure that communications are fair, clear, and not misleading. threesixty was advised all types of communications / financial promotions had been reviewed and risk graded as part of the firm's Consumer Duty project.

A Document Review Group is in place which is responsible for oversight of the firm's communications. The Group meets monthly and reports into the Client Outcomes Committee. It was noted all communications have been reviewed to test / assess against the FCA's anti-greenwashing rules under SDR.

In terms of procedures in respect of the financial promotions, they include the following:

1. A financial promotional flowchart is in place which explains how financial promotions are approved and the process to be followed.
2. A financial promotions procedures document which outlines the regulatory requirements (including Consumer Duty) and the process that IW&I follows. The procedures document was previously shared on screen with threesixty.
3. IW&I have in place guidance for the production and review of promotional literature and client collateral. This guidance was updated to include checks to cover anti-greenwashing requirements.
4. There is a policy and procedures approval process in place which covers the process for the launch of any new service or product.
5. A specific system is used throughout the financial promotion approval process to evidence adherence of all the relevant steps.
6. The financial promotions process is managed using an automated workflow system, Seismic. This is overseen by the marketing team and provides a full audit trail for each financial promotion.
7. There is defined sign off process in place. threesixty was informed that draft financial promotions are approved through a system which confirms the relevant signoff.

The documents that are issued to the intermediary and their clients record the respective roles of both parties.

IW&I appears to have a structured approach for the approval of financial promotions. Although the assessment did not involve a review of any records of specific approvals of promotions, threesixty were provided with an overview of the process. It was noted IW&I have also captured the requirements in respect of anti-greenwashing under SDR as part of the review of the firm's communications/financial promotions.

C. Recruitment

This section aims to illustrate what procedures the DIM has in place to ensure that staff it employs are fit and proper. It looks at how the recruitment process works, and how staff are inducted into the business to ensure that they are aware of company procedures.

It will also look at remuneration policies to see if these have been clearly defined.

Review findings

An overview of the recruitment procedures for IW&I was provided to threesixty which explained how staff are vetted and recruited. It was noted that as part of the Rathbones acquisition a Working Group is in place to review the recruitment processes of both Investec and Rathbones.

At the date of the assessment some of the wider services e.g. payroll and benefits, continue to be provided by Investec Bank under a TSA (Transitional Service Agreement) with Rathbones Group. The recruitment processes and procedures of IW&I are provided by IW&I Careers and People Services team and remain separate from those of Rathbones. The procedures reviewed set out a process as follows:

1. The Careers Team within the wider People Department are responsible for the recruitment of new joiners. The recruitment policy and procedures are documented in a Recruitment Manual. Senior management responsibilities for recruitment are held.
2. The IW&I approach to recruitment is to recruit internally where possible, vacancies are posted on the firm's career website. The firm uses a direct sourcing model supported by job boards and recruitment agencies.
3. All candidates are subject to a selection and interview process. The hiring manager(s) are responsible for assessing the candidate's competence including skills and knowledge required for the role and cultural fit for IW&I. An in-house recruiter is also involved in the interview process to assess for organisation and cultural fit.
4. For senior and critical roles, a representative from Rathbones Group ExCo will also interview the candidates and determine whether the candidate is competent to perform the role.
5. All offers of employment are subject to the following conditions being met:
 - Receipt of documentary evidence of their right to work in the UK
 - Verification of background information entailing investigative and consumer reports (including financial probity), disclosure and references from employers/academic and professional bodies covering the previous five years or six years for Senior Managers and Certification Regime (SM&CR) roles and any other appropriate pre-employment checks (for example, appropriate qualifications)
 - Receipt of documentary evidence of Statement of Professional Standing
 - Satisfactory completion of a Personal Account Dealing Notice
 - Approval where necessary from the appropriate regulatory authorities.
6. IW&I uses an external company (Verifile) who undertake the background screening process on all new staff. The reports from which are then checked by the People Services Team within the wider People Department.
7. An Online Portal is used by IW&I to manage the recruitment process, from the recruitment approval form through to the completion of a new starter checklist.

8. IW&I advised it was unable to provide examples of staff files due to data protection restrictions and confidentiality reasons. However, threesixty was informed that the typical staff file would contain the following:
 - An on-line recruitment authorisation (stored within the Online Portal)
 - Candidate CV
 - Interview notes
 - Investigatory evidence from disclosure and barring screening and references employers/academic and professional bodies
 - Offer letter and Terms and Conditions signed by the candidate
 - Evidence of Statement of Professional Standing
 - Evidence of appropriate qualifications attained and evidence of CPD attained to date
 - Signed policies including Fitness & Proprietary, Personal Account Dealing and a declaration of any conflicts of interest
 - Confirmed successful completion of Probationary Period
 - Initial Competence Assessment sign-off depending on timeframe set for assessment
9. People Services team provide new staff with an induction covering general employee requirements. New staff are required to complete a series of mandatory computer-based training/tests to ensure understanding of key regulatory and legislative areas. Examples of the types of training include modules on client vulnerability, ESG, financial crime, information security, suitability, dealing procedures and consumer duty.
10. If the new role has been identified as either a Senior Manager or Certification Staff in addition to the above induction, they also receive an additional induction managed by the Training & Competence Manager which includes checking qualifications, issuing specific documents, and assessing competence as new joiners are unable to perform their role until, they have been assessed as competent.
11. The remuneration governance structure is comprised of the IW&I Reward Committee, attendees of this Committee are the Finance Director, Chief Operating Officer, Head of Compliance & Risk, Head of Private Client Investment Management, Rathbones Group CEO and Rathbones Group CFO, the Committee now reports into the Rathbones Group Remuneration Committee.
12. IW& remuneration structure is designed to attract, retain, and incentivise its employees and to reinforce the behaviours needed to support its culture in a risk conscious manner.
13. Remuneration for employees of IW&I may comprise:
 - Fixed pay, pension contributions, employee benefits
 - Discretionary performance related awards
 - Staff shares
14. Both qualitative and quantitative factors (such as Conduct) are integral to the determination of reward levels at a team and individual level for all investment managers.
15. Employee reviews are managed using an employee performance app, there are on-going 1 to 1s and team assessments.

16. threesixty was advised IW&I was now subject to the Rathbones diversity, equality and inclusion framework. Communications to IW&I employees was provided about the Rathbones framework.

The recruitment process at IW&I is well established and covers the requirements you would expect. At the date of the assessment the recruitment processes had not been impacted by the Rathbones acquisition, but this will change in due course as the migration progresses. An overview of the wider changes e.g. changes regarding the Remuneration Committee(s) and the move to the Rathbones DEI framework were provided by the IW&I Head of People Services.

D. Training & competence (T&C)

This section looks at how the DIM sets out its training and competence regime, and reviews what processes are in place to train, assess and monitor staff and investment managers in particular in their role of dealing with clients introduced from intermediaries.

Review findings

IW&I manages the training and competence of all employees, fixed term contractors and appointees (NEDs) based in the UK through its Training and Competence (T&C) Policy (having been re-named from the Professional Development and Competence Policy) and Fitness and Propriety Policy and Supervisors Policy.

The latest version of the T&C Policy is dated April 2024, with minor amendments having occurred in January 2024 and March / April 2024, a copy of the Policy was shared on screen with threesixty during the assessment. The T&C Policy is supported by procedures and framework documents setting out how the policy obligations are discharged in practice.

The main features of IW&I's approach to T&C are as follows:

1. The Rathbones Investment Management Chief Operations Officer is the Senior Manager responsible for Training & Development within IW&I. The IW&I MANCO is responsible for implementing strategic and operational decisions that directly influence the operation of the T&C Policy including ethics, corporate values, organisational structures, and role responsibilities. Additionally, the MANCO is responsible for implementation of supervision protocols and structures to ensure performance standards are met.
2. The previous IW&I monthly Training & Development Steergroup has been replaced by a T&C Workgroup and Non-financial metric (NFM) Forum. The Workgroup was established in March 2024 and the NFM Forum in 2023. The T&C Workgroup is made up of senior practitioners from first- and second-line oversight functions and its scope is to carry out root-cause analyses of persistent breaches of T&C standards, and where appropriate recommend actions. If unable to resolve an issue, the T&C Workgroup will escalate to the NFM Forum. The NFM Forum is a sub-group of the Risk Management Committee and has a mandate to provide oversight and assurance of IW&I's adherence to the FCA'S T&C requirements.
3. The NFM Forum representatives is comprised of the IW&I Training & Competence Manager, Head of Private Client Investment Management, Co-Heads of Private Client Advice as well as other senior representatives from Policy & Governance, Compliance Advisory and People Services. Rathbones are also represented by the Rathbones Investment Management Chief Operating Officer. The forum meets at least quarterly.
4. Compliance sets the regulatory computer-based training for the company and advises on other appropriate regulatory training. It is also responsible for monitoring the adherence to the procedures and the interpretation of regulatory developments, and reports management information to the Operations Committee and MANCO on a regular basis.
5. People & Organisation and Compliance assess the impact of any FCA regulatory developments on the T&C Policy and related frameworks.
6. Experienced senior investment managers and team leaders are responsible for the day-to-day supervision of the T&C arrangements for all members of their team. This includes the supervision of team members in attaining and maintaining competence.
7. An initial training induction is provided to new employees which is split into the following core areas:

- a) An IW&I certified persons induction process run on a half day with a focus on introducing the certified person to the work of various teams that impact the investment management role including compliance, suitability, and the dealing department. This process forms part of the initial sign off competency for all Senior Managers and Certification Staff and is managed by the Training & Development Team.
- b) An induction for all new joiners which provides a broad overview of the business.
- c) Regulatory and other Computer Based training/testing to be completed within 12 weeks of joining. The subjects covered include:
 - Consumer duty
 - ESG
 - Understanding Climate Risk
 - Guarding against Greenwashing
 - Defining vulnerability and a vulnerable customer
 - Complying with sanctions
 - Countering bribery and corruption
 - Fighting fraud
 - Information security
 - Managing conflicts of interest
 - Money laundering and how you can prevent it
 - Conduct risk
 - COBS Rules, Appropriateness, Suitability, Dealing and managing, Best execution, Client categorisation
 - Introduction to UK Financial Regulation
8. An initial on the job competency assessment is provided by the line manager, or a competent team member as appropriate.
9. An experienced senior investment manager team leader undertakes supervisory responsibilities for the following:
 - Trainee Investment Managers
Until they have successfully completed the Investment Advice Diploma qualification.
 - Associate Investment Manager (under supervision)
Until they have attained the Chartered Wealth Qualification, the required level of experience and been signed off for investment advice and discretionary management.
 - New joiners
Employees who are RDR compliant but whose competency is being assessed as a new starter.
10. Most supervisors have more than 10 years' experience and are required to maintain records to show their own competence as part of Continuous Professional Development (CPD).

11. In respect of new appointments of Investment Managers, based on information from the interview process, and results of the screening process the line manager will determine whether the individual is competent to perform the role. In cases where the Investment Manager is not considered competent the compliance team will advise the line manager on the level of supervision required and any formal training to be completed.
12. The length of time taken to complete the assessment of competency will depend on the experience of the new Investment Manager, and their progress in understanding IW&I's systems and processes. During the initial sign off period, the Investment Manager is not allowed to engage in investment activity without being supervised by a compliant Senior Investment Manager who has attended Supervisor training.
13. Following the competence assessment ongoing meetings are undertaken between the supervisor and Investment Manager.
14. All staff are required to complete a Performance Development Review (PDR) on an annual basis. This appraisal includes a client focused review and the process as defined within IW&I's T&C Policy is based on the firm's core philosophies and designed to develop performance, give, and receive constructive feedback, encourage open and honest conversation, measure objectives set previously, to plan ahead to explore challenges and commit to actions.
15. The PDR is not viewed as a one-off event and forms part of an ongoing dialogue regarding development and attaining goals.
16. IW&I manage its annual certification process using the Accord system. Investment managers are certified by their T&C supervisor with the process overseen by the Training & Competence team.
17. IW&I have set benchmark qualifications for all Investment Managers who are required to be RDR compliant. The requirements are:
 - Level 4 Investment Advice Diploma or equivalent, and
 - Level 7 Chartered Wealth Management qualification or equivalent
 - By exception, the business may accept the level 6 Private Client Investment Advice and Management as an alternative higher level qualification.
18. IW&I's procedures require CPD records to be produced in line with the standards laid down by the CISI or, if different, the individuals professional institute. CPD and professional development areas are reviewed for each Investment Manager as part of the PDR process and the annual renewal of their Statement of Professional Standing (SPS). Oversight of the process is provided by the Training & Development Team.
19. Ongoing T&C training in terms of Computer Based Modules is agreed by representatives from the Compliance Regulatory Change Team.
20. IW&I carries out an annual assessment of ongoing competence and of fitness and propriety for employees in regulated roles.

The assessment of this area did not include any review of individual T&C files for staff due to the confidentiality of information contained within the files, therefore we are unable to make any comment on the workings of the T&C Policy and its associated frameworks. However, based on the information provided and following a meeting with the IW&I Head of People Services, IW&I appears to have policies and procedures in place in respect of training and competence.

As part of the Rathbones acquisition certain changes have occurred to the IW&I T&C framework, e.g. the introduction of the T&C Workgroup and Non-financial metric (NFM) Forum, with the latter containing a representative from Rathbones.

E. Discretionary management procedures

This section looks at the procedures and controls the DIM has put in place to carry out the DIM service. It aims to assess how they arrive at decisions when managing funds, and how they record and monitor the process. It looks at the structure of the process including the firm's investment philosophy, investment committees, research, how decisions are implemented and the controls in place to minimise the risk of errors and loss to clients.

Review findings

IW&I has a framework of procedures and committees to control and monitor the discretionary management services it provides to referring/introducing intermediaries and their clients. The framework includes the following:

1. There is an IW&I Investment Committee in place which meets monthly, with a longer session taking place once a quarter. There are Terms of Reference for the committee, a copy of the Terms of Reference dated May 2024 was provided to threesixty as part of the assessment. The IW&I Investment Committee is responsible for oversight of the IW&I investment management processes and to ensure the various Investment Sub-Committees and Groups are operating effectively. Voting members of the IW&I Investment Committee include senior individuals from Research, Investment Management, Product, Compliance and Commercial Controls.
2. In due course, there will be a revised Investment Committee comprising representatives from both IW&I and Rathbones overseen by a combined Investment Leadership Team. Supporting the IW&I Investment Committee is the IW&I interim Asset Allocation Committee, attended by IW&I and Rathbones Group representatives as the firm's look to align their asset allocation strategy albeit they currently remain separately regulated entities.
3. There are four Portfolio Management bodies which provide Investment Oversight and report into the IW&I Investment Committee.
 - a. Oversight of Portfolio Benchmarks Group
 - b. Dispersion Monitoring Group
 - c. Portfolio Solutions Committee
 - d. Defined Mandate Committee
4. In addition to the Investment Oversight bodies, there are two Portfolio Management Investment Decision Committees that report into the Investment Committee, these are the Global Equity Portfolios Committee and the Illustrative Portfolios Committee.
5. In addition to the Portfolio Management Committees there are Research Committees reporting into the IW&I Investment Committee:
 - Listed Equities
 - Collectives
 - Direct Fixed Income
 - Structured Products
 - AIM Oversight Committee

Each committee has an appointed Chairperson and Deputy Chairperson who are accountable to the IW&I Investment Committee. A terms of reference is in place for each committee. Each committee includes both voting and non-voting / contributing members. Attendees comprise both representatives from the Research Team and Investment Managers. Each committee is required to monitor conflict of interests.

Each committee is responsible for its asset class and defines the firm's buy list for that asset class. The committees meet either monthly or quarterly but can meet in 'real time' if required.

As part of the migration with Rathbones the committees are currently operating in parallel with each Committee working towards a joint buy list. The intention is to launch a revised / combined investment committee structure as soon as practicable.

The underlying research teams are in the process of integrating with the equity teams having merged with others to follow. Within Collectives the Head of the team and joint desk leads of the revised Collectives team have been agreed.

6. Following investment decisions from the Research Committees along with other factors, the Illustrative Portfolios Committee (IPC) can build the firm's 'models'. Members of the Research Committees can attend the IPC as required.
7. The Collective's Committee is one of the key Research Committees and is chaired by the IW&I Head of Research (now Head of Investment Capability of the combined entity). It is responsible for the selection of collective investments and creation of an approved list of collectives in relation to equities, bonds and alternative assets. A copy of the Collectives Committee's terms of reference dated March 2023 was previously provided to threesixty as part of the assessment. The terms of reference includes the role of the committee, its objectives, and values, reporting lines and membership.
8. For Collectives IW&I continue to use its APPROVED fund assessment framework to assist in the firm's fund selection and monitoring process. This qualitative assessment is supplemented with quantitative third-party data from Morningstar and Factset.
9. The research team endeavour to meet face to face with the management team of the companies and funds they recommend for investment on behalf of clients.
10. Research recommendations are communicated to Investment Managers via regular meetings, a propriety research database is also in place which records details of recent meetings with fund managers. Research notes are also available on Factset.
11. Every other Monday at midday there is a Strategy Update meeting provided by the Investment Strategy Team to Investment Managers.
12. IW&I use both internal and external research as part of their investment process. External research is provided by investment banks and research houses, this is used for direct equities and other specialist areas. All other research is conducted internally.
13. IW&I creates bespoke portfolios for their Bespoke Discretionary Management clients whereby the business provides access to a dedicated Investment Manager who aims to work closely with the client/s and their intermediary.
14. IW&I offers its bespoke clients a framework based on five levels of risk with three different investment objective options. The five levels of risk are Low, Low/Medium, Medium, Medium/High, and High. There

are three investment objectives which are Growth, Income and Balanced. IW&I states that a client's risk profile would be reviewed at regular intervals with the client's intermediary in order to re-evaluate their objectives and ensure that the portfolio remains suitable.

15. The strategic asset allocation for each mandate is reviewed when a change is required. Any material changes are communicated to clients via the Investment Managers.
16. Investment Managers are responsible, in the first instance, for ensuring the suitability of investments for clients. Each Investment Manager has a degree of tolerance (+/-10%) against the tactical asset allocation within which they can operate when operating a client's mandate. There is an 'alert' system which identify issues relating to client portfolios which are notified to Investment Managers, these outliers are followed up by the IW&I Suitability Team, Alerts cover:
 - Asset allocation against the agreed mandate
 - Quality of the stocks selected
 - Diversification of assets held
 - Concentration of investment

In addition, the Compliance team undertakes various routine monitoring checks and themed reviews to ensure compliance with regulations and in-house guidelines.

These investment controls are under review as part of the transition to Rathbones which is being overseen by a Joint Steering Committee which the Investments project workstream reports.

17. All portfolios are reviewed daily to check that they are being invested in accordance with the underlying clients' mandate and also that the composition reflects the house view.
18. The MPS on platform service is managed by a Senior Investment Director supported by an investment team which receive input from both the Collectives research team and Investment Manager's. The MPS on platform service is overseen by the Portfolio Solutions Committee.
19. IW&I has procedures in place for preparing performance data and subscribes to ARC (Asset Risk Consultants) as an independent performance benchmark.
20. IW&I provides quarterly reporting on all discretionary managed client portfolios. These are sent direct to the client with copies to the intermediary by the Investment Manager, evidence of despatch is recorded internally and reviewed by the Investment Management Assurance Team. It is possible however for all communications to be sent via the client's intermediary if the client authorises this through the set-up procedure and engagement process. Intermediary firms should note however that in this situation they must accept full responsibility for forwarding all communications to the client in a timely manner to meet reporting timelines.
21. There is an Order Execution Policy in place dated September 2023 which is included within the terms issued to the intermediary's client and can be found on the firm's website. This is reviewed on an annual basis or whenever there is a material change that affects IW&I's ability to continue to obtain the best possible result for the execution of client orders on a consistent basis.
22. IW&I has in place a 'Procedures for Investment Managers and Support Staff' document which details the procedures covering areas such as dealing and client maintenance. A team of Client Support Leads

have taken ownership of the document and will review, update and publish via IW&I's Intranet and weekly email updates.

23. IW&I's investment approach to Environmental, Social and Governance (ESG) is embedded within the firm's investment process. Internal research is supported by tools including Sustainalytics to assist the firm in its ESG assessment of companies. IW&I is working with the Rathbones Investment Team on combining their ESG approaches.
24. IW&I became an official signatory to the UN Principles for Responsible Investing in January 2021.
25. The firm's approach to the UK Stewardship Code can be found in the firm's 2023 Stewardship Code Report which covers the period 1 April 2023 to 31 March 2024. IW&I remains committed to its role in respect of its stewardship activities.

Following a meeting with the IW&I Head of Investment Capability a comprehensive update was provided in respect of the investment team and process migration project as part of the Rathbones combination. Whilst the project was well underway it was clear clients will continue to be managed by IW&I as a separately regulated firm until migration, it was evident systems and controls remain in place in order to continue to manage client assets until their proposed transfer to Rathbones in 2025.

F. Outsourcing

This section looks at the extent that a DIM outsources key tasks to 3rd parties, and if it does what processes are in place to monitor this activity and minimise any adverse impact to clients.

This section is not relevant to all firms as not all firms outsource key tasks to 3rd parties.

Review findings

It was confirmed during the assessment that IW&I does not outsource any critical functions as defined by the FCA as part of the services offered to intermediaries. Therefore, this part of the assessment was not reviewed by threesixty.

G. Financial crime, anti-money laundering, data security, fraud and the Bribery Act

This looks at how the DIM assesses its risks of being subject to financial crime and how they mitigate the risks by way of business controls and procedures, monitoring, training and reporting.

Review findings

IW&I's procedures to address the risk of the firm being subject to financial crime are unchanged from the last review and include the following:

1. The firm has in place an Anti-Money Laundering and Counter Terrorist Financing Policy which includes guidance on Politically Exposed Persons (PEPs) and the requirements for obtaining client verification. threesixty was advised the latest Policy is dated October 2024. The Policy is reviewed every 18 months at a minimum and subject to approval by the relevant committee where necessary.
2. IW&I has a dedicated Financial Crime Team within the compliance team to oversee financial crime matters on behalf of the firm. The Financial Crime Team reports into the firm's Money Laundering Reporting Officer (MLRO).
3. threesixty was advised the last annual MLRO covered the period 1st October 2022 to 30th September 2023, threesixty were not provided with a copy of the report.
4. All new employees' complete computer-based training/testing on a range of modules covering financial crime as part of their induction process. This training/testing is repeated every year.
5. The firm's 'Account Opening Procedures' includes sections on how clients are identified and the process that must be followed when opening an account in respect of a new client.
6. The discretionary client agreement states the agreement will come into force when the application has been completed and when IW&I has 'fulfilled our obligations under the appropriate Money Laundering legislation or regulations in respect of our engagement by new customers'.
7. Client's identities are verified and/or screened using the electronic verification software Call Credit electronic screening system (Call ML). The system checks the details and performs searches against Politically Exposed Persons (PEPs) and Sanctions records supplied by HM Treasury and can also provide verification for AML purposes. The screening process at account take-on is managed by the Account Opening Team which sits within the compliance team and reports to the firm's MLRO. Screening is undertaken at account opening and then on an ongoing basis via another system called Safewatch.
8. In the case of complex accounts such as overseas, corporate, charities, trusts and any referrals from the Call ML system, the Account Opening Team must provide approval to proceed with the account set up. Any clients assessed as 'High Risk' are referred to the High-Risk Client Committee for approval.
9. The account opening process is undertaken by the Account Opening Team. The Team is responsible for ensuring the correct administration of the anti-money laundering procedures is undertaken.
10. IW&I maintains and reviews an agency database for intermediaries managed by Intermediary Services. Prior to accepting any new business IW&I completes due diligence on any new introducing intermediary. This includes a review of the completed 'Financial Adviser Due Diligence Questionnaire'.
11. IW&I has defined procedures in place to combat the risk of bribery and corruption. threesixty were advised the firm's procedures include an Anti-Bribery & Corruption Policy. The latest version of the firm's Anti-Bribery & Corruption Policy is dated April 2024. Training on Anti-Bribery & Corruption is provided to employees every two years.

12. threesixty were advised a Personal Account Dealing Policy is in place and the terms and conditions of employees' contracts require adherence to the documented procedures. threesixty were advised the latest version of the firm's Personal Account Dealing Policy is dated September 2023 and is reviewed and approved by the Risk Management Committee every two years. The personal account dealing procedures include pre-notification of the deal, limits are then set as to the level and frequency of dealing that can take place, and transparency exists as the default requirement is to have internal accounts with IW&I. There are also annual training and notification requirements in place in relation to personal account dealing.
13. A Gifts and Hospitality Policy dated July 2024 is in place to which employees are required to adhere. A Gifts Register is maintained and periodically reviewed by Compliance.
14. There are various policies in place at IW&I relating to Data Security including IT & Communications, Information Security, Data & Record Retention and Portable Device Usage Policy. These policies are designed to restrict access to systems to only the authorised users and reduce the likelihood of IW&I being subject to financial crime.
15. All IT systems, hardware and communications are monitored intraday by IT Operations and Technical Support staff or selected third parties.
16. The IT team completes a regular review of system access in conjunction with People & Organisation and line managers. Records are retained by the IT team.
17. There is an Information Security Committee in place which has its own Terms of Reference. Its purpose is to monitor and oversee the security and confidentiality of information across IW&I. The minutes from the meetings were not provided for review, so threesixty cannot comment on the workings of the committee.
18. The website for IW&I contains guidance on online security, fraud and data protection including an email link to ask questions on data security issues.

It is IW&I's policy not to provide copies of financial crime policies or the annual MLRO report due to the confidentiality of the information contained within them. Therefore, no review of financial crime policies or the MRLO report was undertaken as part of this assessment and threesixty cannot comment on the effectiveness of the controls in place. However, from discussions with a member of the Compliance Advisory Team and based on the policies and procedures threesixty were advised were in place it would appear IW&I has financial crime systems and controls in place.

H. Complaints

This looks at how the DIM handles complaints and ensures that they are independently handled and that the process is fair and clear.

Depending on the arrangement the intermediary has with the DIM this may be a case of assessing how the DIM deals with complaints from the intermediary's clients, or if there is no direct relationship with investor clients how would the DIM deal with any potential complaints from the intermediary as a professional client.

Review findings

The procedures and arrangements within IW&I in relation to complaints handling include the following:

1. Details of the IW&I Complaints Policy and the process to follow in making a complaint can be found on the firm's website. threesixty was advised the latest version of the firm's Complaints Policy is dated September 2023.
2. The terms and conditions for clients includes details of the firm's approach to complaints and that a copy of the written complaints policy is available upon request.
3. IW&I has internal procedures and policies in place to ensure complaints are escalated and independently reviewed.
4. A complaint form is required to be completed for each complaint which lists the category of complaint and a summary.
5. An overview of complaints by office, type and whether these have been upheld are issued each month to the Conduct Risk Forum.
6. Training is provided to all relevant staff in relation to the procedures at induction and regularly thereafter. Training is provided using CBT / e-learning.
7. Discussions are held with business areas to review and discuss complaints. Any issues arising from complaints are escalated to the Risk Management Committee where required.
8. The Head of Compliance & Risk Officer is the firm's Senior Manager responsible for client complaints.

It is the IW&I's policy not to disclose to third parties the number or detail of complaints that have been received. threesixty was not given access to a copy of the complaints register or any example files. However, based on discussions with a member of the Compliance Advisory Team there appear to be policies and procedures in place for the management of client complaints and there have been no material changes in terms of the firm's processes and procedures since the previous assessment.

I. Business continuity / disaster recovery

This section looks at the arrangements the DIM has put in place to ensure that if a disaster did occur, they could respond quickly, and either maintain their service to clients, or restore the service in an acceptable time frame in order to minimise any risk of loss.

At the date of the assessment the IW&I business continuity, disaster recovery and operational resilience arrangements remained separate from Rathbones as the firms remain separate regulated firms.

Review findings

Operational Resilience

1. IW&I's operational resilience and business continuity arrangements are managed and maintained using a dedicated tool, Fusion, which provides details of the IW&I business impact analysis (BIA), operational resilience documentation and business continuity plans (BCPs), including recovery strategies. The IW&I Business Continuity Management System (BCMS) is aligned with the international standard for business continuity, ISO 22301.
2. The firm has an Operational Resilience Operating Model in place, this is managed as part of the firm's business as usual operations, reporting to the Risk Management Committee (RMC).
3. The firms Important Business Services (IBS) and tolerance levels are subject to on-going testing. Operational resilience scenario testing (IBS) was conducted in Quarter 4 2023, testing took the form of 'live' and 'simulated' testing, the testing included both the IBS and the underlying processes required to deliver the IBS. The test results were reported to the IW&I MANCO and the RMC and documented in the firm's annual Operational Resilience Self-Assessment.
4. An Operational Resilience Policy is in place which was last reviewed and approved by the Policy Forum and Risk Management Committee (RMC) in April 2024.
5. The Operational Resilience Policy is accessible by all employees on the staff intranet, the Policy notes that the overall process works in conjunction with Operational Risk Management Policy and other applicable policies and procedures. The policies set out the structure and responsibilities for dealing with incidents and the various teams which would take action accordingly.
6. The Head of Group Business Resilience has regular meetings with key stakeholders in relation to Operational Resilience requirements. The Head of Group Business Resilience reports to both the Risk Management Committee and the Board on operational resilience matters.

Business Continuity

7. To ensure that the firm's Business Continuity plans and procedures are maintained of sufficient standard IW&I uses a dedicated tool, Fusion. Fusion stores all key data for the programme including Business Impact Analysis, Business Continuity Plans (BCP) as well as mapping requirements for Operational Resilience. The firm has trained BCP owners on Fusion during its implementation.
8. BCP Owners and Business Continuity Co-ordinators for each business unit are responsible for overseeing an appropriate continuity capability, including Business Continuity Plans (BCPs), the BCPs are now reviewed and tested annually, the last test occurred in the first half of this year with the findings recorded in the Fusion system with remedial actions logged, where applicable, in Protecht, the firms governance, risk and compliance system.

9. IW&I's arrangements in respect of business continuity include the use of alternate offices as sites in the event of an incident. IW&I can use their regional offices as alternate offices in the first instance, for example the Liverpool office can relocate to Manchester if required. IW&I no longer use external off-site recovery locations for business continuity. The firm's primary back up is for employees to work from home. IW&I BCP arrangements remain separate to those for Rathbones.
10. The team and collegiate approach of IW&I mitigates against any risk of loss of key individuals, and the firm believes that in the event of any such loss service levels and business would be unaffected.
11. The IW&I Incident Management Team (IMT) comprising senior representatives from the business remains in place, the IMT only meets when an incident occurs. threesixty was advised the team had met six times between April 2023 and March 2024 to manage 'live' incidents. After each incident a report is produced which includes 'lessons learnt' which is reviewed by senior management and included within the firms Operational Resilience Self-Assessment. The IMT's key objective is to protect both staff and clients. The IMT is responsible for managing incidents, depending on the severity of the incident it can be referred to the Crisis Management Team (CMT), which is a strategic body. Both IMT and CMT are chaired by the Head of Compliance & Risk and the Chief Operating Officer. The IMT currently operates separately from its Rathbones equivalent, albeit if there is a 'Group' issue the Head of Group Business Resilience and other key IW&I stakeholders, as required, will attend the Rathbone equivalent to ensure alignment across the two entities.
12. Since the COVID-19 pandemic the business has used an instant messaging service to ensure staff have the tools they need to effectively communicate remotely; this messaging service now forms part of the firm's standard working environment.

Based on a meeting with the Head of Group Business Resilience it was noted IW&I appears to have appropriate systems and controls regarding business continuity and operational resilience.

The FCAs Operational Resilience requirements are now firmly embedded as part of the firms BAU arrangements with continued testing of IBS and supporting processes which are recorded and reported to senior management.