

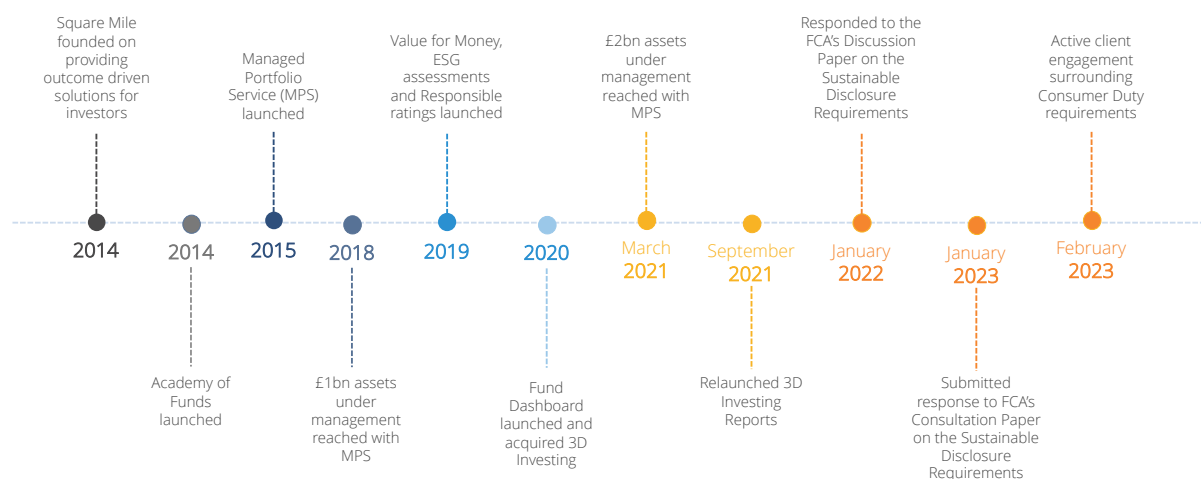
# Square Mile's approach to Consumer Duty

February 2023

## Our Focus

Since we were established in 2014, the primary focus of Square Mile has been to help regulated businesses deliver better outcomes to retail clients. The four Consumer Duty outcomes of products & services, customer support, price & value and consumer understanding have always been core to the way we operate our business and the services we provide to our clients and we are committed to continuing to operate in this way.

Square Mile provides both regulated and unregulated services. We are applying the new Consumer Duty rules to all our service lines as we believe this is consistent with our core objective of delivering optimal outcomes for retail clients. We have always managed our unregulated business in the spirit of the FCA regulations.




## Our Culture

As a firm, we pride ourselves on the quality of staff we employ, ensuring that they are diverse in thinking and experience to enable us to deliver a superior service to our clients. We maintain an active programme of training to support our staff in their development, making sure that all personnel remain fully competent within their respective fields of expertise.

We have a robust governance structure, with independent challenge from Non-Executive Directors, to provide the necessary supervision to guarantee a transparent culture. To ensure our business remains appropriate and fully compliant with the regulatory frameworks within which it operates, we have third party oversight of processes and governance, including independent audit and compliance monitoring.

We actively seek regular feedback from our clients to enable us to determine that we are meeting their needs, and that of their underlying retail clients, to assess areas where we can improve our performance and whether any additional support is required. This feedback is fed into the strategy decision making process to ensure we continue to evolve in line with best-practice standards.



As a firm, we set clear and measurable objectives (including overt Consumer Duty objectives) for the business on both short (annual) and longer term (five years) timescales. This is then cascaded down through all levels of staff, so that we can hold ourselves to account against these objectives (with all staff having Consumer Duty related objectives), and that our clients can, too.

We have instilled within the firm a culture of engagement with the regulator, industry bodies and the wider market. We work closely with industry bodies such as the Personal Finance Society (PFS) and the Investment Association (IA) and we support our regulator, the FCA, by responding to relevant consultation papers and embracing all applicable legislation. In addition, we aim to educate and work with our client base on how to respond to key industry themes and implement regulatory initiatives, helping them to thrive within a constantly evolving market.

### **Our Service Offering**

We work in partnership with all our clients and, as part of this, we take care to understand their objectives and the outcomes they are looking to achieve for their underlying retail client base. As part of the provision of Managed Portfolio Services (MPS) to adviser firms, we work very closely with them when setting the mandates and distribution strategies so that they are focused on their end retail client's objectives and outcome requirements. This is all part of our wider systems and controls processes which help ensure that the products and services we offer are appropriate for our client base and any underlying retail clients.

Our investment research offering is framed in the context of outcomes, both financial and increasingly non-financial outcomes such as sustainability and is strictly independent from the investment management function to ensure there can be no suggestion of conflict of interests.

We consider risks as part of all our product/services. This includes highlighting risks within our investment research and considering risk metrics when creating model portfolios for our clients.

As part of the initial and ongoing discussions with our regulated clients we will consider what the retail client deems as value for money to ensure we take this into account when providing services to them.

### **Client Relationships**

We aim to partner with firms who have a similar culture and common goals to our own, focussing on delivering good customer outcomes. This is key to ensuring our client relationships are successful.

We regularly share information with our clients including market updates and capital market assumptions for the MPS clients. When initially engaging with clients, we seek to understand how they are recommending our products or services to their retail clients and build solutions accordingly. We rely on our clients to understand their underlying retail clients and highlight whether a product or service needs amending. This is all part of our wider customer

support services which ensure our clients are able to contact the right person at Square Mile to discuss any potential issues or concerns.

We regularly and proactively have business update meetings with our clients to ensure we obtain the necessary feedback to ensure our service remains appropriate throughout its lifecycle.

We also consider conflicts of interest when dealing with our clients to make sure that we operate independently and mitigate any potential conflicts.

### **How we communicate with you**

We are committed to providing our clients (and indirectly their retail clients) with appropriate and clear communications so that they are able to fully understand the service offering. We have a wide-ranging service model that has multiple contact points for clients. We not only provide sufficient transparent information prior to a client engaging with us but we understand that the journey to achieving an outcome is long and changeable. We therefore provide ongoing communication enabling our clients to be confident that a product or service remains appropriate for their underlying retail client base. At all times, we impose a robust investment process to make certain that mandates for the model portfolios are kept under continual review to ensure they remain suitable.

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