



GROWTH
INVEST



GrowthInvest

CONSUMER DUTY REPORT 2023

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Introduction

This document is provided to assist our financial intermediary clients and prospective clients with their Due Diligence obligations, especially those relating to Consumer Duty, around the use of the GrowthInvest platform, technology and network.

It is intended to make collecting key information about us and our approach as a platform towards Consumer Duty, as straightforward as possible. In particular it addresses the FCA Consumer Duty rules that require firms such as GrowthInvest to:

1. Define target markets clearly for their products and services
2. Assess the Value of those propositions, considering the needs of different customer groups, including vulnerable customers.

It has been prepared for those financial intermediary clients, or distributors, who are taking advantage of our specialist technology and services to reduce the administrative burden associated with consolidating portfolios and selecting, making investments and reporting on tax-efficient and alternative investments.

It has been prepared in advance of the key FCA milestone of 30th April 2023 and aims to provide information in a clear and presentable format that will allow our distributors to use in a number of ways, including as part of client conversations. It includes a summary of our Target Market, our Fair Value Assessment and outlines how GrowthInvest has approached the overall Consumer Principle, the Cross-Cutting Rules, and each of the Four Outcomes.

As a company and as a business, GrowthInvest has always placed both our financial intermediary clients and their underlying customers, at the heart of everything we do and focus on. We welcome the introduction of the FCA's Consumer Duty and believe that it represents a big step forward for the financial services industry as a whole.

Additional information on any aspect of the company, its approach to Consumer Duty or its services can be provided on request, and we would be very happy to speak to any of our intermediary clients at any stage if there is any further help we can provide.

Contact Information

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Company name:	EIS Platforms Limited
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E-mail:	enquiries@growthinvest.com
Website:	www.growthinvest.com
Consumer Duty Contact:	David Lovell (David.lovell@growthinvest.com)
Date:	Information Correct as at 28th April 2023

About GrowthInvest

GrowthInvest is an adviser-focused platform, specifically designed to simplify research, investment and reporting on tax-efficient and alternative investments including EIS and SEIS funds, VCTs, IHTs and private market products.

The platform allows advisers to consolidate their clients' historical assets and portfolios in one secure workspace, giving portfolio-level and individual investment analytics in an easy-to-use format.

Our mission is to empower our clients to access alternative asset solutions without barriers, by providing choice, transparency, oversight and education alongside continuous innovation and excellent customer service.

Our platform offers transparency, flexibility, and value to advisers and their clients alongside a range of key benefits:



A market-leading range of investment offers including EIS, SEIS, VCT, IHT and other Private Market investments



Reporting on all alternative assets in one online secure portal (including the onboarding of historical assets)



An extensive library of educational and research materials



Digital administration solutions alongside innovative products, such as our diversified VCT Service, and IHT "Fund of Funds"



A clear basis to meet existing and future regulatory requirements for FCA initiatives within the UK such as Higher Risk Investments and Consumer Duty



All underpinned by our strong belief in excellent, personalised client service



Consumer Duty



What is Consumer Duty?

Consumer Duty, or “**The Duty**”, is a new set of standards which have been created by the Financial Conduct Authority (FCA) to improve consumer protection and build more trust across the whole spectrum of financial services in the UK.

THE PRINCIPLE

At the heart of the Duty, there lies an overriding Consumer Principle:

A firm must act to deliver good outcomes for retail clients

This is supported by three cross cutting rules, and four customer outcomes:

THREE CROSS CUTTING RULES

A firm must:

- **Act in good faith** towards retail customers
- **Avoid causing foreseeable harm** to retail customers
- **Enable and support** retail customers to pursue their financial objectives

FOUR CONSUMER OUTCOMES

- 1. Products & Services**
This outcome is focused on ensuring products and services are designed with a clear target market in mind, and the customers’ needs, characteristics and objectives are documented.
- 2. Price & Value**
This outcome aims to ensure that all customers pay a fair price for the product or service they receive and that the price paid is reasonable compared to the overall value and benefit they receive.
- 3. Consumer Understanding**
This outcome requires firms to provide clear information so that customers can make informed decisions about financial products and services.
- 4. Consumer Support**
This outcome is focused on ensuring that customers have sufficient support and information to meet their needs throughout their relationship with a firm.

Summary of Our Approach & Findings

Our overall approach has been to evaluate and assess our entire business against the overall principle to place the customer's best interests at the heart of what we do.

This focus on the customer is embedded in our core company values, and we have welcomed the additional regulatory guidance provided by the introduction of Consumer Duty to ensure that we can demonstrate this and report back on it to the wider market.

The four end outcomes have provided a clear framework for us, with which to assess and measure our progress, and we have taken each one in turn over the last few months to make certain that we are in line with the new guidance, to address any areas where there is room for improvement, or we potentially have been falling short, and to look to see how we can continue to grow and exceed our clients' expectations, and the minimum requirements of Consumer Duty.

A summary of our assessments and actions can be found here, and further details are provided on each of the 4 outcomes, including our approach, findings and any next steps within the individual sections:



1. **Products & Services:**

We have expanded and improved our product and platform framework, to ensure that we are assessing the service against the four key Consumer Duty Outcomes. We have also enhanced our internal reporting and MI on our service levels. We have also provided the appropriate Target Market documents for the platform and available accounts.

2. **Price & Value:**

Based on our overall Fair Value Assessment, we believe that the GrowthInvest platform offers fair value to the target market

3. **Consumer Understanding:**

We have reviewed all client documentation and collateral and amended or enhanced where appropriate or required. Where required, we have used external 3rd parties to provide research, feedback and input. We continue to add to our growing library of customer collateral, and to gather 3rd party and customer feedback on the same.

4. **Consumer Support:**

We reviewed all our processes and associated metrics, including performance vs. SLAs and targets. We have reviewed existing support materials and contact points. We identified a number of areas in which we could potentially improve support and are making the appropriate changes, including additional internal and external training for all staff.



1. Products and Services Outcome

REQUIREMENT

Making sure that products (and services) are designed to meet the target customers' needs, characteristics and objectives.

OUR APPROACH

The introduction of a new client portal and user interface over the last 12 months provided us with an excellent opportunity to assess and focus on the needs and requirements of our customers, and to make sure we were properly addressing them.

This has been done throughout via client feedback and research, both in determining the product pipeline and priorities, as well as in getting reactions and feedback first-hand to new functionalities, including those customers that may be vulnerable, or show signs of vulnerability.

The whole process has been carried out alongside an ongoing review and analysis of our client base, and target market. This has included the enhancement of a number of key client personas, which are a useful addition to existing client segmentation.

FINDINGS

We have expanded and improved our overall product and platform framework, including the development life-cycle, to ensure that we are assessing the overall service in a comprehensive manner.

We have also enhanced our internal reporting and MI on our service levels, including an enhanced set of statistics on platform usage and availability.

We have also provided the appropriate **Target Market** documents for the platform and accounts.

NEXT STEPS

We will re-introduce a more formal set of customer user groups, both with our financial intermediary clients, and with end customers to ensure we can continue to drive our products and services based on clear and consolidated customer feedback, all the time considering differing client segments.

This will be put in place during Summer/ Autumn 2023.



2. Price & Value Outcome

REQUIREMENT

Making sure that customers pay a fair price for a product or service in relation to the overall value and benefit that they pay for it.

OUR APPROACH

Our methodology has been to group our assessment into 3 key areas of focus, which are outlined below, along with a summary of the reason for our approach.

Further information is available with our Fair Value Assessment:

1. Price:

A clear view of all charges applicable to the customer is vital part of the assessment as to whether fair value is being provided.

2. Platform:

This covers the overall “product” which is used by the customer, and the key features which they are benefiting from. Includes additional services offered as part of the overall proposition, as well as the functionality and features of the platform itself.

3. Service:

The service is an integral part of the offering, and must form a vital part of any value assessment.

We have also included the development of user “personas” at end customer level, as well as our users within financial intermediary firms. This provides a useful basis to provide example customer scenarios, with which to test the value assessments. For example, to check which customer persona may wish to use and benefit from a new report or piece of functionality.

FINDINGS

Based on our overall value assessment, we believe that the GrowthInvest platform offers fair value to the target market.

NEXT STEPS

We will continue to monitor the GrowthInvest Platform as a product, and our associated services, as well as the external marketplace, so as to ensure that we continue to provide fair value to all our customers.



3. Consumer Understanding Outcome

REQUIREMENT

Making sure firms provide clear information, so that customers can confidently make informed decisions about financial products and services.

OUR APPROACH

We adopted an approach that involved reviewing and assessing all client documentation, including user guides and other collateral, alongside client communication.

This was assessed both internally in a multi-stage process, and in many cases, where required, this was passed to an external consultancy firm to provide further views and input.

Our focus was on ensuring good clear communication and “plain English” at every stage and ensuring that our own communications were kept jargon free.

FINDINGS

We have reviewed all client documentation and collateral and amended or enhanced where appropriate or required. We reviewed our standard communications to clients and found some variations from standard templates.

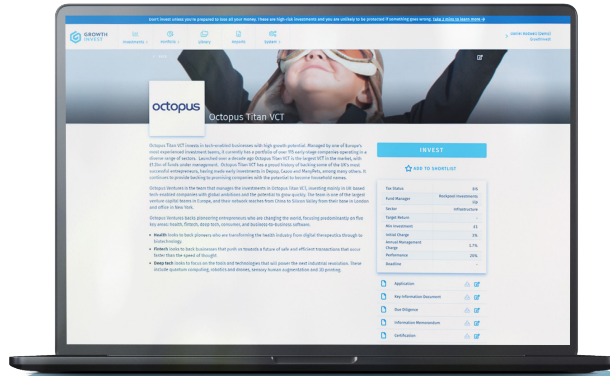
These have been addressed, and standardised. A flexible set of communication options and preferences have been made available. Where required, we have used external 3rd parties to provide research, feedback and input. This has helped us to remove industry “jargon” which may not be immediately understandable to all parties.

We continue to add to our growing library of customer collateral, and to gather 3rd party and customer feedback wherever possible.

NEXT STEPS

To introduce more a more formal process of review and feedback from customers around their understanding of communications, and collateral.

In addition, we will be centralising and growing our product and industry collateral within a new “Knowledge” section of our website which is due for launch during Summer 2023, and ensuring we produce helpful end customer educational materials alongside the significant amount of financial intermediary focused collateral that we make available via the platform and website.



4. Consumer Support Outcome

REQUIREMENT

Making sure customers are provided with enough information and support to meet their needs throughout their relationship with a firm.

OUR APPROACH

We reviewed all our processes and associated metrics, including performance vs. SLAs and targets. We have reviewed existing support materials and contact points, including looking at the differing preferred methods of the various client personas.

In addition, we looked again at the measurement of customer support across the business, in particular for vulnerable clients.

FINDINGS

We offer a range of options for customers to request and receive additional support, including an expanded Client Services team available over extended hours via email, platform or telephone. Additional online support, collateral and guides.

We identified a number of areas in which we could potentially improve support and are making the appropriate changes, including additional internal and external training for all staff, which includes a new online training and compliance hub.

The recent introduction of a new client portal has provided additional opportunities for us to provide on-platform support and help and allows us to more quickly react and incorporate client feedback.

We have incorporated additional support mechanisms and flexibility into our product roadmap for the next 12 months, and prioritised some features for the Summer 2023 release.

NEXT STEPS

Introduce additional clear options for clients to receive and request support, including additional on-platform options. As well as to expand out our library of collateral and on-platform help features, ensuring that there are a range of accessibility options.

Target Market

OUR PLATFORM

GrowthInvest is a secure online platform, specifically designed to simplify research, investment and reporting on tax-efficient and alternative investments including EIS and SEIS funds, VCTs and IHT products, market products.

The platform allows advisers to consolidate their clients' historical assets and portfolios in one workspace, giving portfolio-level and individual investment analytics in an easy-to-use format. It is designed to help customers invest in the range of products for the medium or long term. It offers advisers and their clients:

- Access and information on a wide range of tax efficient and alternative investments, including EIS, SEIS funds, Venture Capital Trusts ("VCTs"), inheritance tax and estate planning products, and private market funds.
- The ability to invest lump sums, or on a regular basis, up to the relevant product annual tax allowances
- Options for a standard platform account, ISA accounts, or combination of the two.
- Reporting on all alternative assets in one online secure portal (including the onboarding of historical assets)
- An extensive library of educational materials alongside independent research
- Digital administration solutions and innovative products, such as our diversified VCT Service.
- Secure online access for advisers and their clients
- A range of market and product specific functionality including reports, which have been specifically designed for the tax efficient and alternative investment markets.

OUR TARGET MARKET

Our platform service is available to individuals, corporates, partnerships and trusts. It is suitable for customers who:

- Are UK residents, aged 18 or over, and UK taxpayers. (Though some foreign residents may be suitable)
- Fit into one of the following Client Groups:
 1. Clients who are being advised by an appropriately qualified and authorised investment adviser
 2. Retail investors who have been categorised as one of the following groups (as defined in the FCA Rules – COBS4 Annexes 2- 5)
 - a. Certified High Net Worth Investors ("HNWIs")
 - b. Certified Sophisticated Investors
 - c. Self-Certified Sophisticated Investors
 - d. Certified Retail Restricted Investors
- Are retail customers investing on their own behalf or that of a family member
- Would like to consolidate their tax efficient and alternative investment portfolio into a single secure investment platform
- Wish to invest for capital growth, or income, or a combination of the two, using tax efficient products available. (In accordance with the holding periods relevant for each product type)
- Are able to bear losses to capital without creating significant financial hardship, including the possible loss of all invested capital
- Would benefit from investing in tax efficient products, and are eligible for these types of tax relief
- Have a medium to long term investment view, that allows the use of products where there is a significant risk to the loss of capital and are able to accept a target time-frame and holding period of over 5 years.

Target Market (continued)

THE NEGATIVE TARGET MARKET

The GrowthInvest platform will not be suitable for clients that:

- are non-UK resident
- are under 18 years old
- who do not have the appropriate knowledge or investment experience
- who are risk averse, or whose attitude to risk is unknown
- who are unable to bear significant losses to part (or all) of their investment capital, or who may require part of the investment capital in the future, for example within the first five years
- clients who have a short-term investment time-scale or objectives, or who may need access to their investment capital in the future
- are financially vulnerable

VULNERABLE CLIENTS

At GrowthInvest, we understand that any customer can become vulnerable or find themselves in vulnerable circumstances at any time.

Our staff are trained to assist advisers and their clients, including vulnerable customers. Vulnerable customers will therefore receive the same high level of service as all our clients.

We understand that we may need to tailor the services we offer to vulnerable customers, in accordance with our policies.

DISTRIBUTION

The GrowthInvest platform is designed primarily for advisers and their clients, and specialises in tax efficient and alternative investments.

It may be suitable for some direct clients on an execution only basis, if they have sufficient knowledge and experience, and can be appropriately categorised as a retail investor type that we are able to support (see Our Target Market above).

If an adviser/client relationship should come to an end for any reason, we are able to continue to support these clients (“orphaned” clients), on an execution only basis, providing appropriate ongoing support.

Target Market (continued)

The following customer accounts are available on the GrowthInvest Platform:

STANDARD PLATFORM ACCOUNT

Our standard platform investment account, could be suitable for customers who are:

- Are individuals, aged 18 or over, or are a UK based Corporate or Trust
- Have a medium to long term investment view, that allows the use of products where there is a significant risk to the loss of capital and are able to accept a target time-frame and holding period of over 5 years
- Have already used up their ISA allowance, or have a larger significant sum of money to invest
- Could benefit from investing in tax efficient products, and are eligible for these types of tax relief

It may not be suitable for customers who:

- Have unused ISA allowances
- Have no other savings
- Who are unable to bear significant losses to part (or all) of their investment capital, or who may require part of the investment capital in the future, for example within the first five years

GROWTHINVEST STOCKS & SHARES ISA ACCOUNT

Our GrowthInvest Stocks & Shares ISA account, could be suitable for customers who are:

- Are individuals, aged 18 or over
- Have not used up their annual ISA allowance
- Wish to make lump sum or regular contributions to their ISA account (up to the annual limits)
- Have a medium to long term investment view, that allows the use of products where there is a significant risk to the loss of capital and are able to accept a target time-frame and holding period of over 5 years.
- Could benefit from investing in tax efficient products, and are eligible for these types of tax relief
- Are willing to accept the additional risk and potential loss of capital involved in a Stocks & Shares ISA account, especially in the higher risk products generally available on the GrowthInvest platform, as compared to a cash ISA or other types of Stocks & Shares ISA accounts available elsewhere in the market.

It may not be suitable for customers who:

- have used all the annual ISA allowance
- have no other savings
- who are unable to bear significant losses to part (or all) of their investment capital, or who may require part of the investment capital in the future, for example within the first five years

Fair Value Assessment

WHAT IS A FAIR VALUE ASSESSMENT?

As part of Consumer Duty, all platforms (and product providers) are required to provide a value assessment of their products and services. This needs to be carried out within a robust framework and methodology so as to ensure that GrowthInvest can properly assess whether our products and services offer value for money for customers within our target markets.

Value can be assessed by using internal data and information, or by conducting customer research. The FCA expects any non-monetary costs and benefits to be assessed qualitatively. Parts of this value assessment are built into our existing processes, and therefore are carried out on an ongoing basis. A full value assessment will be carried out on an annual basis, so as to ensure that GrowthInvest continues to deliver good customer outcomes.

HOW IS GROWTHINVEST DELIVERING GOOD OUTCOMES FOR CUSTOMERS?

GrowthInvest is a secure online platform, specifically designed to simplify research, investment and reporting on tax-efficient and alternative investments including EIS and SEIS funds, VCTs and IHT products. We believe that this helps advisers deliver good customer outcomes and helps meet their financial goals. As a company and as a business, GrowthInvest has always placed both our financial intermediary clients and their underlying clients, at the heart of everything we do and focus on.

VALUE ASSESSMENT

We have assessed our platform proposition, services and associated products and services,

Product or Service	Value for Money Assessment	Date
GrowthInvest Platform	Offers Fair Value	Q1 2023
Standard Platform Account	Offers Fair Value	Q1 2023
ISA Account	Offers Fair Value	Q1 2023

and believe that it offers fair value:

VALUE ASSESSMENT FRAMEWORK

Our Value Assessment framework defines our approach to conducting the value assessment, and is based primarily around 3 wider assessment categories which are:

1. **Price**
2. **Platform**
3. **Service**

It is reliant on the methodology, our existing governance processes, and the target market statements.

VALUE ASSESSMENT METHODOLOGY

Our methodology has been to group our assessment into 3 key areas of focus, which are outlined below, along with a summary of the reason for our approach:

1. **Price:**
A clear view of all charges applicable to the customer is vital part of the assessment as to whether fair value is being provided
2. **Platform:**
This covers the overall “product” which is used by the customer, and the key features which they are benefiting from. Includes additional services offered as part of the overall proposition, as well as the functionality and features of the platform itself.
3. **Service:**
The service is an integral part of the offering, and most form a vital part of any value assessment.

Fair Value Assessment (continued)

We have also included the development of user “personas” at end customer level, as well as our users within financial intermediary firms. This provides a useful basis to provide example customer scenarios, with which to test the value assessments. For example, to check which customer persona may wish to use a new report or piece of functionality.

1. Price:

Our Assessment includes all fees and charges paid by our customers, as well as overall market positioning, our income from fees in relation to the overall charges paid by the client across the whole value chain. We carried out price comparisons with equivalent platform products and services in the wider adviser market, as well as comparisons with any similar competitive products and services (whether direct to customer or advised). This has included external data sources, where available, as well as our own detailed internal research.

2. Platform:

We have assessed the overall platform and the GrowthInvest proposition by comparing all key features, the available product range, and the additional services that we offer alongside the platform, as well as the overall security and reliability of the platform. Wherever possible, we have reviewed against any competitive propositions, or an equivalent service used by financial intermediary firms for more traditional main market products. For example, in reviewing and prioritising certain products or features within the product pipeline. The assessment includes data around customer usage of platform features and functionality, as well as end customer and adviser activity statistics and MI.

3. Service:

Our service assessment includes all areas that have an impact on our customers, including financial intermediaries requiring service to deliver good outcomes to the end customer. This includes customer feedback, internal SLA performance, performance vs. internal targets and any external or 3rd party feedback. This has been mainly centred around the internal client services team, including the relatively recently created role of Head of Client Engagement. This has been part of our ongoing service monitoring and is reviewed on an on-going basis. We would like to include additional client feedback and will begin further research initiatives in Summer 2023.

Appendix 1 - Standard Fees & Charges

We believe that all GrowthInvest client charges should be clear and simple, and this summary provides an overview of the different types of standard charges on the GrowthInvest Platform.

There are three different types of charges that may be incurred on a GrowthInvest account:

1. Fund/Company Charges:

When an investment is made into a fund or managed portfolio there may be an initial as well as an ongoing charge for the investment. Any charges will be clearly outlined in the specific investment memorandum and on the GrowthInvest website. These fees are applied by the underlying fund manager and not by GrowthInvest.

2. GrowthInvest Annual Fees:

The GrowthInvest Annual fees are charged in return for providing platform services for the investment. These are mainly an on-going service fee based on the value of the overall investment value, as well as some additional transactional and administrative charges. These are outlined in full below.

3. Adviser Charges:

The payment for an adviser's time and advice is via fees or on a commission basis. These are agreed by the investor and the adviser, and normally fall into one of the following three types:

- Initial fees
- Ongoing fees
- Performance fees

4. Ongoing Execution & Ongoing Monitoring:

- Once client accounts are activated, GrowthInvest can facilitate investment across all tax efficient products. We obtain letters of authority from third party fund managers in order to publish all documentation and upload for clients in their investment portals.
- Advisers control and configure their clients' account access and the ability to restrict clients from investing directly outside of the advisers' permission.
- We host regular due diligence check-ups with third party fund managers to ensure ongoing compliance and suitability.

The ongoing annual charge for the GrowthInvest service is 0.25%, with a minimum charge of £250 per annum. A full list of the standard GrowthInvest charges can be found. Please note that there are no transaction charges on new investments.

Appendix 2 - GrowthInvest - Regulatory Overview

GrowthInvest (EIS Platforms Limited – trading as “GrowthInvest”) is a UK based private limited company which is regulated by the UK Financial Conduct Authority. GrowthInvest is currently regulated as an appointed representative of Sapphire Capital Partners and inherits certain investment permissions from Sapphire as the principal.

GrowthInvest is a trading name of EIS Platforms Limited. EIS Platforms Limited (FRN: 694945) is an appointed representative of Sapphire Capital Partners LLP (FRN: 565716) which is authorised and regulated by the Financial Conduct Authority in the UK.

Additional Information on GrowthInvest, Sapphire Capital and our custodial network can be found in the related due diligence document GrowthInvest Authorisation Overview

Summary of Registrations and Authorisations

Legal Structure	Private Limited Company
Incorporation No	08018312 - Please click here
Country of incorporation	United Kingdom
Regulatory Authority	Financial Conduct Authority
FCA No	694945 - Please click here
Regulation Type	Appointed Representative
FCA Principal	Sapphire Capital Partners LLP
Regulated Head Office	Warnford Court, 29 Throgmorton Street, London, EC2N 2AT
VAT No:	222 7099 17
ICO Data Protection No:	ZA114581

Support

If you have any questions, please do not hesitate to contact the GrowthInvest Client Services team **via the portal**, by email at **clientservices@growthinvest.com** or call us on **0300 303 0037**.



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GrowthInvest Platform is a trading name of EIS Platforms Limited which is a company registered in England and Wales, number 08018312.

EIS Platforms Limited (FRN: 694945) is an appointed representative of Sapphire Capital Partners LLP (FRN:565716) which is authorised and regulated by the Financial Conduct Authority in the UK.