



Investment business fees and charges

In 2025, we reviewed how investment businesses assessed their compliance with legislative and regulatory requirements and how effective their controls were for fees and charges.



Good practice we observed

- ▶ Suitability letters contained a clearly identifiable section on fees and charges, supported by easy-to-understand table summaries outlining all applicable costs.
- ▶ Comprehensive policies and procedures set out clearly the requirements and expectations relating to fees and charges, including references to the underlying regulatory obligations.
- ▶ Clear documentary evidence to demonstrate that fees had been appropriately disclosed to clients.



Areas for improvement we identified

- ▶ Suitability letters did not clearly explain third-party fees, such as those charged by the underlying fund provider. In some cases, third-party documents were given to clients without explanation of how those fees applied.
- ▶ Fee reductions were applied inconsistently due to a lack of clear processes, rationale, and documentation. This means customers may not be treated consistently and fairly and it may make it harder for the firm to show it acts in the best interests of all clients.
- ▶ Policies and procedures, business risk assessments and compliance monitoring plans did not adequately align with the relevant requirements of the investment business code or set out clearly the firm's expectations for investment employees to follow. In some cases, there was a lack of training on specific policies and procedures.



Key considerations for you

- ▶ Do you regularly review your template documents (including fact-finds and suitability letters) to ensure they remain clear, comprehensive, and easy for clients to understand?
- ▶ Do you regularly review your policies and procedures to ensure they clearly set out your requirements relating to fees and charges and remain aligned with relevant legislative and regulatory obligations? Do you also provide regular training to staff on these requirements?
- ▶ If you permit deviations from your standard fees and tariff schedule, do you have a comprehensive exceptions procedure to ensure such deviations are properly governed and applied consistently and appropriately across your client base?