

Success Story

Benchmark Customer Profile

Benchmark Capital was founded originally as an IFA business in 1993 and has grown consistently so that today it has total assets under management (AUM) and advice of £13bn. It serves more than 100,000 end-clients through its Adviser model and employs 330 staff.

Benchmark Capital is a vertically integrated group which includes Benchmark's compliance network Best Practice & Evolution Wealth, chartered IFA Aspect 8, investment platform Fusion Wealth and technology firm Creative Technologies. The Fusion Wealth platform runs a discretionary fund manager (DFM) called Fusion Wealth Investment Solutions. Benchmark Capital recently established its own Pensions Company called Bright Square Pensions Limited.

Challenge

Pension Freedoms created a huge opportunity for financial advisers as the decumulation market moved rapidly from a position where more than 90 per cent of pension assets were being moved off platform and into an annuity at retirement (thereby being lost to further chargeable financial advice); to a situation in which they could help optimise clients' wealth right through retirement - potentially increasing the length of chargeable client engagements by more than 20 years.

More than 60 per cent of Benchmark Capital's end-clients' assets held on its Fusion platform were already in a pension. As business volumes began increasing post-Pension Freedoms, it became increasingly important to offer a unified, consistent, and high-functionality adviser and client user journeys across all three key tax wrappers: SIPP, GIA and ISA geared for accumulation and decumulation.

Dunstan Thomas chosen by Benchmark Capital for:

1. Best of breed SIPP administration functionality proven in tough sandbox testing.
2. Feature-rich software 'out of the box' with scope for customisations to fit new requirements and innovations.
3. More than 20 years' experience in supporting leading SIPP and platform providers.
4. Ability to quickly build strong, collaborative & flexible working relationships.
5. Enabled Benchmark to get to market rapidly with its new SIPP, while meeting stringent regulatory and tax reporting requirements.

This proved increasingly difficult with so many clients with assets in a mix of third party SIPP providers' systems. One SIPP provider tends to interpret regulatory rules and reporting requirements slightly differently from the next so service continuity was proving difficult. Furthermore, the threat posed by some third party SIPP providers which were exposed to non-standard and illiquid assets, posed an increasing business risk. So, Benchmark Capital resolved to build its own pension company Bright Square Pensions and on-platform SIPP - the Fusion Wealth SIPP during the autumn of 2017.

Solution:

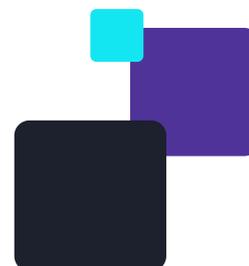
Benchmark Capital partners with Dunstan Thomas to build new Fusion Wealth SIPP

From a field of four specialist IT and platform technology vendors, Dunstan Thomas' Imago Administration proved that it offered the most comprehensive pensions administration capability in a sandbox exercise in which its technology was put to work to solve five different use cases which it passed with flying colours:

Jo French, Chief Operating Officer, Benchmark Capital confirmed:

"Dunstan Thomas Imago Administration proved to be the most mature system in terms of being able to demonstrate capability against the use cases which the system had to handle and process. We were impressed with how far ahead of the other suppliers Imago Administration was from a control framework perspective in terms of safely administering a pension and avoiding mis-use of the system."

"Dunstan Thomas Imago Administration is a simple, intuitive pensions administration system that its product specialist team was able to demo extensively through a sandbox exercise at short notice. The DT team generated great confidence in the system - showing a range of outcomes using different configurations with hard controls, calculation tools, banking and workflow – all from their 'out of the box' solution."



Soon after, Dunstan Thomas was signed up to help us build the Bright Square Pensions-provided Fusion Wealth SIPP – providing both pensions administration and illustrations using its Imago suite.

Configuration work on the new SIPP, working with Dunstan Thomas, began in early October 2018. The new SIPP was built to facilitate all benefits allowed by HMRC for Uncrystallised Funds Pension Lump Sum (UFPLS), Pension Commencement Lump Sum (PCLS), Tax Free Cash (TFC), Capped Drawdown, Flexi-Access Drawdown (FAD) and newer decumulation variants including Continuous Crystallisation, also known as Drip Feed Drawdown.

Following scoping, training, building and integration work - the Fusion Wealth SIPP was ready for 'soft launch' in early January 2019. Access to the SIPP was provided to a pilot group of adviser firms using the Fusion Wealth platform through March and April. Minor changes based on feedback from pilot users were completed in May ready for formal launch in June 2019.

Highlighted Results:

Income Drawdown management

Benchmark Capital found that Dunstan Thomas Imago Administration's in-built controls for income drawdown variants particularly impressive. For example, Imago Administration offers controls and prompts to prevent clients in capped drawdown from accidentally exceeding their withdrawal limit in a given tax year. Over-drawdown controls and warnings are also configured into the system.

Using APIs to extend data visibility in Fusion

More than 100 entity-level APIs have also been developed by Dunstan Thomas to present key data back to the Fusion Wealth platform's User Interface (UI) for adviser users. Data linked to Benefit Crystallisation Events as they occur, valuations, Transfer In, Contributions and Tax relief on those contributions, splits between crystallised and uncrystallised savings, and much more, can now be seen within the platform's UI now that these APIs are complete.

Enabling Multiple Capital Portfolios

Dunstan Thomas Imago Administration was able to help automate apportionment of new contributions within the SIPP to multiple model portfolios and funds as customised by advisers for their clients. Imago Administration automated apportionment of these monies according to individual policy holder's investment portfolio specifications. This potentially takes that otherwise manual apportionment work off the Fusion Wealth SIPP administration team or advisers themselves.

Compliant Illustrations

Benchmark's Fusion Wealth SIPP illustrations were built using Imago Illustrations. Imago Illustrations also ensured adherence with regulatory requirements, while stimulating better client outcomes. Imago Illustrations proved to be best of breed for clarity of display of costs and charges and also offered ex-ante MiFID II reporting capability out of the box.

Benefits

Given the fact that 60 per cent of all Fusion-managed assets were already held within a pension wrapper at project outset, it made great business sense for a good portion of those assets to be held within the new Fusion Wealth SIPP rather than by a number of other providers' SIPPs, with the legacy risk exposure that they opened up. Dunstan Thomas Imago Administration and Imago Illustrations offered Benchmark Capital a smooth path to launch its own SIPP within nine months of beginning configuration work on the new product's administrative systems.



Jo French of Benchmark Capital summarised:

"The highly configurable and flexible nature of Imago Administration proved critical to us because the pensions, investments and advice markets are all part of an ever-changing and expanding landscape which needs to keep pace with technology developments capable of delivering increased automation, efficiencies and functionality. A highly flexible administration system is essential to ensure user journeys are not distorted and mirror that of the client and adviser journeys on platform.

"Dunstan Thomas is helping us to deliver a smoother, safer, customer centric pension with a focus on quality. We want to continuously improve our services to our customers and Dunstan Thomas is central to this journey."