TRANSPARENCY
THE ONLY KEY TO CONSUMER PROTECTION



TRUE&FAIR

TRUE and FAIR CAMPAIGN

MANIFESTO

ACT NOW!

www.trueandfaircampaign.com

Introduction

Every day millions of savers are being deceived by the companies they are handing over their hard earned money to. Whilst these companies are growing richer, investors are growing poorer as high fees devour their retirement pots.

The British public face a minefield of hidden charges in their savings, pensions and investments. With as many as 13 layers of hidden charges, it is almost impossible for consumers to make fully informed decisions because there is no *'ticket price'*, no list of what they're invested in and no means of making fully informed decisions.

Millions of people are doing the right thing by saving, but they are being abused and left out of pocket through lack of competition, slick marketing and misleading fees.

They deserve to be told the truth and the industry needs to remember the human face of what they do.

The True and Fair Campaign exists to encourage debate on ethics in the savings and investment industry and press for changes in policy and regulation. **The key is transparency, which will refocus the industry on consumer protection and trust.**

The UK savings and investment management industry has been pick pocketing consumers for far too long.

It is a tragedy. It is a ticking time bomb.

The time to act is now!

> **"The easiest way to make money is to take it from other people; that is what the financial services industry does…"**
>
> Pauline Skypala, FT fm, 9th September 2013

The Hard Facts

- The UK Investment Industry is profiteering from their retail clients – UK funds pass back just **6% of large fund economies of scale vs. 33% in the US.**
- Nearly half (45%) of UK clients do not know how their investments are performing and nearly a third (29%) don't know the charges.
- In retail funds alone, double charging and 'cartel-like' pricing is costing the public **£2.6 billion every year.**
- UK retail investors are currently paying **58% more than US retail investors.**

OAP - Old and Poor

- Over half (58%) of British workers would rather spend spare cash on a holiday than save it for their retirement.
- 49% of the UK workforce is not saving enough for retirement.
- More than 1/5 of Britons do not have any savings and 35% have less than £500 set aside.

Industry Response

The True and Fair Campaign ideally sought a voluntary industry code, but has encountered significant resistance.

There have been a myriad of intellectually and morally bankrupt objections to the proposed True and Fair Code.

These fall into three categories:

1. If investors knew the real cost, they would stop investing. ***Rebuttal:*** Everyone has the right to know the full cost BEFORE purchase. If the final decision is not to invest, then that is the correct decision for that individual.
2. It is too difficult to calculate a 'ticket price' or one number. ***Rebuttal:*** All the information to fulfil the proposed code and label are available to investment managers and the various intermediaries. They just need to be added up!
3. If there is to be change; it should be a voluntary code. ***Rebuttal:*** voluntary codes do not work - they are self-serving and never properly followed. Even the majority of the IMA's own board does not follow its own code fully.

After 2 years of campaigning, the True and Fair Campaign has come to the conclusion that only regulation can displace the self-interest and cartel-like behaviour of the savings and investment industry; and its powerful industry bodies.

The Manifesto

A) Companies to provide 100% transparency on all costs and fees in one number; in pounds and pence.

B) Introduce an understandable and common format for all fee information to ensure consumers can calculate the likely effect of these fees on their savings, **prior to purchase.**

C) Provide 100% transparency on where money is invested; with all holdings to be published online on at least a quarterly basis.

Schedule of Fees and Holdings

The current system vs. True and Fair proposed system

Current misleading fee system	Proposed True and Fair Code and Label Scheme
Annual Management Charge (AMC) What the majority of investors think they are paying	Full and transparent fund management and ALL related costs and fees
Some of the extra costs eg. custody charges, administration costs, other fund costs etc. are added to produce	Total Provider Cost (TPC)
Total Expense Ratio (TER) / On-going charge Problem - it is not a total	A true total, including dealing costs
Excludes performance fees, dealing costs, platform charges, wrapper, adviser costs etc.	Total Cost of Investing (TCI)
IMPOSSIBLE FOR CONSUMERS TO KNOW THE REAL TOTAL OF ALL THE COSTS IN THE INVESTMENT CHAIN	INVESTORS SEE THE REAL TOTAL COST OF THE WHOLE CHAIN AND CAN COMPARE VIA DIFFERENT SALES CHANNELS

Initiated by

SCM PRIVATE
The Investment Family

What can be achieved?

We believe that the **True and Fair Code and Labelling Scheme** can:

- enable consumers to compare products and providers on a level, like-for-like basis
- create a truly competitive savings and investment management marketplace
- reduce future mis-selling or financial scandals through publishing 100% of all fund holdings; online, on at least a quarterly basis (the US system since 2004)
- highlight high cost, bad performing funds
- restore confidence to this important sector of financial services and encourage more saving and investing

73% of UK Public want ONE number displayed for all costs and fees.

86% of UK Public want this enshrined in law.

You have the power to bring about change.

If you agree with the principles of the **True and Fair Code** and would like to add your voice to the campaign, act now by:

- registering at the **True and Fair** website: **www.trueandfaircampaign.com**
- writing to your local MP
- writing to the Government:

Sajid Javid MP
Financial Secretary to the Treasury
HM Treasury, 1 Horse Guards Road
London SW1A 2HQ

TRU£&FAIR

We urge you to join our
True and Fair Campaign

www.trueandfaircampaign.com
www.trueandfaircalculator.com



TRUE&FAIR
INVESTMENT CALCULATOR

Initiated by

scm PRIVATE
The Investment Family

About SCM Private

SCM Private was established in 2009 and operates in line with the True and Fair Code. It is an innovative, modern investment manager that challenges existing industry norms by operating efficiently, transparently, ethically and by putting clients' best interests at the heart of the business. SCM Private never forgets the human face of looking after people's money and invests side by side with clients on exactly the same terms and fees.

For the last five years SCM Private has been fighting to raise awareness around the lack of transparency within the UK investment management industry. There has been much resistance along the way, but this has not and will not deter the Millers from their principles and goals.

The founders, Alan and Gina Miller, have over 48 years' experience in the retail financial services industry and possess expert knowledge about the sector. Together they are in a position to launch the True and Fair Campaign because:

a) They know the industry inside out
b) They are steadfast in their determination to radically improve things and change the status quo in favour of investors
c) They are completely independent and self-funding which gives them the freedom to fight for what they believe is right
d) They are not afraid to develop workable solutions, not just rhetoric: www.trueandfaircalculator.com

scm PRIVATE
The Investment Family

SCM Private LLP
2 Eaton Gate, Westminster, London SW1W 9BJ
Tel: 020 7838 8650 • enquiries@scmprivate.com

www.scmprivate.com

March 2014

Initiated by
scm PRIVATE
The Investment Family