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True and Fair Campaign Celebrates as New EU law brings reforms that will revolutionise consumer protection for UK savers and investors and end scandalous hidden charge fiasco

UK investment companies will now be required to provide consumers with the TOTAL cost of their investments

A milestone in consumer protection was made public yesterday containing a raft of changes within the MiFID II directive now enshrined in EU law. Within the 462 pages of changes is the requirement for UK investment companies to provide consumers with the TOTAL cost of their investments, something the ***True and Fair Campaign*** (www.trueandfaircampaign.com) has been calling for over the last two years.

These rules will cover investment managers, discretionary managers, private client wealth managers, platforms, financial advisers and all other financial intermediaries. It also requires the costs to be disclosed in an understandable format and include all advice, platform, product and investment costs that affect the amount returned to investors.

Gina Miller who spearheads the True and Fair Campaign and is a founder of SCM Private said, *"This is a fantastic result for UK and European investors. Whilst the UK's trade bodies remain determined to produce empty rhetoric and ineffective voluntary codes, the EU has taken the lead and brought in regulation set to end the shameful anti-consumer practices that have prevailed for decades in UK financial services."*

Under MiFID II regulators in all Member States will have to ensure that these vastly improved practices are in place by 2016. The providers of investment products will have to present consumers with the TOTAL of the numerous costs – the adviser costs, the product costs, third party costs, transaction costs and ALL the other previously hidden costs, in ONE number. In addition consumers will be able to see an itemised breakdown of all the costs at least annually, or on request.

The ***True and Fair Campaign*** sees this directive as a revolution in consumer protection that offers clear guidance to the UK pensions' industry that should provide for similar regulation in the Pensions Bill to protect millions of UK pensioners.

Gina Miller concludes, *"This is conclusive evidence of the growing levels of support for the principles we have been fighting for in the True and Fair Campaign. We have been calling for higher standards of investor protection and the full disclosure of fees and underlying holdings over the last two years. These new requirements will result in a new Total Cost of Investing which becomes a trusted, consumer friendly cost number."*

Extract from MiFID II Directive (page 204)

Section 2 Provisions to ensure investor protection

> ***Article 24 General principles and information to clients***
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> (d) all costs and associated charges related to both investment or ancillary services which must include the cost of advice, where relevant, the cost of the financial instrument recommended or marketed to the client and how the client may pay for it, also encompassing any third party payments.
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> The information about all costs and charges, including costs and charges in connection with the investment service and the financial instrument, which are not caused by the occurrence of underlying market risk, shall be aggregated to allow the client to understand the overall cost as well as the cumulative effect on return of the investment, and where the client so requests, an itemised breakdown. Where applicable, such information shall be provided to the client on a regular basis, at least annually, during the life of the investment.

http://register.consilium.europa.eu/doc/srv?l=EN&t=PDF&gc=true&sc=false&f=ST%206406%202014%20ADD%201

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The True and Fair Campaign

The True and Fair Campaign was initiated by SCM Private in 2012 to raise awareness of the lack of transparency within the UK investment management industry. It has been calling on UK and European politicians, regulators and fund providers to introduce a Code of Ethics which would invoke new 100% transparency measures on all transaction costs and management fees via a labelling system, and full disclosure on where funds are invested.

The True and Fair Calculator

The True and Fair Calculator is a completely stand-alone not-for-profit business, with profits earned going to support small grassroots charities in the UK undertaking vital work in the areas of financial education and care and support for the elderly.

No member or partner organisation will benefit from The True and Fair Calculator, with the founders and suppliers providing their services either pro-bono or at reduced cost.

SCM Private

SCM Private was established in 2009 as an investment company that aims to challenge the existing norms of the industry by putting clients' best interests at the heart of all it does; especially stripping away layers of costs and inefficiencies; and providing 100% transparency to all clients.

For the last four and half years SCM has been fighting to raise awareness about the lack of transparency within the investment management industry. SCM has met with resistance, but there is a growing tide of support from a wide group of stakeholders, who are supportive of the industry behaving more ethically and honestly. Alan Miller and Gina Miller, have over 40 years' experience in the retail financial services industry. Their combined knowledge and expertise as practitioners has resulted in their ability to launch the True and Fair Campaign.