

# “It gives our industry a bad name” - Manchester wealth management firms calls for an end to initial advice fees

*The Chief Investment Officer of a wealth management company is calling on the industry to ditch initial advice fees.*

MANCHESTER, GREATER MANCHESTER, UNITED KINGDOM, December 16, 2019 /EINPresswire.com/ -- “It gives our industry a bad name” - Manchester wealth management firms calls for an end to initial advice fees

The Chief Investment Officer of a Manchester-based wealth management company is calling on industry peers to make rethinking their approach to initial advice fees a new year’s resolution, saying they give the industry a bad name and pension-holders a raw deal.



Mark Parello (right) and Matthew Singleton (left)

Matthew Singleton (pictured below, right with Managing Director Mark Parello), of Manchester-based [King Street Wealth Management](#) - one of only a handful of FCA-regulated wealth managers not to charge initial fees - is setting out to challenge the perception that initial fees are an industry standard, saying the way fees are currently charged contributes towards a culture of “complacency and inefficiency” amongst many wealth management companies.

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Initial fees are unnecessary and are precisely the sort of arbitrary, opaque charge that gives our entire industry a bad name. This is something we’re determined to challenge”

*Matthew Singleton, Chief Investment Officer, King Street Wealth Management*

mark and matt landscape.jpg

Matthew, who manages assets worth more than £100m, explains his discomfort with how fees are typically charged in the industry:

“Initial fees are unnecessary and are precisely the sort of arbitrary, opaque charge that gives our entire industry a bad name. This is something we’re determined to

challenge, as part of our commitment to improving the industry and fostering long term thinking.”

“The fact that fees are often a percentage of the entire pension pot is really unfair too. The value of the pension is irrelevant to the amount of effort required to do the research. The industry average for these fees seems to be around 3%. So a person with a pension pot of £200,000 stands to pay out £6,000 just for the privilege of looking to move their pension.

Matthew says his concerns extend to wealth management companies who charge exit fees, believing this is equally unnecessary:

“Exit fees are another black mark against our industry. Why should a client be penalised because they’re not satisfied with the service or value they’re getting?”

Matthew and the team at King Street Wealth Management are more than prepared to lead by example. The company pride themselves on being one of the few wealth management companies in the UK to eschew the opaque fees common throughout the industry. And they’re being noticed for it.

Gary Kershaw, Compliance Director at SimplyBiz Group, commends their transparent approach, saying:

“We look after over 3,700 FCA regulated firms and typically we see initial charges around the 2% mark. It is quite refreshing to come across firms like King Street Wealth Management who don’t charge any initial advice fees.”

King Street Wealth Managements’ ultimate aim is to help make the industry less opaque while removing barriers to access.

Matthew adds: “We’re encouraging all of our industry peers to take a longer term view and value ongoing relationships, instead of cashing in up-front. If you believe that you’re going to look after a client, they could be a client for 30-plus years, so why charge an initial fee?”

King Street Wealth Management are transparent about their costs and say their efficiency and use of tech enable them deliver a high level of service to all clients without hefty up-front fees. A 0.75% financial planning fee is charged per year, as well as 0.35% plus VAT to cover investment management and a platform fee of 0.15%.

Mark Parelo, managing director at King Street Wealth Management, explains why they decided to do things differently:

“People assume that wealth management has to be complex. They also believe they have to have a lot of money to get started. That’s the biggest barrier.”

The belief amongst clients that they require large sums of money to get started is further debunked by Mark, who believes that educating customers about their investment is essential. He says:

“Clients who’ve had income wealth are different. Income wealth is easy to spend. They now have life-changing amounts of money. So we tell them - “you don’t have to start big”. That’s a vital plank of the education piece.”

Sean O'Meara  
Essential Content Ltd.  
+44 161 710 3286  
[email us here](#)

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