

Case Study:

Breaking the mould

Clean, simple, digital user experience



SUMMARY

Innovative low cost
D2C provider

Highly Digital client
experience

Online discretionary
investment
management

BACKGROUND

Nutmeg are a new kid on the block in the D2C wealth platform market and are causing quite a stir. Their mission when they launched in 2012 was to break the mould of the traditional, exclusive, high-cost wealth management market and provide clear, simple yet affordable investment portfolios to the masses.

They achieved this by offering a selection of risk rated discretionary fund managers (DFMs) investing in a diverse range of low cost exchange-traded funds (ETFs). This was delivered through an online experience with a clean, simple, yet feature-rich user experience providing details of underlying investments and past performance as well as the fees you'd pay.

This digital offering coupled with a charging structure that decreases with portfolio size, an absence of tie-ins or exit charges and investment limits as low as £500, is key to the delivery of the Nutmeg vision and unsurprisingly is becoming increasingly attractive to a new generation of investors.



nutmeg

THE CHALLENGE

As Nutmeg's success continues, they need to be able to scale and must continue to utilise digital means and automation to allow them to achieve the efficiencies to do so. They cannot afford to have teams of staff performing manual processes or dealing with piles of paperwork.

To this end, their whole customer experience from the on-boarding process to investments and withdrawals for the vast majority of customers is fully online, allowing customer servicing to scale without needing a proportional increase in staff numbers. Everything apart from the transfer process that is.

A high proportion of customers transfer one or more existing investments into their new Nutmeg portfolio. As with all things Nutmeg, the transfer process was initiated online but this is where the automation stopped and a slow, paper heavy process kicked in. Transfers would require customers to leave the web interface and face form filling and postal delays. Putting the costs and inconvenience aside, importantly this would leave clients out of the market, potentially for weeks; none of which was aligned to the Nutmeg brand.

"Nutmeg selected ATG as partners to help reduce casework associated with ISA transfers. It has helped to enhance the digital customer experience by automating the dialogue with other ISA providers, saving both time and effort. We look forward to a world where all ISA providers are connected electronically using platforms such as Altus."

Chief Operating Officer

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ALTUS ENGAGEMENT

Nutmeg approached Altus, having heard about the benefits others were seeing through the use of the Altus Transfer Gateway (ATG) and the automation capabilities it could provide. The end goal was to create a slick, timely transfer process for their customers, in line with the rest of their offering.

Altus has integrated into Nutmeg's digital process, reducing the paperwork and manual intervention, and resulting in operational savings. The solution which was suggested would see ATG integrated into their customer application and would reduce Nutmeg's operational intervention.

ATG provides the Nutmeg web front-end with details of counterparty capabilities, meaning that when a Nutmeg customer selects to perform a transfer with a given organisation, the journey they are taken through differs based on their chosen providers automation support.

Supports electronic transfers

If the client selects a provider who supports electronic transfers, they are presented with terms and conditions and asked to give authority to proceed. This then instructs ATG to initiate a transfer and the customer can simply sit back and wait for their account to transfer. The result is simple, quick transfers.

Does not support electronic transfers

If the client selects a provider who is not electronically enabled, the client is told they will have to complete transfer authority paperwork. ATG creates all the necessary paperwork for Nutmeg, including both the transfer authority forms and the Nutmeg covering letters. The client is then given an option to either download and print the documents, or have Nutmeg send them in the post. More than 95% of clients are happy to download and print the forms themselves which are delivered through the Nutmeg secure mailbox. In all cases, the client signs the paperwork and then forwards all of the documentation directly to their current provider. This removes any delay for the customer and saves Nutmeg the operational overhead of printing the paperwork, sending it to the client, getting the client to complete it and send it back to Nutmeg and then sending it to the ceding provider. This cuts two or three weeks out of the process but crucially, since the client is effectively "doing the paperwork", the process is much more scalable.

Given the specific range of assets held within the Nutmeg DFMs, accounts are usually transferred as cash, which means that where electronic payments are made, clients will typically see the money reach their new provider within 3-5 working days.

THE FUTURE

The work doesn't stop there. Unfortunately there are still a large number of transfers-in from providers such as banks and building societies holding cash ISAs where transfers are forced down the slower manual route. The ATG roadmap will look to address this problem by adding support for the proprietary BACS cash ISA transfers service.

Nutmeg are also looking to employ a number of other ATG features to streamline the process and reduce manual intervention. This includes automated client and counterparty chasing where the transfer case doesn't progress in a timely fashion, to validation of counterparty account details provided by the client to identify issues early in the process.

ATG is now an integral part of the Nutmeg offering and in continued partnership Altus hopes to assist them on their journey to revolutionise the wealth industry.

This then instructs ATG to initiate a transfer and the customer can simply sit back and wait for their account to transfer. Simple, quick and easy one-click transfers.