



# **Junior Individual Savings Accounts (JISAs)**

Fair Value Assessment & Target Market Information



April 2024



<b>Firm name</b>	Walker Crips Investment Management Limited
<b>Product / service name</b>	Junior Individual Savings Accounts (JISAs)

## Product/Service Information

The Junior ISA (JISA or child ISA) is a tax-free account set up by a parent or guardian for children under the age of 18 living in the UK. The parent, guardian or anyone else can contribute to the account but only the child can access the investments – and only after they turn 18. For this reason, they are viewed as long-term savings. There are two types of Junior ISA; the Cash Junior ISA, which is deposit-based and may pay interest on cash saved, and a Stocks and Shares Junior ISA, which is invested in stock markets and may provide capital growth as well as dividends. It is possible to have one or both types of Junior ISA.

The annual JISA allowance for the 2024/25 tax year is £9,000.

## Fair Value Assessment

This product has been subject to the firm's consumer duty process and has been reviewed and signed off by senior management as representing fair value to customers. This is in light of the following assessments:

- Pricing Assessment
- Costing Analysis
- Benchmarking to peers
- Benefits of Product, includes named investment manager(s) and portfolio reviews
- Annual Client Asset (CASS) audit by external accountants

## Summary

The benefits relating to the Junior ISA product (beyond the advantages of the tax wrapper itself) are dictated by the service level assigned to the account - and the pricing associated with that service level. However, our analysis of the individual service levels and the benefits associated with each of them concludes that the Junior ISA product does offer fair value.

## Target market

### Knowledge and experience:

- Stocks and shares Junior ISA is available to all children under the age of 18, and living in the UK.
- Registered Contact (e.g. parent, account holder aged 16 or above) with a basic to advanced knowledge of the features of this product.
- Registered Contact who can make informed investment decisions, either from appropriate information and documentation, or advice received from a financial adviser.
- Customers who want to invest in eligible securities in a tax efficient wrapper."

### Financial situation/loss capacity:

- The service offers no capital guarantees and clients must have an ability to sustain capital loss in line with their investment decisions.

## Walker Crips Investment Management

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Walker Crips Investment Management Limited is authorised and regulated by the Financial Conduct Authority (FRN: 226344) and is a member of the London Stock Exchange. Registered in England and Wales number 4774117.

- Customers must be comfortable that their investments may fall and rise in value over time.
- Customers who have family members or friends who would like to pay money into a JISA in the child's name.
- Customers who have unused, or remaining, JISA allowance.

## **Risk tolerance:**

This product can be delivered to all client types and the risks are:

For Discretionary, Advisory Managed, Advisory Dealing:

- The service offers 5 risk levels for clients to choose from, based on their risk profile: Low, Low-Medium, Medium, Medium-High and High.
- Customers must be comfortable with exposure to investment risk
- The required risk must not exceed the customer's risk capacity (i.e. the risk the customer needs to take to achieve their chosen objectives must not exceed the risk the customer is willing and able to take).
- The JISA should be part of a family group of accounts, if it were to be these customer types, in order to achieve better cost effectiveness.

For Execution Only:

- Customers must be comfortable with exposure to investment risk.

## **Client objectives and specific needs:**

The investor is:

- Investing until he/she is 18 years old, usually with the help of a parent or guardian.
- Looking to build a portfolio with the primary intention of owning a tax efficient portfolio for the minor account holder.
- Looking to have an account where relatives can gift cash to the account holder in a tax efficient manner.
- Eligible to open a JISA account, has sufficient funds to invest into a JISA, or has an existing CTF/JISA where he/she wishes to transfer to the firm.
- The service offers both growth and income objectives, and combinations of each.
- The service does not target, nor guarantee, any particular income level.

## **Distribution approach:**

- This product is distributed via Walker Crips investment managers and Account Executives.

## **Types of customer for whom the product/service would not be suitable**

### **Knowledge and experience:**

- Individuals who are above 18 years old.
- Individuals who are below 18 years old, and do not have a parent or guardian to help them.
- Individuals who want a cash JISA, the firm does not provide cash JISA services.
- Individuals who need quick access to cash.
- Are risk averse, i.e. will not accept any capital loss. All investments have different risk exposures and there is no option for customers who want investments with 'no risk'
- Individuals who wish to invest in all securities, and cannot comply with the JISA rules in relation to limiting their investments to JISA eligible securities.

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**Financial situation/loss capacity:**

- Investors seeking full capital protection or without the ability to sustain capital losses.
- Investors who are uncomfortable with investments falling and rising in value over time.
- Investors who treat the JISA account like a regular trading account, without consideration for the JISA rules.
- Investors who have fully utilised their JISA allowance for the year.

**Risk tolerance:**

This product can be delivered to all client types and the risks are:

For Discretionary, Advisory Managed, Advisory Dealing:

- Customers who cannot withstand any sort of capital loss
- Customers who are totally risk averse and has no risk appetite whatsoever
- Customers who want a very high risk portfolio, or a leveraged, margin facility. WCIM does not provide leveraged or margin products or services.
- The account is stand-alone, without any links to any family group of accounts to share in the administration/minimum fee.

For Execution Only:

- Customers who are totally risk averse and have no risk appetite whatsoever.

**Client objectives and specific needs:**

- The investor is investing for the short term, and requires access to the funds before the age of 18.
- Investors who require a guaranteed rate of return or a capital preservation objective.
- Investors seeking a leveraged return profile.
- Investors who wish to invest in very high risk investments.

**Other information which may be relevant to distributors**

This assessment will be subject to a formal annual review and ongoing monitoring against performance data and other measurable management information.

Date Fair Value assessment completed	April 2024
Expected date of next assessment	April 2025

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