

For customers

Our new
platform

nucleus^o platform

Guide to

How your money and investments are held

This document explains how we hold money and/or assets in your Nucleus products, and how the protections under UK regulations apply.



This information is based on our understanding of the cover afforded by the Financial Services Compensation Scheme (FSCS), or other appropriate investment compensation schemes.

You should still seek confirmation of the applicable cover from your chosen asset providers.

Please note that the FSCS currently has the following limits:

- £120,000 per investor for bank accounts
- £85,000 per investor for applicable investments

For each limit above, this may include all exposure you have with a failed firm, including exposure held personally or jointly outside of any Nucleus products.

For the Offshore Bond, please note that The Isle of Man Compensation of Policyholders protection scheme currently covers an amount equal to 90% (subject to the provisions of the scheme) of RL360's liabilities where it is unable to meet its financial obligations.

In respect of assets that are not traded on our platform, please note the following:

Following your trade instruction, we debit cash from your product's cash account and transfer it to the investment provider, in order for them to buy the asset. Once we have passed the money to the provider, we're no longer responsible for its safeguarding.

Until the asset purchase is settled and confirmed to us, your online account will show a pending trade transaction in a 'placed' status for the value of the trade.

This won't be updated until the trade settles and we've received confirmation from the investment provider. As off-platform assets may take some time to settle, the 'placed' status could remain in place for an extended period.

If the investment provider fails, we (for your SIPP) or you might be able to claim compensation under the FSCS, subject to FSCS eligibility requirements and applicable limits. You should always discuss FSCS coverage of any proposed investments with your adviser before proceeding.

You can also use the Investment Protection Checker tool on the FSCS website [fscs.org.uk/check/investment-protection-checker](https://www.fscs.org.uk/check/investment-protection-checker).

SIPP

Asset type (if permissible)	How it is held	Protection in the event of Nucleus failure	Protection in the event of failure of the underlying investment
Cash	<ul style="list-style-type: none"> Money paid into the client's SIPP will be received into the SIPP pooled bank account, which is held in the scheme trustee's name. 	<ul style="list-style-type: none"> The scheme trustee is a non-trading company whose only role is to hold SIPP assets. In the event of the Financial Conduct Authority (FCA) regulated scheme administrator's failure, the money in the pooled bank account is held separately under trust and legally ring-fenced from the scheme administrator's own assets and the creditors of the scheme administrator. 	<ul style="list-style-type: none"> As the Pooled bank accounts and any deposit accounts are held by UK licenced deposit takers, in the event of the bank's failure, FSCS cover may apply. In the event of a default by a bank or other deposit taker, the client may have to bear any shortfall in the pooled client money accounts on a pro-rata basis based on the cash balances held across all pooled client money accounts.
Funds on the platform	<ul style="list-style-type: none"> Investments across all SIPP clients are held on a pooled basis in the name of the scheme trustee, either directly or via its nominee. 	<ul style="list-style-type: none"> The scheme trustee is a non-trading company whose only role is to hold SIPP assets. Any nominee chosen by the scheme trustee would also be a non-trading company and so should not fail. In the event of the FCA regulated Scheme administrator's failure, as the investment is held in the scheme trustee's name, it is legally ring-fenced from the creditors of the scheme administrator. 	<ul style="list-style-type: none"> In the event of the failure of a fund held on the platform, FSCS cover may depend on whether the underlying investment is itself regulated by the FCA in the UK and therefore eligible for cover. You should check directly with the investment provider regarding FSCS coverage. For EU (European Union) based investments, please be aware that FSCS cover may have changed following the UK's exit from the EU. For non-EU investments, you should check whether protection is available under local regulations.
Investment Manager/ stockbroker (collectively referred to as IM)	<ul style="list-style-type: none"> Any account with an IM will be opened in the name of the scheme trustee. Investments will be held in either the IM's own nominee name or a separate custodian. Cash will be held either by the IM as client money or banker, or by a separate custodian. The specific arrangements for your chosen IM will depend upon its terms and conditions, to which you will need to agree before opening an account with them. 	<ul style="list-style-type: none"> The scheme trustee is a non-trading company whose only role is to hold SIPP assets. In the event of the FCA regulated Scheme administrator's failure, as the account at the IM/custodian is held in the scheme trustee's name, it is legally ring-fenced from the creditors of the scheme administrator. 	<ul style="list-style-type: none"> In the event of the failure of the IM/custodian, provided they are regulated by the FCA in the UK, FSCS cover may apply. In the event of the failure of an underlying investment held within the IM portfolio, FSCS cover may depend on whether the underlying investment is itself regulated by the FCA in the UK and therefore eligible for cover. You should check directly with the investment provider regarding FSCS coverage. For EU based investments, please be aware that FSCS cover may have changed following the UK's exit from the EU. For non-EU investments, you should check whether protection is available under local regulations.

SIPP (continued)

Asset type (if permissible)	How it is held	Protection in the event of Nucleus failure	Protection in the event of failure of the underlying investment
Fixed term deposits and notice accounts via Bondsmith	<ul style="list-style-type: none"> Money is held in a pooled account in the name of Bondsmith's trustee company, with the scheme trustee recorded by Bondsmith as the beneficial owner. 	<ul style="list-style-type: none"> The scheme trustee is a non-trading company whose only role is to hold SIPP assets. Any nominee chosen by the scheme trustee would also be a non-trading company so should not fail. In the event of the FCA regulated scheme administrator's failure, the money in the deposits is held separately under trust and is legally ring-fenced from the scheme administrator's own assets and the creditors of the scheme administrator. 	<ul style="list-style-type: none"> Bondsmith's trustee company is a non-trading company acting as a bare trustee and so should not fail. As any deposits are held by UK licenced deposit takers, in the event of the deposit taker's failure, FSCS cover may apply.
Managed model portfolios	<ul style="list-style-type: none"> The underlying funds within the model portfolios will be held on a pooled basis in the name of the scheme trustee, either directly or via its nominee. 	<ul style="list-style-type: none"> The scheme trustee is a non-trading company whose only role is to hold SIPP assets. Any nominee chosen by the scheme trustee would also be a non-trading company so should not fail. In the event of the FCA regulated scheme administrator's failure, as the investment is held in the scheme trustee's name, it is legally ring-fenced from the creditors of the scheme administrator. 	<ul style="list-style-type: none"> In the event of the failure of a fund held within a model portfolio, FSCS cover may depend on whether the underlying investment is itself regulated by the FCA in the UK and therefore eligible for cover. You should check directly with the investment provider regarding FSCS coverage. For EU based investments, please be aware that FSCS cover may have changed following the UK's exit from the EU. For non-EU investments, you should check whether protection is available under local regulations.
Other investments	<ul style="list-style-type: none"> Investments will be held in the name of the scheme trustee, on either an individual or pooled basis. 	<ul style="list-style-type: none"> The scheme trustee is a non-trading company whose only role is to hold SIPP assets. In the event of the FCA regulated scheme administrator's failure, as the investment is held in the scheme trustee's name, it is legally ring-fenced from the creditors of the scheme administrator. 	<ul style="list-style-type: none"> In the event of the failure of an investment, FSCS cover may depend on whether the underlying investment is itself regulated by the FCA in the UK and therefore eligible for cover. You should check directly with the investment provider regarding FSCS coverage. For EU based investments, please be aware that FSCS cover may have changed following the UK's exit from the EU. For non-EU investments, you should check whether protection is available under local regulations.

ISA

Asset type (if permissible)	How it is held	Protection in the event of Nucleus failure	Protection in the event of failure of the underlying investment
Cash	<ul style="list-style-type: none"> Money is held in a pooled bank account held in the name of Nucleus Financial Services Limited (NFS) and operated in accordance with the Client Money (CASS) Rules stipulated by our regulator, the FCA. 	<ul style="list-style-type: none"> Any account held by NFS as a client money account is held in accordance with the FCA's Client Money Rules and so in the event of NFS's failure, it is legally ring-fenced from the creditors of the ISA manager. 	<ul style="list-style-type: none"> As the pooled client money accounts are held by UK licenced deposit takers, in the event of the bank's failure, FSCS cover may apply. In the event of a default by a bank or other deposit taker, the client may have to bear any shortfall in the pooled client money accounts on a pro-rata basis based on the cash balances held across all pooled client money accounts.
Funds on the platform	<ul style="list-style-type: none"> Investments across all ISA clients are held on a pooled basis in the name of the ISA manager's nominee company, James Hay Wrap Nominee Company Limited, or via a third party nominee chosen by the ISA manager. 	<ul style="list-style-type: none"> The ISA manager's nominee or any third party nominee chosen by the ISA manager will be a non-trading company and so should not fail. In the event of the FCA regulated ISA manager's failure, as the investment is held in a nominee's name, it is legally ring-fenced from the creditors of the ISA manager. 	<ul style="list-style-type: none"> In the event of the failure of a fund held on the platform, FSCS cover may depend on whether the underlying investment is itself regulated by the FCA in the UK and therefore eligible for cover. You should check directly with the investment provider regarding FSCS coverage. For EU based investments, please be aware that FSCS cover may have changed following the UK's exit from the EU. For non-EU investments, you should check whether protection is available under local regulations.
Stockbrokers	<ul style="list-style-type: none"> Any account with a stockbroker will be opened in the name of the FCA regulated ISA manager, NFS, for the underlying ISA client. Investments will be held in either the stockbroker's own nominee name or a separate custodian. Cash will be held either by the stockbroker as client money or banker, or by a separate custodian. The specific arrangements for your chosen stockbroker will depend upon its terms and conditions, to which you will need to agree before opening an account with them. 	<ul style="list-style-type: none"> In the event of the FCA regulated ISA manager's failure, as the account at the stockbroker/ custodian is held by them in accordance with the FCA's Client Asset Rules, it is legally ring-fenced from the creditors of the ISA manager. 	<ul style="list-style-type: none"> In the event of the failure of the stockbroker/ custodian, provided they are regulated by the FCA in the UK, FSCS cover may apply. In the event of the failure of an underlying investment held within the stockbroker portfolio, FSCS cover may depend on whether the underlying investment is itself regulated by the FCA in the UK and therefore eligible for cover. You should check directly with the investment provider regarding FSCS coverage. For EU based investments, please be aware that FSCS cover may have changed following the UK's exit from the EU. For non-EU investments, you should check whether protection is available under local regulations.

ISA (continued)

Asset type (if permissible)	How it is held	Protection in the event of Nucleus failure	Protection in the event of failure of the underlying investment
Managed model portfolios	<ul style="list-style-type: none"> The underlying funds within a model portfolio will be held on a pooled basis in the name of the ISA manager's nominee company, James Hay Wrap Nominee Company Limited, or via a third party nominee chosen by the ISA manager. 	<ul style="list-style-type: none"> The ISA manager's nominee or any third party nominee chosen by the ISA manager will be a non-trading company and so should not fail. In the event of the FCA regulated ISA manager's failure, as the investment is held in a nominee's name, it is legally ring-fenced from the creditors of the ISA manager. 	<ul style="list-style-type: none"> In the event of the failure of a fund held within a model portfolio, FSCS cover may depend on whether the underlying investment is itself regulated by the FCA in the UK and therefore eligible for cover. You should check directly with the investment provider regarding FSCS coverage. For EU based investments, please be aware that FSCS cover may have changed following the UK's exit from the EU. For non-EU investments, you should check whether protection is available under local regulations.
Other investments	<ul style="list-style-type: none"> Investments will be held in the name of the ISA manager's nominee company, James Hay Wrap Nominee Company Limited, on either an individual or pooled basis. 	<ul style="list-style-type: none"> The ISA manager's nominee is a non-trading company and so should not fail. In the event of the FCA regulated ISA manager's failure, as the investment is held in a nominee's name, it is legally ring-fenced from the creditors of the ISA manager. 	<ul style="list-style-type: none"> In the event of the failure of an investment, FSCS cover may depend on whether the underlying investment is itself regulated by the FCA in the UK and therefore eligible for cover. You should check directly with the investment provider regarding FSCS coverage. For EU based investments, please be aware that FSCS cover may have changed following the UK's exit from the EU. For non-EU investments, you should check whether protection is available under local regulations.

GIA

Asset type (if permissible)	How it is held	Protection in the event of Nucleus failure	Protection in the event of failure of the underlying investment
Cash	<ul style="list-style-type: none"> Money is held in a Pooled bank account held in the name of Nucleus Financial Services Limited (NFS) and operated in accordance with the Client Money (CASS) Rules stipulated by our regulator, the FCA. 	<ul style="list-style-type: none"> Any account held by NFS as a client money account is held in accordance with the FCA's Client Money Rules and so in the event of NFS's failure, it is legally ring-fenced from the creditors of NFS. 	<ul style="list-style-type: none"> As the pooled client money accounts are held by UK licenced deposit takers, in the event of the deposit taker's failure, FSCS cover may apply. In the event of a default by a bank or other deposit taker, the client may have to bear any shortfall in the pooled client money accounts on a pro-rata basis based on the cash balances held across all pooled client money accounts.
Funds on the platform	<ul style="list-style-type: none"> Investments across all GIA clients are held on a pooled basis in the name of NFS's nominee company, James Hay Wrap Nominee Company Limited, or via a third party nominee chosen by NFS. 	<ul style="list-style-type: none"> NFS's nominee and any third party nominee chosen by NFS will be a non-trading company and so should not fail. In the event of the FCA regulated firm NFS's failure, as the investment is held in a nominee's name, it is legally-ring fenced from the creditors of NFS. 	<ul style="list-style-type: none"> In the event of the failure of a fund held on the platform, FSCS cover may depend on whether the underlying investment is itself regulated by the FCA in the UK and therefore eligible for cover. You should check directly with the investment provider regarding FSCS coverage. For EU based investments, please be aware that FSCS cover may have changed following the UK's exit from the EU. For non-EU investments, you should check whether protection is available under local regulations.
Investment Manager/ Stockbroker (collectively referred to as IM)	<ul style="list-style-type: none"> Any account with an IM will be opened in the name of the FCA regulated firm, NFS, for the underlying client. Investments will be held in either the IM's own nominee name or a separate custodian. Cash will be held either by the IM as client money or banker, or by a separate custodian. The specific arrangements for your chosen IM will depend upon their terms and conditions to which you should agree. 	<ul style="list-style-type: none"> In the event of the FCA regulated firm NFS's failure, any account with an IM/custodian held by them will be held in accordance with the FCA's Client Asset Rules. It is legally ring-fenced from the creditors of NFS. 	<ul style="list-style-type: none"> In the event of the failure of the IM/custodian, provided they are regulated by the FCA in the UK, FSCS cover may apply. In the event of the failure of an underlying investment held within the IM portfolio, FSCS cover may depend on whether the underlying investment is itself regulated by the FCA in the UK and therefore eligible for cover. You should check directly with the investment provider regarding FSCS coverage. For EU based investments, please be aware that FSCS cover may have changed following the UK's exit from the EU. For non-EU investments, you should check whether protection is available under local regulations.

GIA (continued)


Asset type (if permissible)	How it is held	Protection in the event of Nucleus failure	Protection in the event of failure of the underlying investment
Fixed term deposits and notice accounts via Bondsmith	<ul style="list-style-type: none"> Money is held in a pooled account in the name of Bondsmith's trustee company, with the client recorded by Bondsmith as the beneficial owner. 	<ul style="list-style-type: none"> As Bondsmith record the client as the beneficial owner, there will be no impact in the event of Nucleus's failure. 	<ul style="list-style-type: none"> Bondsmith's trustee company is a company acting as a bare trustee and so should not fail. As any deposits are held by UK licenced deposit takers, in the event of the deposit taker's failure, FSCS cover may apply.
Managed model portfolios	<ul style="list-style-type: none"> The underlying funds within a model portfolio will be held on a pooled basis in the name of NFS's nominee company, James Hay Wrap Nominee Company Limited, or via a third party nominee chosen by NFS. 	<ul style="list-style-type: none"> NFS's nominee and any third party nominee chosen by NFS will be a non-trading company and so should not fail. In the event of the FCA regulated firm NFS's failure, as the investment is held in a nominee's name, it is legally ring-fenced from the creditors of NFS. 	<ul style="list-style-type: none"> In the event of the failure of a fund held within a model portfolio, FSCS cover may depend on whether the underlying investment is itself regulated by the FCA in the UK and therefore eligible for cover. You should check directly with the investment provider regarding FSCS coverage. For EU based investments, please be aware that FSCS cover may have changed following the UK's exit from the EU. For non-EU investments, you should check whether protection is available under local regulations.
Other investments	<ul style="list-style-type: none"> Investments will be held in the name of NFS's nominee company, James Hay Wrap Nominee Company Limited, on either an individual or pooled basis. 	<ul style="list-style-type: none"> NFS's nominee company is a non-trading company and so should not fail. In the event of the FCA regulated firm NFS's failure, as the investment is held in a nominee's name, it is legally ring-fenced from the creditors of NFS. 	<ul style="list-style-type: none"> In the event of the failure of an investment, FSCS cover may depend on whether the underlying investment is itself regulated by the FCA in the UK and therefore eligible for cover. You should check directly with the investment provider regarding FSCS coverage. For EU based investments, please be aware that FSCS cover may have changed following the UK's exit from the EU. For non-EU investments, you should check whether protection is available under local regulations.


Offshore Bond

Asset type (if permissible)	How it is held	Protection in the event of Nucleus failure	Protection in the event of failure of the underlying investment
Cash	<ul style="list-style-type: none"> A cash account is held in Nucleus Financial Services Limited's (NFS) name on behalf of the Offshore Bond provider, RL360 Insurance Company Limited. 	<ul style="list-style-type: none"> The cash account held by NFS is a pooled client money account held in accordance with the FCA's Client Money Rules and so in the event of NFS's failure, it is legally ring-fenced from the creditors of NFS. 	<ul style="list-style-type: none"> Money in the cash account is owned by RL360 and therefore, as a corporate investor, they may not be eligible for compensation under any investment compensation scheme in the event of the failure of the bank. The amount (if any) which is recovered under any scheme would be substantially less than the amount the policyholder may have been able to recover had they owned the deposit themselves. In the event of the failure of RL360, owners of policies issued by RL360 are not covered by the FSCS but do receive protection under the Isle of Man Compensation of Policyholders protection scheme.
Funds on the platform	<ul style="list-style-type: none"> Investments across all Offshore Bonds are held on a pooled basis in the name of (NFS's nominee company, James Hay Wrap Nominee Company Limited, or via a third party nominee chosen by NFS. The investments are ultimately owned by the Offshore Bond provider, RL360 Insurance Company Limited, as a corporate investor. 	<ul style="list-style-type: none"> NFS's nominee and any third party nominee chosen by NFS will be a non-trading company and so should not fail. In the event of the FCA regulated firm NFS's failure, as the investment is held in a nominee's name, it is legally ring-fenced from the creditors of NFS. 	<ul style="list-style-type: none"> Investments linked to an Offshore Bond are owned by RL360 and therefore, as a corporate investor, they may not be eligible for compensation under any investment compensation scheme in the event of the failure of the investment. The amount (if any) which is recovered under any scheme would be substantially less than the amount the policyholders may have been able to recover had they owned the investment themselves. In the event of the failure of RL360, owners of policies issued by RL360 are not covered by the FSCS but do receive protection under the Isle of Man Compensation of Policyholders protection scheme.

Offshore Bond (continued)

Asset type (if permissible)	How it is held	Protection in the event of Nucleus failure	Protection in the event of failure of the underlying investment
Managed model portfolios	<ul style="list-style-type: none"> Investments across all Offshore Bonds are held on a pooled basis in the name of NFS's nominee company, James Hay Wrap Nominee Company Limited, or via a third party nominee chosen by NFS. The investments are ultimately owned by the Offshore Bond provider, RL360 Insurance Company Limited, as a corporate investor. 	<ul style="list-style-type: none"> NFS's nominee and any third party nominee chosen by NFS will be a non-trading company and so should not fail. In the event of the FCA regulated firm NFS's failure, as the investment is held in a nominee's name, it is legally ring-fenced from the creditors of NFS. 	<ul style="list-style-type: none"> Investments linked to an Offshore Bond are owned by RL360 and therefore, as a corporate investor, they may not be eligible for compensation under any investment compensation scheme in the event of the failure of the investment. The amount (if any) which is recovered under any scheme would be substantially less than the amount the policyholders may have been able to recover had they owned the investment themselves. In the event of the failure of RL360, owners of policies issued by RL360 are not covered by the FSCS but do receive protection under the Isle of Man Compensation of Policyholders protection scheme.
Other investments	<ul style="list-style-type: none"> Investments will be held in the name of NFS's nominee company, James Hay Wrap Nominee Company Limited, on either an individual or pooled basis. The investments are ultimately owned by the Offshore Bond provider, RL360 Insurance Company Limited, as a corporate investor. 	<ul style="list-style-type: none"> NFS's nominee company is a non-trading company and so should not fail. In the event of the FCA regulated firm NFS's failure, as the investment is held in a nominee's name, it is legally ring-fenced from the creditors of NFS. 	<ul style="list-style-type: none"> Investments linked to a Offshore Bond are owned by RL360 and therefore, as a corporate investor, they will not be eligible for compensation under any investment compensation scheme in the event of the failure of the investment. Any cash deposit account linked to a Offshore Bond may not be covered in full by a Depositors Compensation Scheme (DCS), should the deposit account provider become insolvent. The amount (if any) which is recovered under the scheme could be substantially less than the amount the policyholder might have been able to recover had they owned the cash deposit account(s) themselves. This situation is likely to be the same for any investment or deposit account held in any jurisdiction as RL360 are a corporate client and are unlikely to be eligible to claim under any available compensation scheme. In the event of the failure of RL360, owners of policies issued by RL360 are not covered by the FSCS but do receive protection under the Isle of Man Compensation of Policyholders protection scheme.

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