

# INDEPENDENT, IMPARTIAL AND IN HOVE



Nick Jenner

Square One's key core value is simple, but commendable: 'Providing the right advice is central to our business culture.' Partner Nick Jenner explains why transparency and professionalism are at the heart of the wealth management company.

*Interview by Ian Trevett*



On meeting Nick Jenner in their new offices, set among the wine bars and restaurants of Hove's Church Road, I asked what is that made Square One unique. As Nick correctly replied, "Who needs a gimmick or an elaborate back story?"

The clients of Square One just want to know that they can trust the firm to look after their financial affairs, invest wisely and act in a professional manner. Such an approach doesn't make headlines, but recent history suggests that companies in financial sector are best advised to avoid making the news.

Square One offers a range of financial services, but they specialise in areas such as

inheritance tax planning and looking after the owners of small to medium sized companies. The model is to focus on the right advice, with competitive fees and use plain English to communicate with clients.

"If I had to pick one thing that we do well, out of everything, we are experts in managing capital for individuals or families and saving tax," says Nick. "Clients are often successful business people, who then realise that building wealth through business is a very different skill to actually managing that wealth once you've made it. Also we have later life clients who are thinking, "I spent my life building up my wealth through hard work, but will it all pass onto my

chosen beneficiaries when I am gone?"

"One of the things which make us a little bit different is that the owners of our business are from different backgrounds than you might typically find. For example, many firms were established by former direct sales people where the model and culture was primarily about selling products and not providing advice. For this reason the financial advisor market has historically had a bit of a dirty name. Having worked with a large number of independent financial adviser firms in the past, I can honestly say I would only have trusted maybe three or four firms with my mother's money."

Nick's partner is John Kelly is a Chartered Accountant, who bought the firm back in 2003. It was a father and son business, and John used to refer clients to the firm. John bought it off of the retiring son and Nick bought into it in 2010.

"John being a Chartered Accountant is a huge asset," says Nick, "He has come from a highly professional industry which has actually got a very good reputation – the accountant is generally seen as the trusted advisor and this was central to me joining the firm. I think it is a really positive story for us that the ownership of Square One is driven by a couple of guys who are really trying to ensure that they have a decent, ethical business where the advice to the client is what comes first rather than selling them products.

"Obviously we're regulated by the Financial Conduct Authority but the main thing that's happened in the last couple of years is the minimum qualification standard for advisors. It used to be that you could give financial advice with very limited qualifications which I believe shaped a lot of the poor quality advice or mis-selling that we still uncover today. Things have moved on now and I think they'll move again. Nick started out at a mutual life and pensions company called NPI, before moving to Skandia Investment Management where much of the work he did was helping financial adviser firms build their investment processes.

After Skandia Nick joined an investment firm in the City, but his timing wasn't great. He joined a year before the 2008 financial crash. "About a year after joining I became one of those people walking around the City with a cardboard box full of desk furniture thinking, "What do I do now?" Inevitably this experience shaped my belief in running a sustainable business! We have grown organically and now, in addition to the partners, the firm has six other advisers and eight staff."

Presumably as Nick started out in a pension company, he is well-placed to help companies with their auto-enrolment requirement?

"Workplace pensions has the word 'pension' in it but this has slightly misled the general public from our point of view. In many schemes there are no decisions to be made by employees at the start and they are designed for poverty prevention, rather than wealth management. Where we will get involved is if the company wants to provide a genuine benefit to their staff rather than just a tick box exercise to comply with the rules. If employers want a reward-based scheme for their workforce to encourage new staff or improve staff retention, then we would be happy to help. This will typically mean that the employer would like proper consultation about setting up the right scheme that offers a bit more than the

"Whether you acquire wealth through fortune or business it requires a specialist to manage it"

default scheme set up by the Government, as well as one-to-one advice for their staff.

"Traditionally pensions have been opaque, mythical creatures that no-one really understands. For this reason many people have chosen to avoid them. We've had some big changes to pensions recently making them much more flexible and exciting for people building their pots as well as for those taking money out. There are also big changes to the death benefits regime which is well worth exploring for those with existing schemes as you may need to take action to benefit from the changes."

"It doesn't end there either. There are further changes coming in April 2016 which will restrict some individuals to an annual

allowance of just £10,000 down from £40,000. Whilst it will not affect everyone, the key point here is that if you are thinking of making contributions of more than £10,000 into your pension you really need to act now to avoid missing an opportunity to pay in a much higher amount."

One of the advantages of taking professional advice is that they will keep abreast of new legislation, which, if ignored, can have serious consequences on your financial plans. A good example of this is the changes to tax rates on dividends that take effect from the next tax year. "For business owners with retained profits, the clock is ticking and if you are considering extracting that profit you should take advice now. If you've got cash in the business, you should consider making a pension contribution from the company, which will reduce corporation tax, or pay a dividend which may be subject to a higher tax charge after April. So you've got a window to get profit out of the company and save some tax. We can, of course, give you the investment advice on where to put that capital.

"Our emphasis is on wealth management. In terms of our investment process we have broadly two ways of managing portfolios depending on the client. We can either manage a portfolio on a cheap passive basis, which will give you the performance of the market at a lower cost or, we can arrange a firm of discretionary fund managers to manage a bespoke portfolio.

"With service-based businesses it's very difficult to identify what makes you either different or special. For us, quite simply, we've been around for a long time now, we've both come from different professional backgrounds which has given us a fresh view of how to provide our services and we are a safe place for our clients' investments.

*"It's all about building long-term relationships and trust."*

"Our industry is still fighting to overcome an era of low quality advice at a high price."

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