

Sharesight agrees industry-first partnership with CMC Markets Stockbroking

Says future of retail investment industry lies in building connectedness between providers

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Online share portfolio management service Sharesight today announced it has signed a deal to make Sharesight available to all customers of CMC Markets Stockbroking in the first of what it expects will be many similar partnerships. The service will provide sophisticated performance management and administration functionality, including tax reporting, through the cloud at no cost to users with fewer than ten share holdings. Transaction history will be populated automatically for CMC Markets Stockbroking clients who opt in. Crucially, clients who take up the offering will also be able to add other brokers they may have used to the service to provide a complete picture of their holdings. Currently, customers who access alternative performance and reporting services are “locked in” to using one provider through a proprietary system.

Andrew Bird, executive director of Sharesight, said that the company is encouraging other brokers to provide the service to their clients in order to build a network to benefit both providers and their customers. “Opportunities are now available for businesses and individuals to use cloud technology that did not exist even a couple of years ago. There is currently a huge amount of wasteful duplication of data within the financial services industry, but we believe that cloud technology will change this. “Sharesight uses cloud technology to make the sharing and management of investment information as easy and as quick as possible. Our vision is to create a network of data sharing that will make life easier for customers, who can aggregate information from their various service providers in one place, and for financial services providers, who can make time and cost efficiencies and open up new opportunities,” he said. Mr Bird added that Sharesight was in discussions with a number of brokers and related financial firms who were also interested in partnership in 2012. “Bringing Sharesight on board is both time and cost-efficient for brokers. It generally takes about two weeks of coding, at comparatively low cost, to hook up the two systems. The benefit for the broker is that they can provide their customers with a host of functionality at drastically reduced cost to developing it in-house. For example, one of the most frequent requests that customers make to their brokers is for automated tax reporting. It is not cost or time-efficient for a broker to develop this functionality themselves, whereas they can integrate Sharesight to their own platforms quickly and easily.” Mr Bird also said he believed that recent developments in the wider financial services industry would lead to greater levels of integration between providers over the medium-to-long term. “Recent regulatory changes, such as the Future of Financial Advice (FoFA) reforms, are undoubtedly leading providers to focus more on cost efficiencies. This is opening the way for new, specialist services, such as Sharesight, to make an impact on the market. “In addition, the growing number of self-directed investors using SMSFs is also driving demand from the ground up for unbundled, ‘best of breed’ services, as opposed to the traditional, vertically integrated model seen in many wrap-based services.”