



Acquisition Due Diligence

Since 2012, we have been leveraging our expertise and deep knowledge to assist UK and international firms in acquiring FCA-regulated businesses, all while maintaining a personalised approach tailored to each client's unique needs.

Alex Paschalis
Partner, Investments



During this time, we have built a reputation for providing expert, professional advice with a pragmatic and practical solution-driven focus which clients on both the buy and sell side appreciate. **We have handled regulatory due diligence on more than 85 regulated entities**, advising on **transactions worth over £8 billion** and, over the last 12 months, the M&A team at Thistle Initiatives has been involved in more than 20 transactions in the retail investment advice & wealth management sector. We have had the pleasure and privilege of working with some of the most widely respect consolidators, acquirers and PE firms.

If you're looking at acquiring a regulated firm, our expert team can help. We offer a range of acquisition due diligence services to help you fully understand the regulatory risk any potential transaction may pose.

Initially, we will work to understand your requirements and the proposed transaction. We'll then conduct an initial scoping exercise, looking at the target firm's senior management controls, culture, regulatory history, and its financial exposure to legacy acquisition liabilities, advice or management of assets. We will also consider any potential exposure to ongoing service liabilities in line with the current FCA focus in this regard.

Based on this, we can produce an initial report flagging up any material risks or issues before you appoint other professional advisers and start incurring significant costs.

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Some of our clients



Our M&A due diligence scope includes

After our initial 'red flag' report our full DD process conducted by our acquisition due diligence experts, is entirely tailored to your requirements, and can include the following areas, as required/ relevant to the transaction

FCA correspondence history (including any disciplinary action) with a specific focus on 'non-routine' correspondence.

- Consumer Duty outcomes, including Price and Value statements and Consumer Duty Board Reports
- Regulatory focus areas such as ongoing advice, costs and charges

Internal governance, systems and controls against FCA objectives

Investment solutions recommended (standard and non-standard/ high risk)

Professional Indemnity Insurance cover (including exclusions)

The holding and controlling of client money and client assets

FCA financial returns and compliance with prudential regulation, including group consolidation

FCA permissions against activities undertaken

The suitability of advice; the advice process (including client classification, fact finding, attitude to risk profiling, capacity for loss assessment and the investment recommendations for investment advice, pension transfer and defined benefit pension transfer recommendations).

Legacy advice and the management of clients' assets

The firm's complaints process and history, seeking to confirm regulatory compliance and where appropriate, identify trends and significant issues which may impact the firm's financial exposure to legacy activity risk

IT governance, systems and controls against financial and cyber crime

The firm's training, competence and adviser certification regime

Product Governance

Sources of new business and introducer arrangements. At the end of the acquisition due diligence audit, we produce a report setting out our findings and providing a 'materiality of regulatory risk' assessment for each aspect audited. Where required, we can assist in the production and implementation of an action plan to address issues between exchange of contracts and completion, as well as, where less material, the first 12 months post-completion. We have, on occasion, worked with target firms for an extended period to ensure they have implemented process enhancements which are then audited to confirm full implementation and understanding by relevant parties.

Senior Managers and Certification Function persons' roles, responsibilities and contracts

AML risk framework, including the firm's business-wide risk assessment and client risk assessment procedures

Order execution and dealing process

If you decide to proceed with the purchase, we can also provide expert assistance with your Section 178 Change of Controller application or, if required, any SUP 15 notifications

Examples of Projects

FCA advice Reg DD Tech support

Retail advisory and investment manager

The client is a large retail advisory and investment manager, managing over £3 billion of assets.

We were retained to provide FCA regulatory advice, regulatory due diligence and technical support.

Reg DD Tech support

Private Equity Fund

We were retained to provide FCA advice, regulatory due diligence and technical support.

Reg DD Controller app

National wealth manager

The manager established a fund to acquire retail advisory businesses in the UK. We were retained to undertake regulatory due diligence on target companies and assist with change in controller applications.

Corporate structure

Private Equity Fund

We were retained to provide corporate structuring advice.

Tech support FCA advice

Large US corporate financier

Funding wealth managers and retail advisory businesses. We were retained for technical support and regulatory compliance advice.

Reg DD

London-based corporate financier

Recently established and looking to acquire several retail advisory businesses.

We were engaged to provide regulatory capital advice and regulatory due diligence on wealth management targets.

Get in touch

Ready for financial services compliance, without the complexity?



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Thistle Initiatives is part of the multi-award winning Thistle Group



A compliance consultancy supporting regulated businesses and those on the journey to becoming regulated

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