

Acquisition Due Diligence

About us

We've been helping UK and overseas firms acquire FCA regulated businesses since 2012.

Over that time, we've handled regulatory due diligence on more than 60 regulated entities, advising on transactions worth over £5 billion and, over the last 24 months, the M&A team at Thistle Initiatives has been involved in over 20 transactions in the retail investment advice & wealth management sector.

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 transaction poses.

First, we'll conduct an initial scoping exercise, looking at the target firm's senior management controls, culture, regulatory history, and its financial exposure from legacy acquisitions, advice or management of assets.

Based on this, we'll produce an initial report flagging up any risks or issues before you appoint accountants and solicitors and start incurring significant costs.

How our acquisition due diligence process works

The regulatory compliance review and audit, conducted by our acquisition due diligence experts, can cover the following areas, as needed:

- FCA correspondence history (including any disciplinary action)
- FCA financial returns and compliance with prudential regulation, including group consolidation
- FCA permissions against activities undertaken
- Internal governance and systems and controls against FCA objectives
- Suitability files on defined benefit pension transfer advice (including conducting file checks)
- Investment advice suitability files (including conducting file checks)
- Investments sold (standard and non-standard)
- Past business advice and/or management of assets
- Professional Indemnity Insurance cover (including exclusions)
- Client money and client assets controls
- Complaints history
- IT governance, systems and controls against financial and cyber crime
- Senior Managers and Certification Function persons' roles, responsibilities and contracts
- AML risk framework
- Product Governance
- Dealing process
- Sales channels

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Assuming the initial findings are positive, we'll undertake a full acquisition due diligence exercise covering everything from operations, systems and controls and IT to culture and sustainability. We'll then provide you with a detailed report, adopting a risk-based approach agreed in advance with you, and advise you on the implications of the findings.

At the end of this acquisition due diligence process, we'll produce a risk-assessed report, and present this to your board, highlighting key issues and risks, along with a mitigation plan.

If you decide to proceed with the purchase, we can also provide expert assistance with your Section 178 Change of Controller application. This needs to be approved by the FCA before the transaction can be completed. We can liaise with the regulator prior to submission, draft and submit your application, and handle all follow-up with the FCA, attending any meetings and resolving any queries.

Case studies

Company A

The client is a large retail advisory and investment manager, managing over 3 billion of assets. Retained to provide FCA advice, regulatory due diligence and technical support.

Company B

Private Equity Fund. Retained to provide FCA advice, regulatory due diligence and technical support.

Company C

National wealth manager. Established a fund to acquire retail advisory businesses in the UK. Retained to undertake regulatory due diligence on target companies and assist with change in controller applications.

Company D

London-based corporate financier. Recently established and looking to acquire several retail advisory businesses.

Company E

Large US corporate financier. Funding wealth managers and retail advisory businesses. Retained for technical support and advice.

Company F

Private Equity Fund. Retained to provide corporate structuring advice.

Acquisition Due Diligence

Mergers & Acquisition activity



vers
Wealth Management



IEP FINANCIAL



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CLEAR ADVICE. CLEARLY EFFECTIVE



skerritts

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Wealth

MUTUAL
FINANCIAL
MANAGEMENT LTD



KRESTON
REEVES



TARVOS
WEALTH



Cairngorm Capital

CDC
WEALTH MANAGEMENT LTD.



Get in touch with the team

If you would like to know more about our acquisition due diligence services, call 020 7436 0630 or email Investments Director, [Alex Paschalis](mailto:alex.paschalis@thistleinitiatives.co.uk)

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