



SOUTHERNHAY

FINANCIAL PLANNING

Registered in England and Wales No. 8168055

CLIENT AGREEMENT FOR INVESTMENTS & INSURANCES

Authorisation Statement

Southernhay Financial Planning Limited is Authorised and Regulated by the Financial Conduct Authority (FCA). The FCA regulates financial services in the UK and you can check our authorisation and permitted activities on the Financial Services Register by visiting the FCA's website www.fca.org.uk/firms/systems-reporting/register. Our Financial Services Register number is 711110

Our Services

We provide independent investment advice. We will consider a range of regulated products from the available market that can meet the investment objectives of a retail client but we will only provide a recommendation to you when we know the product is suitable for your personal circumstances.

You should be aware that investments carry varying degrees of risk and as their underlying value can fall as well as rise you may not get back the full amount invested.

For **Non-investment protection contracts** we are an intermediary and will act on your behalf when providing advice and making our personal recommendation(s) to you. We will do this based on a fair and personal analysis of insurers for term assurance, income protection, critical illness.

For **General Insurance contracts** we are an intermediary and will act on your behalf when recommending an insurer based on your demands and needs from a fair analysis of the market. The insurers we consider will be listed to you when we carry out our research. It will be your responsibility to ensure the policy meets your demands and needs for building and/or contents, private medical insurance, accident sickness and unemployment.

Full details of the products we recommend will be confirmed in the product literature you will receive before it is arranged. We will inform you if any investment we recommend restricts future access to your capital.

Your Aims and Objectives

Unless we notify you in writing to the contrary, we will be treating you as a "retail client" for investment business. This means that you are afforded the highest level of protection under the regulatory system and should have the right to take any complaint to the Financial Ombudsman Service.

Any advice or recommendation(s) we offer to you will only be given after we have assessed your needs and considered your financial objectives, attitude to risk and capacity to bear any losses. We will also take into account any restrictions that you wish to place on the types of products or investment strategy you would be willing to consider.

Our Ethical Policy

We are committed to providing the highest standard of financial advice and service possible. The interest of our clients is paramount to us and to achieve this we have designed our systems and procedures to place you at the heart of our business. In doing so, we will:

- be open, honest and transparent in the way we deal with you;
- not place our interests above yours;
- communicate clearly, promptly and without jargon;

Instructions

We only accept instructions in writing (paper or electronic means) to aid clarification and avoid future misunderstandings. Please note we will not act on oral instructions to avoid any possible misunderstandings.

Investment Services and Costs (including structured deposits)

We provide you with an initial consultation free of charge. This helps us to understand your financial objectives and we will confirm how we can support you in working towards these goals. We will also discuss the cost, and levels, of our services both initially and throughout our relationship with you. We charge our services by way of a fee. These fees are based on a percentage of the amount you invest, subject to a minimum fee. The 2 steps of this process are explained here:

Financial Review and Recommendation

This can be a continuation from the initial discussion, where agreed, or a further appointment. This process covers the:

- gathering of information about your existing financial arrangements and full personal circumstances;
- understanding of your investment knowledge and attitude and tolerance towards investment risk;
- recommendation of an asset allocation model that matches your risk profile and the subsequent assessment and suitability of any existing holdings;
- preparation of our recommendations to you;
- arranging a second appointment to explain and discuss our recommendations in detail

Our charge for this service is a **fixed fee of £500** payable on provision of the report containing our recommendation(s) to you. This fee will be waived wholly or in part should you decide to implement any of our recommendations.

Policy Arrangement & Implementation – Lump Sum Investments or Transfers

Should you instruct us to proceed with (any of) our recommendation(s) we will act for you in the following ways:

- We will arrange the full implementation of our recommendations which will include the initial set-up of investment instruments and portfolios
- Handle all fund and policy administration on your behalf this may include liaising with existing providers and the setting up of any new recommended product providers. The completion of all paperwork on your behalf and dealing with all necessary administration in connection with our initial advice
- Provide regular updates to keep you informed of progress this communication can be in the form of your choice either electronic, telephone or post. Provision of your own personal finance portal to enable the secure sharing of all messages and correspondence
- Ensure all your documents are issued in line with your expectations;
- Provide confirmation of all actions taken on your behalf in writing. At all stages of the process we will keep you updated of all transactions carried out on your behalf

Our charge for this service is based on a percentage of the amount you invest and/or transfer. These charges are applied as follows:

Investment Advice:

- **1% of the first £1 million invested**
- **No charge on the balance over £1 million**

Complex Financial Planning:

- **2% of the first £200,000 invested**
- **1% between £200,000 and £1 million**
- **No charge on the balance over £1 million**

This payment can either be facilitated by the product provider when they receive your funds or paid directly by you. Where we receive such a payment we will waive our 'financial review and recommendation' fee.

Investment advice:

Example 1; You invest **£200,000** into a portfolio of funds. The adviser charge will be **£2,000**

Example 2; You invest **£1,000,000** into a portfolio of funds. The adviser charge will be **£10,000**

Complex Financial Planning:

Example 1; You require advice on the suitability of transferring a personal pension of **£400,000**

The initial charge will $(2\% \times £200,000) + (1\% \times £200,000) = \mathbf{£6,000}$

The overall adviser charge will therefore be 1.5%

Policy Arrangement & Implementation – Regular Savings / Investments

Our charge for implementing a regular contribution savings or investment plan is 50% of the first year's contributions.

Again, we will waive our 'financial review and recommendation' fee by the same amount. You can pay this under either of the two options listed below:

- **Option 1** - You can pay this directly on commencement of the policy

Example 1; if your monthly contribution is **£50** our Policy Arrangement & Implementation fee would be £300. As this is less than the 'financial review and recommendation' fee of £500 we would charge you an additional £200 as the balance. The total fee payable would be **£500**.

Example 2; if your monthly contribution is **£200** our Policy Arrangement & Implementation fee would be £1,200. As this exceeds the 'financial review and recommendation' fee no other charges would be applied. The total fee payable would be **£1,200**.

- **Option 2** - You can facilitate the implementation fee through your policy

For monthly contributions under £83.33, 50% of the first year's contributions would be less than our minimum fee of £500. 11 payments of 50% of each monthly contribution will be deducted from month 2 to month 12, and the balance will be paid directly by you at the start of your policy, to bring the total fee payable to **£500** (please see example below).

Example; if your monthly contribution is **£50** our implementation fee would be £300 (£50 x 12 x 50%). This will be collected by deducting £25 (£50 x 50%) from each monthly contribution for months 2 to 12 (11 x £25 = £275). As this is less than the 'financial review and recommendation' fee of £500, we would charge you the balance of £225 by direct payment, at the start of your policy. The total fee payable would be **£500**.

For monthly contributions of £83.34 and over, the payment will be deducted proportionally from each monthly contribution during the first year.

Example; if your monthly contribution is **£200** our implementation fee would be £1200. This will be collected by deducting £100 from each monthly contribution for the first 12 months. As this exceeds the 'financial review and recommendation' fee no other charges would be applied. The total fee payable would be **£1,200**.

Should you decide to pay this charge through your policy and payments to the policy subsequently cease, we will calculate the total payments received to date and charge you the balance against the implementation fee.

For example, if you invest **£100pm** our total charge will be **£600**. We will deduct £50 from each monthly contribution until paid in full. Should payments cease after month 6 (and £300 has been collected) the difference will be charged to you i.e. £300.

Non-Investment Protection and General Insurance contracts

When we arrange the sale of a protection or insurance contract, we will not charge you a fee, as we will receive a commission from the provider/insurer. The amount of this will be disclosed to you in the product literature.

Ongoing Services

It is important to review every investment you hold and at regular intervals. At the time of, or prior to, our recommendation to you we will discuss our on-going service proposition. This is confirmed in our '**service proposition and engagement**' document which will be sent to you separately from this agreement.

VAT

Under current legislation our services are not subject to VAT but should this change in future and VAT becomes payable, we will notify you before conducting any further work.

Cancellation Rights

In most cases you can exercise a right to cancel by withdrawing from the contract. In general terms you will normally have a 30 day cancellation period for a life, pure protection, payment protection or pension policy and a 14 day cancellation period for all other policies. For investments this will typically start when funds are invested and for pure protection policies this will normally begin when you are informed that the contract has been concluded or, if later, when you have received the contractual terms and conditions. Instructions for exercising the right to cancel, if applicable, will be contained in the relevant product information issued to you.

If you cancel a single premium contract, you may incur a loss due to market movements. This means that, in certain circumstances, you might not get back the full amount you invested if you cancel the policy.

Client Money

We are not permitted to handle client money and we cannot accept a cheque made out to us (unless it is in respect of an item for which we have sent you an invoice) or handle cash.

Documentation

We will endeavour to make arrangements for all your investments to be registered in your name unless you first instruct us otherwise in writing. All policy documents will be forwarded to you immediately after we have received them. If there are a number of documents relating to a series of transactions, we will normally hold each document until the series is complete and then forward them to you. We will issue all communications in English, unless agreed otherwise.

Material Interest

We will act honestly, fairly and professionally known as conducting business in 'Client's best interest' regulations. Occasionally situations may arise where we or one of our other clients have some form of interest in business transacted for you. If this happens or we become aware that our interests or those of one of our other clients conflict with your interest, we will write to you and obtain your consent before we carry out your instructions, and detail the steps we will take to ensure fair treatment. Where this cannot be achieved, we will not conduct the business.

Complaints

If you wish to register a complaint, please write to **Southernhay Financial Planning Ltd, 20 Southernhay West, Exeter, Devon, EX1 1PR**, telephone **01392 439009** or e-mail **info@southernhayfp.com**

A summary of our internal complaints handling procedures for the reasonable and prompt handling of complaints is available on request and if you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service at www.financial-ombudsman.org.uk or by contacting them on 0800 023 4567.

Compensation Scheme

If you make a complaint and we are unable to meet our liabilities, you may be entitled to compensation from the Financial Services Compensation Scheme. For investment business you will be covered up to a maximum of £85,000.

Further information about these amounts and limits for all other product types are available from the FSCS at <http://www.fscs.org.uk/what-we-cover/products>

Anti-Money laundering

We are required by the anti-money laundering regulations to verify the identity of our clients, to obtain information as to the purpose and nature of the business which we conduct on their behalf, and to ensure that the information we hold is up-to-date. For this purpose we may use electronic identity verification systems and we may conduct these checks from time to time throughout our relationship, not just at the beginning.

Law

This client agreement is governed and shall be construed in accordance with **English** Law and the parties shall submit to the exclusive jurisdiction of the **English** Courts.

Force Majeure

Southernhay Financial Planning Ltd shall not be in breach of this Agreement and shall not incur any liability to you if there is any failure to perform its duties due to any circumstances reasonably beyond its control.

Termination

The authority to act on your behalf may be terminated at any time without penalty by either party giving seven days notice in writing to that effect to the other, but without prejudice to the completion of transactions already initiated. Any transactions effected before termination a due proportion of any period charges for services shall be settled to that date.

DECLARATION

This is our standard client agreement upon which we intend to rely. For your own benefit and protection you should read these terms carefully before signing them. If you do not understand any point please ask for further information.

I/We are aware of the costs of the Financial Review and Recommendation(s), and where appropriate, the Policy Arrangement and Implementation services and agree to the method and timing of these.

My/Our preferred method of paying these costs is (please tick as appropriate);

(where possible) By deduction from the policy

You should note that when paid through the investments it may reduce your personal tax thresholds and/or exemption levels. Where this happens we will discuss it with you and confirm it in your personal recommendation report.

By direct payment

Client Name

Client Signature

Dated

Client Name

Client Signature

Dated

Date of Issue

Signed on behalf of firm