

## **Retail Client Agreement – Investment, Insurance and Mortgage Services**

### **1. Introduction**

The purpose of this agreement is to set out the basis on which we will act for you and to clarify our respective responsibilities. As it sets out the detailed terms of a legal contract between us, please do not hesitate to contact us if anything is unclear, or you would like further explanation of any of the terms used.

**You will be asked to sign to confirm you have read and understood the contents of this agreement and to agree they accurately reflect the general services that you have instructed us to provide.**

### **2. Regulatory Obligations**

**LFP Financial Planning & Wealth Management Limited (hereafter known as ‘LFP’) of 21 Spark Lane, Mapplewell, Barnsley, South Yorkshire, S75 6AA** is authorised and regulated by the Financial Conduct Authority (FCA). Our Financial Services Register number is **491905**.

Our permitted business is advising on and arranging investments, insurance contracts and regulated first mortgage products.

You can check this on the Financial Services Register by visiting the FCA’s website [www.fca.org.uk/firms/systems-reporting/register](http://www.fca.org.uk/firms/systems-reporting/register) or by contacting the FCA on 0800 111 6768.

We will observe and act in accordance with the principles, rules and guidelines of the FCA. We accept instructions to act for you on this basis.

Unless we notify you in writing to the contrary, we will treat you as a retail client, which means you will receive the highest level of protection afforded by the UK regulatory system.

You should note that certain financial products and services are not regulated by the FCA, which means clients purchasing them may not be entitled to the protection of the UK regulatory system. We will notify you in writing if this applies to any of the products or services we recommend to you, before you decide whether or not to proceed with their purchase.

### **3. Our Products and Services**

#### **Investment**

As independent Advisors we will advise and make a recommendation for you after we have assessed your needs. Our recommendation will be based on a sufficient range of relevant financial products from across the market to meet your investment objectives. Our relevant market does not include single shares, derivatives or higher-risk leveraged financial instruments.

#### **Insurance**

We offer products from a range of insurers for: Accident Sickness and Unemployment Insurance, Buildings and/or Contents Insurance, Critical Illness Insurance, Income Protection Insurance, Mortgage Protection Assurance, Private Medical Insurance and Term Assurance.

We will advise and make a recommendation for you after we have assessed your needs for: Accident Sickness and Unemployment Insurance, Buildings and/or Contents Insurance, Critical Illness Insurance, Income Protection Insurance, Mortgage Protection Assurance, Private Medical Insurance and Term Assurance.

## **Mortgages**

Our mortgage services are limited to advising on first charge mortgage products only. We will consider all lenders we have access to before recommending a suitable mortgage product following an assessment of your personal needs and circumstances. This will include a detailed assessment of affordability.

When selecting a lender, we will not consider those that are only available by you going direct to them.

First Charge only: When increasing your borrowing or consolidating existing loans you may have the option of;

- taking out a further advance with your existing lender
- arranging a separate second charge mortgage
- borrowing through an unsecured loan.

Whilst these may be more appropriate for you, we will not consider the merits of these when making our recommendation to you.

## **4. Product Provider and Lender Security**

We use all reasonable skill and care to protect your interests and monitor the security of the product providers and lenders with which we transact business using information available in the public domain. However, we can give no guarantee of the financial stability of a product provider or lender and we accept no liability for any financial losses or increased costs suffered by you arising from their financial insecurity.

## **5. Payment for Our Services**

### **Investment: Advised**

#### **Introduction**

The following information explains our charging structure and your payment options in general terms.

You pay for our services on the basis of a fee, adviser charge, or a combination and in this agreement we refer to these as 'charge' or 'charges'.

We will discuss your payment options with you and answer any questions you may have.

#### **The cost of our services**

***Initial Consultation, Financial review, advice and recommendations.*** We will carry out a financial review, provide advice and make recommendations to you in line with your requirements. For example, some clients could require a full review, whereas others might want us to limit our advice and recommendations towards addressing a specific financial need.

As part of this process we will:

- Gather relevant information about your circumstances, objectives and priorities
- Establish the investment risk you are willing and able to take and recommend investment products that are appropriate to this
- Provide a concise and clear explanation of any costs, charges and potential penalties involved
- Explain clearly why and how our recommendations are suitable to meet your needs
- Prepare and issue a letter or report to you presenting our recommendations
- Arrange a follow-up appointment to explain our recommendations in detail and answer any questions you might have about them

**Arranging lump sum investments and/or transfers.** If you instruct us to proceed with the purchase of a product involving a lump sum investment and/or transfer, we will:

- Arrange the purchase on your behalf
- Handle all the associated documentation and administration
- Deal with any queries you might have, or which are raised by the product provider and/or third parties (in the case of transfers)
- Ensure the final product documentation is prepared in accordance with your instructions and is issued in a timely fashion; and
- Keep you appropriately informed throughout the process.

Our charge for this service is based on a percentage of the amount you invest/transfer:

Amount invested/transferred	Charge	Example
Up to £50,000	3%	£30,000 invested/transferred. Charge £900.00
£50,001 to £100,000	2%	£70,000 invested/transferred. Charge £1,900.00
£100,001 and above	1%	£120,000 invested/transferred. Charge £2,700.00

This charge is subject to a minimum of £250.00.

**Arranging regular contribution products.** If you instruct us to proceed with the purchase of a product involving a regular contribution we will:

- Arrange the purchase on your behalf
- Handle all the associated documentation and administration
- Deal with any queries you might have, or which are raised by the product provider
- Ensure the final product documentation is prepared in accordance with your instructions and is issued in a timely fashion; and
- Keep you appropriately informed throughout the process

Our charge for this service is 3% of the contribution – for example:

Total monthly contribution payable	£100
First year's contribution (12 x £100)	£1,200
Our charge (3% of £1,200)	£36

Please note that these are our maximum charges and we reserve the right to reduce our charges at our discretion for commercial purposes.

### Ongoing service

LFP provides a comprehensive ongoing Advice Service whereby we continuously monitor your position through Annual Reviews or more frequently if required, and through ongoing Investment Portfolio Management.

The LFP Advice Service enables you to benefit from an Annual Review which achieves the following:

- Gathering of any new relevant information about changes in your circumstances, objectives and priorities.
- Re-establish the investment risk you are willing and able to take and recommend investment products that are appropriate to this
- Provide a concise and clear explanation of any charges your investment has incurred since your last review.
- Explain clearly why and how our existing or new recommendations are suitable to meet your needs
- Prepare and issue a report to you presenting our recommendations and details of any new costs which might be incurred due to the new recommendations.

LFP will also provide you with the following services:

- The LFP investment process including risk assessment, asset allocation, fund selection and half-yearly valuations.
- We will continue to review your investments and research the whole market based on your needs.
- Regular fund and asset allocation reviews and switches.
- Full administrative service to complete the application process
- Access to your adviser at all times for ongoing financial advice of any nature
- Lifetime cash flow analysis provided if appropriate.

### Payment for ongoing services

We offer an ongoing advice service where we review your position every year and inform you of new recommendations or changes that may be relevant to your circumstances. We will also monitor your investments and make adjustments where necessary to optimise the performance. This service is provided at a charge of 1.00% of the value of your investment annually and is deducted from your investment proportionately on a monthly basis. The amount you pay will fluctuate with the value of your investment, if this increases in value the amount you pay us will also increase – for example:

Date of valuation	Value of investment	Annual charge (Paid in Monthly Instalments)	Amount due	Increase
1 <sup>st</sup> March 2018	£100,000	1.00%	£1,000	–
1 <sup>st</sup> March 2019	£110,000	1.00%	£1,100	£100

However, if your investment falls in value the amount you pay us will reduce – for example:

Date of valuation	Value of investment	Annual charge (Paid in Monthly Instalments)	Amount due	Decrease
1 <sup>st</sup> March 2018	£100,000	1.00%	£1,000	
1 <sup>st</sup> March 2019	£90,000	1.00%	£900	£100

### Ad-Hoc Work

If you approach us for a report and recommendations on a certain area of your financial planning, we will charge you a one-off fee. The cost of the report and recommendations will depend on the complexity of the work involved and we will provide you with an estimate before any work is commenced. An example of the charges involved are shown below:

Type of report and recommendation	Example of Cost
General review of current circumstances and report	£250.00
Investment Planning Analysis & Report	£250.00
Retirement Planning Analysis & Report	£500.00
Estate Planning Analysis & Report	£500.00
Tax Planning Analysis & Report	£500.00

Where a subsequent transaction is completed on the basis of any report recommendation, and where you become an ongoing service client, then the cost of the analysis and report can be deducted from the overall implementation costs of the new recommendation.

## Your payment options

Charges for our service can be settled through a single payment or you can pay these through your recommended investment product(s) via an 'adviser charge'.

### Settling your charge through a single payment

You will be required to settle the payment of your charge through a single payment within 30 days of receiving our bill. We accept cheque or electronic/BACS payments, but we do not accept payment by cash. You will be provided with a receipt upon payment.

### Paying your charge through your recommended product

If you buy an investment product, you can choose to have your charge deducted from the product via an 'adviser charge'. Although you pay nothing to us up front, this does not mean that our services are free. You still pay us indirectly through a deduction from the amount you pay into your product. This deduction settles the charge, but could reduce the amount left for investment.

### Defined benefit and safeguarded benefit transfer advice

This is a very technical area of advice and we therefore charge additional fees for the extra research and liabilities that are involved.

If it is identified that you have a Defined benefit or Safeguarded benefits scheme (usually an occupational pension plan) we will give you a general explanation of how the scheme works and its relative advantages and disadvantages along with alternative options that may be available to you. We will also at this point write to the relevant scheme for full particulars.

Once we have full details of the scheme your adviser will discuss with you the possibility of a transfer to an alternative scheme and whether this would or wouldn't be in your best interests. If we agree that a transfer may be in your best interests, the scheme will be discussed by a small committee of three financial advisers who hold the relevant advanced pension qualifications. The scheme will be assessed and a score given based upon your personal needs and circumstances.

If the committee feels that the transfer is likely to be in your best interests we will then proceed to full research and analysis of the scheme and produce a Transfer value analysis and suitability letter for you. There is an upfront fee of £695.00 for this service which is not refundable.

If you decide to transfer the scheme, an implementation fee is then payable as per our standard investment terms and shown below:

Amount invested/transferred	Charge	Example
Up to £50,000	3%	£30,000 invested/transferred. Charge £900.00
£50,001 to £100,000	2%	£70,000 invested/transferred. Charge £1,900.00
£100,001 and above	1%	£120,000 invested/transferred. Charge £2,700.00

We will also offer you the ongoing service as previously described.

Please note that if the committee recommend that you do not transfer the scheme, LFP Financial planning will not facilitate this for you and the £695.00 fee is not refundable.

Please note that these are our maximum charges and we reserve the right to reduce our charges at our discretion for commercial purposes.

## **Insurance**

A fee of £250.00 is payable at the outset for assessing your needs, advising and making a recommendation for you on:

Accident Sickness and Unemployment Insurance, Buildings and/or Contents Insurance, Critical Illness Insurance, Income Protection Insurance, Mortgage Protection Assurance, Private Medical Insurance, Term Assurance.

If you purchase an insurance product we will be paid by commission from the insurer and your fee of £250.00 will be refunded to you.

You will receive a quotation which will tell you about any other fees relating to any particular insurance policy and any commission received by us upon completion of setting up the policy.

## **Mortgages**

A fee of £250.00 is payable at the outset.

We will also be paid commission from the lender when your mortgage completes, this amount will be confirmed by the lender in their disclosure document.

You will receive a 'Keyfacts' illustration when considering a particular mortgage product which will tell you about any fees relating to it.

Should you wish you can request to view the commission rates from each of the lenders we have considered at the time that we make our recommendation.

If we charge you a fee and your mortgage does not go ahead, you will receive:

- A full refund if the lender rejects your application
- A full refund if your application falls through
- No refund if you decide not to proceed

## **6. Instructions**

We require clients to give us instructions in writing, to avoid the risk of errors and omissions. Upon receipt of your clear instructions we will deal with any such instructions/orders promptly and pass this to the product provider in a timely manner.

Please note that we do not accept oral instructions.

Any investment, insurance or mortgage product is not in place until we have confirmed it to you in writing.

## **7. 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 product and a 14 day cancellation period for all other products.

Instructions for exercising the right to cancel, if applicable, will be contained in the relevant product disclosure information which will be issued to you.

If you cancel a single premium product, you may be required to pay for any loss you might reasonably incur in cancelling it which is caused by market movements. This means that, in certain circumstances, you might not get back the full amount you invested if you cancel the contract.

If you wish to cancel a contract, please contact us immediately.

## **8. Communications and Documentation**

Unless agreed otherwise, all our communications with you will be in English.

All product documentation will also be in English – this will be prepared in accordance with your instructions and issued to you in a timely fashion. If we are dealing with a number of products on your behalf, we may hold some documents on a temporary basis until such time as everything can be sent to you. In these circumstances, any documentation in our possession will be held securely.

You should always check documentation to ensure all the details are correct – if this is not the case, please contact us immediately.

Documentation will confirm the basis of your investment, insurance or mortgage contract and include details of the relevant provider or lender. It is important that this is kept in a safe place as you may need to refer to your documentation (for example, in the event of a claim).

## **9. Retention of and Access to Records**

During the course of our work we will collect information from you and others acting on your behalf and will return any original documents to you following the preparation of our recommendations.

Unless you tell us not to, we intend to destroy correspondence and other papers that we store that are more than five years old, other than those records which the Financial Conduct Authority require us to retain indefinitely, or which we consider to be of continuing significance.

If you require us to retain any particular item you must notify us of that fact in writing. However, please be aware that we cannot hold original documents – such as birth certificates or policy schedules – on your behalf.

## **10. Client Money**

LFP is not permitted to handle client money. This means we cannot accept a cheque made out to us, or handle cash in connection with the purchase of an investment, insurance, or mortgage product or service. Payment should be made to the relevant product provider or lender and we will supply you with appropriate details at the time of purchase.

The only exception relates to our own charges. We will send you an invoice for the amount due and accept cheque or electronic/BACS payments in settlement. You will be provided with a receipt upon payment.

## **11. Code of Ethics**

We are committed to setting, maintaining and supporting the highest professional standards in financial services.

As such, our code of ethics requires our directors and staff to:

- Comply with the code and all relevant laws and regulations
- Act with the highest ethical standards and integrity
- Act in the best interests of each client
- Provide a high standard of service; and
- Treat clients fairly

## **12. Conflicts of Interest**

We reserve the right during our dealings with you to deliver services to other clients whose interests might compete with yours or are/may be adverse to yours, subject to our normal confidentiality terms (see section 13 below).

We confirm that we will notify you immediately should we become aware of any conflict of interest involving us and affecting you, unless we are unable to do so because of our confidentiality obligations.

If a conflict of interest should arise, either between two or more of our clients or in the provision of multiple services to a single client, we will take such steps as necessary to deal with the conflict. We have safeguards in place to protect the interests of different clients if a conflict arises.

The rules of our regulator – the Financial Conduct Authority – prohibit us from accepting any payment (such as a commission or a non-monetary benefits) which is likely to conflict with our duty to our clients.

### **13. Confidentiality**

We confirm that where you give us confidential information, we shall at all times keep it confidential, except as required by law or as provided for in regulatory, ethical or other professional statements relevant to our engagement.

We may, on occasions, sub-contract work on your affairs to other financial professionals. The sub-contractors will be bound by our customer confidentiality rules.

### **14. Complaints**

If you wish to register a complaint, please contact us:

Write to: **Andrew Gillott, LFP Financial Planning, 21 Spark Lane, Mapplewell, Barnsley, South Yorkshire, S75 6AA**

Telephone: **Andrew Gillott on 01226 390010**

Our internal complaints handling procedures for the reasonable and prompt handling of complaints is available upon request and if you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) or by contacting them on 0800 023 4 567.

### **15. Financial Services Compensation Scheme (FSCS)**

We are covered by the FSCS. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim:

- **Investment.** Most types of investment business are covered up to a maximum limit of £50,000
- **Insurance.** Insurance advising and arranging is covered for 90% of the claim, without any upper limit; and
- **Mortgages.** Mortgage advising and arranging is covered for up to a maximum limit of £50,000

**Further information about compensation scheme arrangements is available from the FSCS:**

<http://www.fscs.org.uk/what-we-cover/products>

**Please note that different levels of FSCS cover may apply in the event of the default of the Insurance Company or the product provider.**

As pointed out under section 2 of this agreement, certain financial products and services are not regulated by the Financial Conduct Authority which means clients purchasing them may not be entitled to the protection of the UK regulatory system – this includes the FSCS. We will notify you in writing if this applies to any of the products or services we recommend to you, before you decide whether or not to proceed with their purchase.

### **16. Applicable Law**

This agreement is governed by, and construed in accordance with, English law. The courts of England will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this agreement and any matter arising from it.

Each party irrevocably waives any right it may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum, or to claim that those courts do not have jurisdiction.

If any provision in this standard agreement – or its application – are found to be invalid, illegal or otherwise unenforceable in any respect, the validity, legality or enforceability of any other provisions shall not in any way be affected or impaired.

### **17. Changes in the Law**

We will not accept responsibility if you act on advice previously given by us without first confirming with us that the advice is still valid in light of any change in the law or your circumstances.

### **18. Force Majeure**

LFP 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.

### **19. Internet Communications**

Unless you instruct us otherwise we may, where appropriate, communicate with you and with third parties via e-mail or other electronic means. However, internet communications are capable of data corruption and therefore we do not accept any responsibility for changes made to such communications after their despatch.

We do not accept responsibility for any errors or problems that may arise through the use of internet communication and all risks connected with sending sensitive information relating to your financial affairs are borne by you. If you do not agree to accept this risk, you should notify us in writing that e-mail is not an acceptable means of communication.

It is the responsibility of the recipient to carry out a virus check on any attachments received.

### **20. Contracts (Right of Third Parties Act) 1999**

Persons who are not party to this agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of this agreement. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

The advice that we give you is for your sole use and is confidential to you and will not constitute advice for any third party to whom you may communicate it. We accept no responsibility to third parties for any aspect of our professional services or work that is made available to them.

### **21. The Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007**

In common with all financial businesses, we are required by the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 to:

- Maintain identification procedures for clients and beneficial owners of clients
- Maintain records of identification evidence and the work undertaken for the client; and
- Report, in accordance with the relevant legislation and regulations

We have a duty under section 330 of the Proceeds of Crime Act 2002 to report to the National Crime Agency if we know, or have reasonable cause to suspect, that another person is involved in money laundering. Failure on our part to make a report where we have knowledge or reasonable grounds for suspicion would constitute a criminal offence. The offence of money laundering is defined by section 340(11) of the Proceeds of Crime Act 2002 and includes concealing, converting, using or possessing the benefit of any activity that constitutes a criminal offence in the UK. It also includes involvement in any arrangement that facilitates the acquisition, retention, use or control of such a benefit.

We are obliged by law to report any instances of money laundering to the National Crime Agency without your knowledge or consent. In consequence, the firm's directors or staff will not enter into any correspondence or discussions with you regarding such matters. We are not required to undertake work for the sole purpose of identifying suspicions of money laundering. We shall fulfil our obligations under the Proceeds of Crime Act 2002 in accordance with the principles, rules and guidance published by the Financial Conduct Authority.

**22. Agreement to our Appointment and Terms**

Our appointment will start once you inform us that you want LFP-Financial Planning to act on your behalf.

This agreement supersedes any previous agreement for the period covered. The terms it contains take effect immediately you countersign the agreement and return it to us. If we are instructed to start work before receiving a signed copy of this agreement, we will treat your instruction as acceptance of all the terms of this agreement, unless we hear from you to the contrary within 30 days of you giving us that instruction.

You or we may agree to vary or terminate our authority to act on your behalf at any time without penalty. Notice of variation or termination must be given in writing.

Once it has been agreed, this agreement will remain effective until it is replaced.

Please confirm your acceptance of these terms by signing the enclosed copy of this agreement and returning it to us immediately. If this agreement and the terms it contains are not in accordance with your understanding of our terms of appointment, please let us know.

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

**By direct payment (Cheque or electronic/BACS)**

**Payment by an 'adviser charge' via the product provider**

*You must be aware that adding our fees to any mortgage loan will increase the total amount you pay over the term of that loan as the lender will apply their interest charges to this amount.*

**For and on Behalf of LFP Financial Planning & Wealth Management Ltd**

<b>Print Name(s):</b>	
<b>Signed:</b>	
<b>Date:</b>	

**I/we confirm that I/we have read and understood the contents of this agreement and agree that they accurately reflect the services I/we have instructed you to provide.**

<b>First Client Printed Name:</b>		<b>Second Client Printed Name:</b>	
<b>First Client Signature:</b>		<b>Second Client Signature:</b>	
<b>Date:</b>		<b>Date:</b>	