

Beckford · James

chartered financial planners

Terms of Business and Initial Disclosure Document for Investments (including pensions) & Insurances

Authorisation Statement

Beckford James LLP is Authorised and Regulated by the Financial Conduct Authority. The Financial Conduct Authority (FCA) regulates the financial services industry in the UK and their address is 25 The North Colonnade, Canary Wharf, London, E14 5HS. You can check this on the FCA's Register by visiting the FCA's website www.fca.org.uk/firms/systems-reporting/register FCA No. 514932 or by contacting the FCA on 0800 111 6768.

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.

- **Investments** - We will recommend investments based on a comprehensive and fair analysis of the market. We will place no restrictions on the Investment Markets we will consider before providing investment recommendations, unless you instruct us otherwise. We will however only make a recommendation when we know it is suitable for you.
- **Non-investment protection contracts** we provide advice and will make our recommendation after considering a range of insurers for term assurance, income protection, critical illness.

We will offer you an initial discussion (without charge) at which we will describe our services more fully and explain the payment options. If you decide to go ahead, we will:

- Gather and analyse personal and financial information about you and your aims and objectives;
- Recommend and discuss any action we think you should take and, with your agreement, arrange relevant solutions for you.

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.

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 that we offer to you, will only be given after we have assessed your needs and considered your financial objectives and attitude to any risks that may be involved. We will also take into account any restrictions that you wish to place on the type of products you would be willing to consider.

With few exceptions, we will confirm to you in writing the basis of our recommendations along with details of any special risks associated with the products recommended.

Full details of the products we recommend to you including, for example, the minimum duration of the product, information on your right to cancel or whether no right to cancel exists, and any other early termination rights and penalties, will be covered in the relevant product disclosure information you will receive before conclusion of any contract.

We will issue any documentation/recommendations and any other communication to you in English (unless agreed otherwise).

We may also, on occasion, advise on other financial products which are not regulated by the FCA under the Financial Services and Markets Act 2000. The Financial Services Compensation Scheme does not apply to any of these products.

Under the terms of this agreement, we may, if appropriate, advise you on investments which are not readily realisable. We would draw your attention to the risks associated with these investments as there is a restricted market for them. In some circumstances it may therefore not be possible to deal in the investment or obtain reliable information about its value.

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 particular:

- Using plain English – We try to avoid using jargon and to make sure that our clients are able to understand the information we are giving them.
- Acting Consistently – We try to ensure that all advisers use a common approach and that we treat all our customers with the same attention.
- Timeliness – We aim to answer customer queries within reasonable time frames and to ensure that customers do not experience delays in respect of both initial and ongoing contact from us.
- Impartiality-We maintain an independent approach to advice in respect of all areas of our service.
- Valuing Clients – Our clients are at the centre of our business and we try to ensure that we consider their needs in everything we do.
- Integrity – We maintain a high level of integrity in keeping with our status as Chartered Financial Planners
- Accountability – We understand that we are accountable to our clients for the actions and decisions we make and aim to keep our clients fully informed at all times.
- A flexible approach – We understand that clients are not all the same and that one size does not fit all and we work together with our clients in order to achieve a solution that is appropriate to their individual needs and circumstances.

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.

Our Investment Services and Costs (Including Structured Deposits)

We charge for our services by way of a fee. These fees are based on the nature of the work that we carry out and can be based on a percentage of the amount you invest, on a fixed fee basis agreed for a set piece of work or on an hourly rate. If required, we will adopt a combination of these approaches and any fee will be agreed with you in advance. Please see the section on **Advice fees** for a fuller explanation. Where we recommend a Structured Deposits that only allows commission we will ensure the charge applied to you is in line with our standard charging structure and where necessary adjust accordingly.

The Financial Planning Process

There are typically six stages to the financial planning process that we adopt, each of which can be separately costed, although the initial consultation is at our cost:

1. Initial consultation
2. Financial Review
3. Market Analysis and Research
4. Financial Recommendation
5. Product/Policy arrangement and implementation
6. Review – ongoing care and advice through our ongoing management service

1. Initial consultation

We provide you with an initial consultation at no charge to you. This helps us to understand your financial objectives and will confirm how we can support you in working towards these. We will also discuss the cost and levels of our services, both initially and throughout our relationship with you.

2. Financial Review and Recommendation

This can be a continuation from the initial discussion, where agreed, or by further appointment. We will carry out an extensive assessment of your personal and financial circumstances at the outset to establish your financial planning requirements.

This will include:

- gathering of information about your existing financial arrangements and full personal circumstances;
- understanding of your investment knowledge and attitude and tolerance towards investment risk;
- understanding your investment goals and objectives

We normally make no charge for our initial review (by agreement), where this relates simply to gathering information about your existing financial arrangements. There is however, a minimum fee of £500 (+ vat) payable for us to provide a written report containing our recommendations to you. This fee will be waived wholly or in part should you decide to implement any of our recommendations.

3. Market Analysis and Research

This is designed to include (where appropriate):

- analysis of your existing plans and assessment of these against charges, performance and appropriateness in terms of your objectives.
- recommendation of an asset allocation model that matches your risk profile and the subsequent assessment and suitability of any existing holdings;
- analysis of the whole of market to assess the most appropriate funds or products and tax wrappers to meet your asset allocated risk profile and stated objectives

4. Financial Recommendation:

- recommendation of an asset allocation model that matches your risk profile and the subsequent assessment and suitability of any existing holdings;
- preparing our recommendations to you;
- preparation of a suitability report detailing how the recommendations meet your stated goals and attitude to risk
- arranging a further appointment to explain and discuss our recommendations in detail, if required.

Our charge to move to report stage is a commitment to a minimum fixed fee of £500 for the report containing our recommendations to you. This fee will be waived wholly or in part should you decide to implement any of our recommendations. The decision to implement in full or part will be your decision and if you implement any of our advice without our intermediation, we cannot be held responsible for the continuing suitability of this advice.

5. Policy Arrangement & Implementation

Should you instruct us to proceed with any of our recommendations we will act for you in the following ways:

- handle all fund and policy administration on your behalf;
- provide regular updates to keep you informed of progress;
- ensure all your documents are issued in line with your expectations;
- provide confirmation of all actions taken on your behalf in writing.

6. Ongoing Reviews and Changes to Existing Investments

We will discuss the full range of our ongoing services during our initial consultation. These services could include:

- Portfolio reviews to give you peace of mind;
- assessment of your circumstances and any changes to your plans that are needed;
- the opportunity to revisit your attitude to risk to confirm that it remains appropriate;
- regular updates and information regarding your holdings;
- a choice of differing levels of support depending on your needs;
- Ongoing support with correspondence and administration issues.

Please note that our ongoing fees cover the ongoing re-assessment of recommendations that we have implemented for you and their continuing suitability to your circumstances. If you have existing plans that you retain, or ones that have not been recommended by Beckford James, these will normally be assessed at the point of initial advice, unless you request otherwise or exclude them from our assessment as may be the case with limited advice. However Beckford James cannot accept liability for advice given by other advisers and these plans will NOT be kept under review unless they are specifically agreed as part of the ongoing service and fee agreement. Further, if your circumstances change and a new piece of advice is required, or you wish to review plans not covered by the ongoing fee, we will discuss any additional fees that may be incurred in the construction of the new advice or review.

Advice Fees

Our advice typically falls into two different types (not necessarily exclusive) namely:

- Non-Intermediated advice
- Intermediated advice

Non-Intermediated advice

This is typically a stand-alone piece of work or technical appraisal that will normally be costed on an hourly or a fixed fee basis. These fees are typically subject to VAT.

Our typical hourly rates:

- Advice & Consultancy £250/hour
- Administration & Support £ 60/hour

We will propose and agree any fixed fee in advance of undertaking the work and will look to agree a cap on any hourly fees.

For example: Should you wish us to undertake cash flow analysis regarding your current assets and the ability to meet your financial objectives, this would be charged at a minimum of 6 hours' work or a fixed fee of £1,500.

Alternatively, basic calculations of the critical yield with regard to a potential transfer of a Defined Benefit scheme would normally carry a minimum fee of £1,000 to cover Adviser calculations and Administrator contact in collating all of the required information.

Intermediated advice

This is typically any advice that is part of a transactional process that leads to the arrangement of a Retail Investment Product (RIP) and the advice cost is included as part of the overall process of intermediation cost (see below). This is normally exempt from vat for most retail investments. Recommendation to a Discretionary Management Service (DMS) for example is not vat-exempt and may lead to vat being charged on the whole supply.

Policy Arrangement & Implementation – Lump Sum Investments or Transfers

Our normal charge for arrangement & implementation is based on a tiered percentage of the amount you invest and/or transfer. These may be in addition to or inclusive of any recommendation fees. These are applied as follows:

- First £125,000 3% (up to £3,750)
- £125,001 to £250,000 2% (up to £2,500)
- £250,001 and above 1% (from £1,000)

This payment can either be taken from your investment upon receipt by the policy provider or paid directly by you. Where we receive such a payment we will waive our 'financial review and recommendation' fee by the same amount.

Example 1; if we arrange an investment on your behalf for £50,000 our implementation fee would be £1,500.

Example 2; if we arrange investments on your behalf totalling £150,000 our implementation fee would be £4,000.

Example 3; if we arrange investments on your behalf totalling £250,000 our implementation fee would be £5,500.

For arrangement and implementation of plans that are deemed to be higher risk in nature (for example DB transfers, EIS, VCT etc) we reserve the right to increase the fees above by an additional 1% if the arrangement fee does not cover the advice and liability being assumed by Beckford James. This would be agreed in advance of placement.

Policy Arrangement & Implementation – Regular Premium Savings or Investments

Our charge for implementing a regular premium savings or investment plan could be up to 50% of the first year's premium. You can pay this under either of the two options listed below:

Option 1

You can pay this directly on commencement of the policy. On receipt of this payment we will waive our 'financial review and recommendation' fee by the same amount with any balance falling due at the same time.

Example 1; Assuming a financial review and recommendation fee of £500, if your monthly contribution is £50 our implementation fee would be £300. As this less than the 'financial review and recommendation' fee of £500 we would charge you an additional £200 as the balance.

Example 2; Assuming a financial review and recommendation fee of £500, if the level of your monthly contribution meant that our implementation fee was £600, as this exceeds the 'financial review and recommendation' fee no other charges would be applied.

Option 2

You can pay the implementation fee through your policy. The payment will be deducted proportionally from your contributions during the first year and will be payable by instalments until settled in full. Where we receive such payments we will waive our 'financial review and recommendation' fee by the same amount. This will be taken in no more than 12 instalments and within 12 month of the policy set up date, with no interest charged.

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 'financial review and recommendation' fee.

Ongoing Reviews and Changes to Existing Investments

We would look to implement all 6 stages of the planning process including ongoing service. However, we will discuss the full range of our ongoing services during our initial consultation. Details of the different levels of service are contained in our Service & Fee Agreement. We will agree separately the level of ongoing service at the time of, or prior to, making our recommendation(s) to you. Typically our costs are 1% per annum and are based on the value of your investment(s) and are paid pro-rata in arrears on a monthly, quarterly, half yearly or annual basis as agreed or supported by the provider.

Therefore, if the value of your investment(s) totalled £100,000 our yearly fees would typically be £1,000. The amount you pay will fluctuate with the value of your investment; if your investment increases in value the amount you pay us will also increase and if your investment falls in value the amount you pay us will reduce. Any change to the level of services throughout this agreement will result in pro-rata charge being applied.

The charges listed above can be deducted from your investments or paid directly by you. For exempt products, no vat is liable on the ongoing fees as long as this is agreed as part of the service at outset. If you wish to add this later, vat may become chargeable. 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.

Should you decide to cancel our agreement to provide ongoing services you must provide written confirmation of your decision and we will cease payments for these services within 7 business days and after collection of any due proportion of any period charges.

In the event of the death of a client, we will continue to monitor the portfolio in line with the last known attitude to risk until instructed otherwise by the executors or beneficiaries.

Commission Paying Protection Policies -Regular Premium Plans.

Whilst investment plans pay no commission, some protection policies continue to do so. We will maintain our independent integrity by aiming to provide you with the cheapest plan for the level of cover and policy conditions that you require. In this case, we will normally offset any commission in lieu of a fee. If however, you subsequently cancel your policy or stop paying premiums without prior written agreement or advice, we may have to repay some or all of the commission received to the policy provider. In this situation, we reserve the right to charge you the balance repaid to the provider without the need for a separate fee agreement. This will not apply where you exercise your statutory right to cancel the policy within the cancellation period or where you are advised by us to do so as part of any ongoing advice.

Our General Insurance and Protection Services and Costs

Similar to our investment services above, we will provide you with a personal and financial review prior to making our recommendation(s) to you. Should you accept our recommendation(s) we will arrange the implementation for you. The reasons for our recommendations will also be provided to you in a written report. We do not normally charge a fee for our insurance and protection services as we will normally receive commission from the policy provider but a fee can be agreed if you prefer. You will not be subject to VAT for this service.

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.

In the case of company pension switches or transfers, though you are technically entitled to a cancellation period, most schemes will not accept a reinstatement once you have transferred, even within the cancellation period. In this case, if you wish us to hold on to your application for a 14 day period, please let us know.

For pure protection policies the start of the cancellation period 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. In other cases, the cancellation period will begin on the day the contract is concluded or, if later, the day on which you receive the contractual terms and conditions. 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 contract, 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 policy.

VAT

Under current legislation where our services are in regard to the intermediation of a Vat exempt product a defined by HMRC, they are not subject to VAT. For all other work VAT is chargeable at the standard rate. Our VAT number is 186 3225 00.

Taxation

All statements concerning the tax treatment of products and their benefits are based on our understanding of current tax law and Her Majesty's Revenue and Customs (HMRC) practice. Levels and basis of tax relief are subject to change. Whilst we are happy to guide you with respect to potential tax benefits, we are not registered tax advisers and as such cannot advise you on specific reliefs or calculations, nor should any recommendation be taken as confirmation that tax relief will be given. This is a matter for HMRC and we advise that you check any proposed calculations with your accountant or usual tax adviser.

Please note that with respect to redemptions (sales), with the exception of pensions or ISAs, the redemption of your investment(s) may lead to a charge to capital gains or income tax. As a general principle, investment efficiency and selection should take precedence over tax issues. If you subscribe to quarterly rebalancing, some gain may be used during the year as part of the rebalancing process and Capital Gains or Income Tax certificates can be supplied on request where available. You should consult your usual Tax Adviser regarding any potential tax implications and you may have tax to pay on any profits. If you have any concerns or wish us to consider tax issues as part of the process, you should contact us before consenting to any changes.

Client money

Beckford James LLP is not permitted to handle client money and we cannot accept a cheque made out to us (unless it is in respect of a fee or 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 as soon as practicable after we receive 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 the 'Client's best interest'. Occasionally situations may arise where we or one of our other clients have some form of interest in business transacted for you. In the very unlikely event that 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.

In accordance with the rules of our regulator, The Financial Conduct Authority, we are prohibited from accepting any payment (commission or other non-monetary benefits) which is likely to conflict with the duty of the firm to its clients.

Complaints

If you wish to register a complaint, please write to **Beckford James LLP at Queen Square House, Queen Square Place, Bath, BA1 2LL** or telephone 01225 437600.

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 4 567.

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. Investment business will normally be covered up to a maximum of £50,000.

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>

Data Protection

The information you have provided is subject to the Data Protection Act 1998 (the "Act"). By signing this document you consent to us or any company associated with us for processing, both manually and by electronic means, your personal data for the purposes of providing advice, administration and management.

"Processing" includes obtaining, recording or holding information or data, transferring it to other companies associated with us, product providers, the FCA or any other statutory, governmental or regulatory body for legitimate purposes including, where relevant, to solicitors and/or other debt collection agencies for debt collection purposes and carrying out operations on the information or data.

In order to provide services to you we may be required to pass your personal information to parties located outside of the European Economic Area (EEA) in countries that do not have Data Protection Laws equivalent to those in the UK. Where this is the case we will take reasonable steps to ensure the privacy of your information.

We may also contact you or pass your details to other companies associated with us to contact you (including by telephone) with details of any other similar products, promotions, or for related marketing purposes in which we think you may be interested.

The information provided may also contain sensitive personal data for the purposes of the Act, being information as to your physical or mental health or condition; the committing or alleged committing of any offence by you; any proceedings for an offence committed or alleged to have been committed by you, including the outcome or sentence in such proceedings; your political opinions; religious or similar beliefs; sexual life; or your membership of a Trade Union.

If at any time you wish us or any company associated with us to cease processing your personal data or sensitive personal data, or contacting you for marketing purposes, please contact The Data Protection Officer on **01225 437600** or in writing to **Beckford James LLP of Queen Square House, Queen Square Place, Bath, BA1 2LL**.

You may be assured that we and any company associated with us will treat all personal data and sensitive personal data as confidential and will not process it other than for a legitimate purpose. Steps will be taken to ensure that the information is accurate, kept up to date and not kept for longer than is necessary. Measures will also be taken to safeguard against unauthorised or unlawful processing and accidental loss or destruction or damage to the data.

Subject to certain exceptions, you are entitled to have access to your personal and sensitive personal data held by us. You may be charged a fee (subject to the statutory maximum) for supplying you with such data.

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

Beckford James LLP 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 and a due proportion of any period charges for services shall be settled to that date.

Declaration – Client Copy

This is our standard Terms of Business 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.

Please tick this box if you do not consent to us or any company associated with us processing any such sensitive data.

Please tick this box if you do not wish for us or any company associated with us to contact you for marketing purposes by e-mail, telephone, post or SMS.

I/We are aware of the minimum costs of the **Financial Review and Recommendation(s)** should I request a written report. I understand where appropriate, the Policy Arrangement, Implementation and ongoing services will be agreed in the Service & Fee Agreement.

I/We confirm receipt of this terms of business.

Client 1 Name

Client Signature

Date

Client 2 Name

Client Signature

Date

Signed on behalf of

Beckford James LLP

Date of Issue

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Declaration – Adviser Copy

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