



CLIENT AGREEMENT FOR INVESTMENTS & INSURANCES

Client Agreement for Investments & Insurances

This document must be read in conjunction with our Service Level Agreement

Authorisation Statement

Smith, Law & Shepherds IFA Ltd is Authorised and Regulated by the Financial Conduct Authority. The Financial Conduct Authority (FCA 719232) 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 or by contacting the FCA on 0800 111 6768.

Our services

Smith Law & Shepherds IFA Ltd is able to act on your behalf in advising you on investments and non-investment insurance contracts. We offer products and services as follows:

- **Investments** - we offer an Independent advice service. 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 offer non-investment protection products: term assurance, income protection and critical illness from a range of insurers.
- **General Insurance Contracts** - we offer General Insurance contracts e.g. Buildings and Contents from a range of insurers.

We offer you an initial discussion (without charge) at which we will describe our services 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 and a "consumer" for general insurance 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 very 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.

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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 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;
- Seek your views and perception of our dealings with you to ensure it meets your expectations or to identify any improvements required.

Our Investment Services and Costs

We provide you with an initial consultation free of charge. 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.

We charge our services by way of a fee. These fees are based on a percentage of the amount you invest.

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 **£300** payable on provision of 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, which will be charged accordingly.

Policy Arrangement & Implementation – Lump Sum Investments or Transfers

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.

Our charge for this service is based on a percentage of the amount you invest and/or transfer. These charges are applied as follows but are subject to a minimum of **£300**. For all Pensions containing Safeguarded Benefits, please refer to the section below for further details.

Example percentage of the amount you invest.

Investment amount	Fee
Investments under £100,000	3%
Investments between £100,001 - £200,000	1.5%
Investments more than £200,001	0.5%
<p>Example 1: if we arrange an investment on your behalf for £8,000 our implementation fee would be £240. As this less than the 'financial review and recommendation' fee of £300 we would charge you an additional £60 as the balance. The total fee payable would be £300</p>	
<p>Example 2: if we arrange investments on your behalf totalling £150,000 our implementation fee would be 3% of the first £100,000 which will be £3,000 and 1.5% on the remaining £50,000 which is £750 so in total our fee would be £3,750. As this exceeds the 'financial review and recommendation' fee no other charges would be applied.</p>	

Pensions Containing Safeguarded Benefits (Defined Benefit / Final Salary Pension Schemes)

For much higher risk advice concerning pensions that contain safeguarded benefits (Final Salary / Defined benefit pension, Guaranteed Minimum Pension (GMP), Section 32 Buy Out plans and Guaranteed Annuity Rate pension etc.), your adviser will **agree a flat fee / percentage rate** that will be reflective of the work involved and the liability associated on a case by case basis. The above example table does not apply to this type of business.

Minimum fees for this type of business are **£3,000.00** per case, with a non-contingent charge of **£1,000.00 payable on all cases regardless of outcome**. This means that regardless of advice being to transfer a pension or remain with a scheme, £1,000 will be payable. The fee can be deducted from the overall charge if a transfer is implemented and is not payable upfront. The £1,000 fee is payable for our advice and covers the work involved. (Please note, if the advice is to remain with a scheme, this fee cannot be facilitated by a pension scheme).

The exact fee payable will be discussed and agreed with you prior to recommendation or acceptance. If a transfer is recommended and subsequently arranged, the overall fee can either be taken from your investment upon receipt by the new Personal Pension provider or paid directly by you.

Hourly Rate Method

Financial Adviser Services	£150 per hour
These charges are based on the amount of time the service takes. We will provide you with an estimate of how many hours we expect this to take and we will not exceed this without checking with you first.	
Example 1: We anticipate that a pension switch would take 9 hours, giving a total fee of £1,350. As this exceeds the 'financial review and recommendation' fee no other charges would be applied. The total fee payable would be £1,350.	

Please note that the above safe guarded benefit pensions are subject to a minimum 20-hour fee.

We will issue an invoice within seven days of your investment plan going live, which can either be paid directly by you or deducted from your investment. We must receive full payment of the invoice amount within 30 days of issue unless you have elected for our fee to be deducted from your investment.

Policy Arrangement & Implementation – Regular Contribution Savings or Investments

Our charge for implementing a regular contribution savings or investment plan is on a percentage of the first year's contributions or an hourly rate. These charges are applied as follows but are subject to a minimum of £300 which is our Financial Review and Recommendation Fee.

Percentage of the first year's premium

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

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
If your monthly contribution is £20 (£20x12x50%) our implementation fee would therefore be £120. As this is less than the 'financial review and recommendation' fee of £300 we would charge you an additional £180 as the balance. The total fee payable would be £300.
Example 2
If your monthly contribution is £200 (£200x12x50%) our implementation fee would be £1200. As this exceeds the 'financial review and recommendation' fee no other charges would be applied. The total fee payable would be £1200.

OPTION 2
You can pay the implementation fee through your policy. Where we receive such payments, we will waive our 'financial review and recommendation' fee by the same amount.
For monthly contributions of £50 and over , the payment will be deducted proportionally from each monthly contribution during the first year.
For monthly contributions under £50 , 50% of the first year's contributions would be less than our minimum of £300 payments of 50% of each monthly contribution will be deducted from month 2 to month 12, and the balance will be paid <u>directly</u> by you at the start of your policy, to bring the total fee payable to £300 (as illustrated in Example 1, below).
Example 1
If your monthly contribution is £40 our implementation fee would be £240 (£40 x 12 x 50%). This will be collected by deducting £20 (£40 x 50 %) from each monthly contribution for months 2 to 12 (11 x £20 = £220). As this is less than the 'financial review and recommendation' fee of £300, we would charge you the balance of £80 by direct payment, at the start of your policy. The total fee payable would be £300.

Example 2

Assuming a financial review and recommendation fee of £300, if your monthly contribution is £70 our Policy Arrangement & Implementation fee would be £420. This will be collected by deducting £35 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 £420.

Cancellation of regular premium plan

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.

For example, if you invest £70 pm, we will deduct £35 from each monthly contribution until paid in full. Should payments cease after month 6 (and £210 has been collected) the difference between this and 'financial review and recommendation' fee of £300 would be charged i.e. £90.

Ongoing Reviews and Changes to Existing Investments

We will discuss the full range of our on-going services during our initial consultation. These services include, but are not limited to, providing you with:

- Structured reviews to give you peace of mind.
- Assessment of your circumstances and any changes to your plans that are needed.
- 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.

Details of these different levels of services are contained in our **Service Proposition and Engagement document**. We will agree separately the level of on-going services at the time of, or prior to, making our recommendation(s) to you.

Typically, our costs range from 0.5% to 1% per annum and are based on the value of your investment(s) at each 12-month anniversary, and are paid monthly/annually in arrears.

It should be noted that if you choose any of our ongoing management services they are subject to a minimum fee per annum.

Level 3: £250

Level 2: £500

Level 1: £1000

Where we agree to provide ongoing services you can choose to cancel this at any time by providing us with written confirmation of your decision. Payments would then cease within 7 business days or after collection of any due proportion of any period charges if later.

The charges listed above can be deducted from your investments or paid directly by you

Please be aware the amount of the annual on-going charge will increase as the value of the funds grow.

We will issue an invoice within 7 days of your policy anniversary, which can either be paid directly by you or deducted from your investment. We must receive full payment of the invoice amount within 30 days unless you have elected to have it deducted directly from your plan. This payment can be deducted from your investment or if you wish to pay us directly you can spread this over 4 payments or a standing order can be set up on a quarterly basis for the fee agreed.

Our Non-Investment Insurance Services and Costs (Protection, General Assurance)

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 of this/these for you. The reasons for our recommendations will also be provided to you in a written report.

We do not charge a fee for our insurance and protection services as we will normally receive commission from the policy provider. 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.

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 Contribution 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 our services are not subject to VAT but should this change in future, and where VAT becomes due, we will notify you before conducting any further work.

Client money

Smith Law & Shepherds Ltd is 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 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.

Instructions

We prefer our clients to give us instructions in writing, to aid clarification and avoid future misunderstandings. We will, however, accept oral instructions provided they are confirmed in writing.

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 client's 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 **Smith Law & Shepherds IFA Ltd, Suite 1GG, Burlington House, Crosby Road North, Waterloo, Merseyside, L22 0LG** or telephone **0151 928 6778**

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.

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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 **0151 928 6778** or in writing at **Smith Law & Shepherds IFA Ltd, Suite 1GG, Burlington House, Crosby Road North, Waterloo, Merseyside, L22 0LG**.

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

Smith Law & Shepherds IFA 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 and a due proportion of any period charges for services shall be settled to that date.

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DECLARATION – Customer Consent

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.

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 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.

I/We confirm that we agree to the adviser being remunerated on the basis selected below;

By deduction from the policy (where possible)	
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(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 – Investment (NOTE: For Non-Investment Advice we will be paid by the PROVIDER)	
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**** Please tick one of the boxes above to confirm your preferred method of remuneration**

I/We confirm that we agree to **Smith Law Shepherds IFA Ltd** remuneration being calculated on the basis selected below; (Will not be relevant if the only advice given is for insurance products)

A percentage of the Investment (Adviser insert % agreed). (Please note, a £1,000 non-contingent charge will apply for Pension Transfers containing Safeguarded Benefits).	<input type="text" value=""/>	%	or a Fixed Fee	£
An hourly rate (£150 per hour). Calculated Hours	<input type="text" value=""/>	hrs		£

**** Please tick one of the boxes above to confirm your preferred method of calculating Smith Law Shepherds IFA Ltd remuneration**

Client Name.....

Client Name.....

Client Signature.....

Client Signature.....

Dated.....

Date.....

Date of Issue

Signed on behalf of firm

Name of Adviser

NB: In relation to your chosen level of ongoing service this will be agreed separately within our Service Proposition & Engagement document.