



Terms of Business for Investments & Insurance

ISSUED BY
FINANCIAL STRATEGIES (NORTH) LIMITED

Revised 06/09/2011

This agreement is issued on behalf of **Financial Strategies (North) Limited** of **9 Church Street, Bawtry, Doncaster DN10 6HR** whom can be contacted at 01302 711753.

Authorisation Statement

Financial Strategies (North) Limited is Authorised and Regulated by the Financial Services Authority. The Financial Services Authority (FSA) 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 FSA's Register by visiting the FSA's website www.fsa.gov.uk/register FSA No. **429450** or by contacting the FSA on 0845 606 1234.

Permitted Business

Financial Strategies (North) Limited is authorised to advise on and arrange life insurance, pensions and investments in authorised Unit Trusts and Investment Trusts, Individual Savings Accounts and other regulated investments.

We do provide advice on occupational pension transfers and membership of defined benefit occupational schemes.

We do provide advice on and arrange Mortgages which includes advice to arrange Lifetime Mortgages & Home Reversion Schemes.

Client Categorisation

Each client with whom the firm does business is categorised to identify the level of regulatory protection. We propose to classify you as a **Retail Client** for Investment purposes and as a "Consumer" for Insurance business.

Communications

We will communicate with you in English both verbally and written for the sending and reception of orders. To avoid any doubt instructions should be issued in writing.

Services to be provided - Investment

With regards to investments which we have arranged for you, these will not be kept under review but we will advise you upon your request. However, we may contact you in the future by means of an unsolicited promotion should we wish to contact you to discuss the relative merits of an investment or service which we feel may be of interest to you.

On issue of this letter any subsequent advice or recommendation offered to you will be based upon your stated investment objectives, acceptable level of risk and any restrictions you wish to place on the type of investments or policies you are willing to consider. We will issue you a suitability report to confirm our recommendation. Unless confirmed we will not place any restrictions on our recommendations.

Financial Strategies (North) Limited does not handle clients' money. We never handle cash or accept a cheque made out to us, unless the cheque is in settlement of charges or disbursements for which we have sent you an invoice.

We will also make arrangements for all your investments to be registered in your name unless you first instruct us otherwise in writing. We will forward you all documents showing ownership of your investments as soon as practicable after we receive them, where a number of documents are due involving a series of transactions, we normally hold each document until the series is complete, then forward them to you.

Scope of Service

We operate independently and therefore provide investment services from the whole market from a range of insurers for non investment insurance.

Services to be provided - Insurance

Following the issue of this letter, any subsequent advice or recommendation offered to you will be based on your stated objectives, acceptable level of risk and any instructions you wish to make regarding the type of insurance policies you are willing to consider. Details of your stated objectives will be included in the Demands and Needs Statement we issue to you confirming the reasons for our recommendations.

Restrictions

Unless advised to the contrary, we will assume that you wish to place no restrictions on the types of investment or insurances we may recommend and in which you may subsequently invest. We will assume that you wish to place no restrictions on the markets in which transactions are to be executed. A full listing of products is available from your adviser upon request.

Advice and Instructions

Any advice given to you by us shall be in writing. 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. We may, at our discretion, refuse to accept instructions although such discretion shall not be exercised unreasonably. We will record all transactions on our files which, along with copies of relevant documentation, will be retained by us for a period of not less than six years. You have a right to inspect copies of contract notes, vouchers and entries in our books or computerised records relating to your transactions. We reserve the right to withhold copies of these records if information to other parties would be disclosed.

Is there any charge for providing you with Annuity Quotations or other Retirement Options?

You are not tied into us or obligated in any way. Our initial research for you will be free of charge and for any work and we do, we will carry the risk that having obtained the information you have asked for, such as the highest annuity rates for your given requirements, you may shop elsewhere and we will not be paid.

How are we paid for the work we do on your behalf?

Following our initial meeting or the provision of annuity quotations, you may choose whether or not you wish us to work on a fee or commission basis.

It is clear that any service provided by a third party has to be paid for by one way or another. When we arrange your annuity, investment, life policy or pension for you we can be paid in one of three ways; by a fee direct from your pocket, by commission paid by the provider out of product charges, or a combination of both. Generally, if you take the commission option, there will be an effect on product charges or rates, for example, your annuity rate will be fractionally lower than if no commission was paid.

We will be happy to discuss this in more detail, if you wish; giving you an example of both payment methods and then you can make the decision for yourself.

If you choose to pay for our services by the Commission route

If you buy a financial product, we will normally receive commission on the sale from the product provider. Product charges pay for the product provider's own costs and any commission. These charges could reduce the amount left for investment or be reflected in the premium, such as is the case with life assurance or as might be the case with annuities, reduce the annuity rate. If you buy direct, the product charges could be the same as when buying through an adviser, in which case the provider will not have passed its saving on to you, although you should bear in mind that this will differ from one provider to another. We will tell you how much the commission will be before you complete an investment, but you may ask for this information earlier. The amount of commission we receive will vary depending on the amount you invest and (sometimes) how long you invest, or your age.

The figures below show how much commission we could be paid if we took the maximum amount we were entitled to; the actual amount we are paid is usually significantly lower.

- If we arrange an annuity, we could be paid as much as 5% of the purchase price, however, a more typical amount would be 1.5%.
- If you invest a lump sum of £10,000 in an investment bond we would receive commission of 4.5% of the amount invested (£450.00) and 0.5% of the value of the fund (approximately £50) every year. Alternatively, if no annual commission is taken, this initial amount could be a one off payment equivalent to 6.5% of your initial investment.
- If you pay £100.00 per month into a personal pension (with a term of 25 years) then we would receive 53.4% of the first 12 month's payments (£640.80) in the form of initial commission
- If you pay £100 per month towards a whole of life policy then we would receive 135% of the first 12 month's payments (£1,620) in form of initial commission

The commission noted above includes payment for any ongoing service such as a periodic or ongoing review

If you choose the fee route

Firstly, you should remember that the figures below are only applicable if you choose to pay for our services by this method. In other words, if you choose to pay for our services by the commission route then none of the fees below are payable.

If you **pay by fee**, Whether you buy a product or not, on completion of our work, you will pay us a fee for our advice and services. If we also receive commission from the product provider when you buy a product, we will pass on the full value of that commission to you in one or more ways. For example, we could reduce our fee; or reduce your product charges; or increase your investment amount; or refund the commission to you.

We will confirm the rate we will charge in writing before beginning work and we will tell you if you have to pay VAT. You may ask us for an estimate of how much in total we might charge. You may also ask us not to exceed a given amount without checking with you first

Our typical charges are:

Hourly Rate

Our hourly rates are typically based on:-

Director and Chartered Financial Planner	£150 per hour
Diploma Financial adviser	£120 per hour
Financial adviser	£100 per hour
Administrator	£30 per hour

Lump Sum

Investments up to £15,000	£400 fee is chargeable
Investments above £15,000 to £250,000	3% fee is chargeable
Investments above £250,000 to £500,000	2% fee is chargeable
Investments above £500,000 to £1,000,000	1.5% fee is chargeable
Investments above £1,000,000 to £2,000,000	1.0% fee is chargeable
Investments above £2,000,000	0.5% fee is chargeable

These fees can be offset through transactional commission earned from the setting up of financial products or indeed, be paid directly from the investment or pension fund.

Reviews

We will confirm what we will charge you in writing before beginning work. Our typical charges are:

Initial review: **£400**

Annual review: **£250**

Paying by a combination of fee and commission (through product charges).

In some circumstances, we may charge you a combination of fee and commission. The fee will not exceed the rates shown in this document. We will agree the rate we will charge before beginning work and we will tell you if you have to pay VAT. The fee will become payable on completion of our work. You may ask us for an estimate of how much in total we might charge. You may also ask us not to exceed a given amount without checking with you first. We will tell you how much the commission will be before you complete an investment, but you may ask for this information earlier.

Where we charge a combination of fees and commission, our maximum rates are set out in the fee information and the commission sections above.

In addition to the above we may charge a fee on a different basis for a specific transaction or project but we will agree this with you in advance.

Paying for services - Insurance

If you buy a non investment insurance contract we will normally receive commission on the sale from the product provider.

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.

In accordance with the rules of our regulator, The Financial Services 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.

The principals of **Financial Strategies (North) Limited** have a minority shareholding in Capital Reward Ltd. Capital Reward Ltd is a subsidiary of our compliance support company and generates its income from the placement of business with certain product providers. The business placed is intended to add value to the shares in that company and the long term aim is for the shares to be sold, thereby providing a deferred cash benefit to the shareholders. The existence of the shareholding and any potential benefit will in no way influence our recommendation in relation to the most suitable product or provider.

On request we will be pleased to provide you with a list of the providers from whom such benefits may be earned. We can also confirm that the provision of the shares and their potential benefits **do not affect your product terms.**

The principals of **Financial Strategies (North) Limited** have a minority shareholding in the Nucleus Wrap which is an administrative platform which we may use to manage your investment and pension portfolio. The Nucleus Wrap Service is only open to a restricted number of qualified IFA firms who meet the service requirements, and each of them is required to invest in the provider. 51% of Nucleus is owned by its IFA participants; the remaining 49% is owned by Sanlam, a South African financial services company. In our case we have invested £15,000 in the company. This cost is not passed on to you in any way. The shareholding does not alter our regulatory responsibility to provide you with impartial advice, and will not influence our advice to you. We will justify our recommendations in writing via a suitability report. We will be happy to discuss this in more detail.

Right to Cancel

We will inform you of your statutory right to cancel. The Distance Marketing Directive normally grants you 30 days in which you may cancel a life or pension contract. However there will be occasions where no statutory rights are granted, however this will be explained before any contract is concluded.

In general terms you will have a 30 day cancellation period for a pure protection policy and a 14 day cancellation period for a general insurance policy.

Complaints

If you wish to register a complaint, please write to **Financial Strategies (North) Limited**, 9 Church Street, Bawtry, Doncaster DN10 6HR or telephone **01302 711753**.

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.

Professional Indemnity Insurance

Financial Strategies (North) Limited carries professional indemnity insurance to the value of £1,750,000 in order to protect ourselves and our clients in the event of error.

Financial Services Compensation Scheme

We are covered by the Financial Services Compensation scheme (FSCS) if we cannot meet our obligations. This is dependent upon the type of business and the circumstances of the claim. Most types of investment business are covered up to a maximum limit of £50,000. Insurance advising and arranging is covered for 90% of the claim, without any upper limit. Deposit accounts and based investments are covered to £85,000 for each company in which funds are held. Further information about this compensation scheme arrangement is available from the FSCS.

Client's Risk

Your attitude to risk and reward will be assessed and any investment will be based on this. You are however, advised that because investments can fall as well as rise, you may not get back the full amount invested. Past performance is not necessarily a guide to future performance.

Investment Objectives and Restrictions

Following the issue of this letter any subsequent advice or recommendation offered to you will be based on your stated investment objectives, acceptable level of risk and any restrictions you wish to place on the type of investments or policies you are willing to consider. Details of your stated investment objectives will be included in the suitability letter we will issue to you to confirm our recommendation.

Unless confirmed in writing to the contrary, we will assume that you do not wish to place any restrictions on the advice we give you.

We will also make arrangements for all your investments to be registered in your name unless you first instruct us otherwise in writing. We will forward you all documents

showing ownership of your investments as soon as practicable after we receive them. Where a number of documents are due, involving a series of transactions, we normally hold each document until the series is complete, then forward them to you.

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 FSA 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 (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 **01302 711753** or in writing at 9 Church Street, Bawtry, Doncaster DN10 6HR.

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 purposes. 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.

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

Financial Strategies (North) Limited 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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oodhouse, Dronfield, S18 8RT
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