

Client Agreement: Investment & Protection Advice

Reeves – The Pension Specialists
147 High Street, Gosforth, Newcastle upon Tyne, NE3 1HA

1. INTRODUCTION

This agreement sets out the terms under which our services are to be provided, including details of the specific services and a summary of our charges for those services.

Reeves – The Pension Specialists is a financial planning business, focussed on helping you understand and plan for your financial future. We are also able to act on your behalf in advising you on investments, pensions and non-investment insurance contracts (protection). We offer you an initial discussion (without charge) at which we will describe our services more fully and explain the payment options. Following our initial discussion, should you decide to go ahead there is a cost for registering as a new client and for our advice and services.

2. OUR SERVICE

We offer both **initial** advice and an **ongoing** service. Any products that we arrange for you will only be kept under review as part of an agreed ongoing service, for which we charge a fee.

Our **ongoing services are optional**. Where you agree to **purchase an ongoing service, the initial fees are discounted**.

We will only provide **formal recommendations** and provide advice when we have assessed your goals /needs, personal and financial circumstances and performed full due diligence where needed. We will assess your risk profile before finalising any advice. We will also take into account any restrictions that you wish to place on the type of products you would be willing to consider.

As part of our advice process we produce a series of ‘interim reports’ to assist client understanding and confirm our thoughts at that point in time. When we are aware that some important information is still outstanding then we will mark these reports as draft. **No actions should be taken based on a draft document.**

In some circumstances, we may provide you with a non-advised service where you will **not** receive advice or a recommendation from us. Where this is the case we will provide details of our non-advised services and charges separately.

We are **offering independent advice for investment, pensions and insurances**. This means that we work with the whole of market and aim to provide our clients with the best products and solutions for their needs.

3. COMMENCEMENT

This agreement shall commence on the date of signature and shall remain in force until terminated in accordance with Section 7 – Cancellation below.

4. OUR SERVICE PROPOSITION

Reeves – The Pension Specialists specialise in retirement & pension planning for clients that have accumulated significant pension funds and other assets. We provide a thorough Retirement Planning service, in which we work closely with our clients to give them various options & strategies to ensure their finances are secure for the future. At times we may need to **engage the services of other third party specialists** to assist our work. Where this is required, we will discuss this with you and obtain your permission before such a specialist will be engaged.

Our **initial work normally focusses on existing pension funds. We call this pension options. Our ongoing services address and review other matters such as end of tax year and start of tax year planning, protection**

issues, Inheritance Tax Planning and more. Please do ask for our specific service propositions or visit our website www.reevesifa.com for further details.

5. Our Advice process

The standard process is listed below. The ‘base service’ is **initially free of charge**. This normally takes place over a period of weeks or even months giving you time to consider the facts. We aim to produce early work by telephone and online but can include face to face as and where needed. This involves:

- **IFA1:** an initial telephone call to carry out some basic fact finding, with focus on matters relevant to your retirement planning.
- **Collection of Policy information and facts from product provider:** With your written agreement (using a standard letter of authority) we will write to your existing pension providers to gain all facts on existing relevant pensions and other products where needed.
- **“Know Your Client” Call:** This is normally a telephone based call where we gather more details on the client’s circumstances and goals etc. We will complete an initial “Attitude to Risk” questionnaire to help us understand your investment experience, appetite for investment risk and capacity for loss, in line with the FCA’s compliance requirements.
- **Policy analysis:** We will assess the facts on these schemes once we received all the information.
- **Proposal Summary:** We will draft an initial report based on our fact finding so far and detailed policy analysis. All fees and costs will be included within this report, as well as outline recommendations. This report may include a proposal to send part of your file to a third party specialist, for example for mortgage or defined benefit pension scheme advice.
- **IFA 2:** We will discuss this report, answer any questions which it raises, discuss our ongoing Portfolio Management Service with you, and aim to obtain a decision on whether you would like to proceed with our proposals.
- **Client Decision:** At this stage the client should have full information to make a decision. This includes specific future costs. No action should be taken until we have formally completed due diligence.
- **Due Diligence:** We will tidy up our files and confirm all relevant facts before clients sign relevant forms for transactions. We will also need to confirm your identity which we will try and do using on line tools
- **Face to Face meeting:** This is where we go through the whole file and confirm important points of understanding. If client wants to proceed all forms are completed and signed.
- **Business Submission and tracking:** We will administer and complete all required administration requirements to complete client agreements.
- **Portfolio Management Service:** For clients selecting an ongoing service then this will commence as soon as the new policies / transactions are complete.

The above helps us to understand your Retirement objectives and will confirm how we can support you in working towards this. We will also discuss the cost, and levels, of our services both initially and throughout our relationship with you.

Portfolio Management Service

As part of our ongoing service we will:

- 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 our advice and actions in writing, generally by email.

- An outline of Portfolio Management Service is available on our website.

PMS is subject to change and we will upgrade and amend this ongoing service on a regularly basis.

None Standard Clients

- We may decide or a client may request an alternative process. We classify this as a nonstandard process. These cases are unusual and require very different circumstances. Typically these cases may be where a special situation arises early on in the process for example there may be a specific areas of work identified, cautious clients that may be too risk averse to benefit from our services or clients that want help in areas different to our main processes.
- In the event of a nonstandard discussion then we may break away from the above process. We may decide to only continue our work by charging a fee. This fee is normally in multiples of £250. This will always be agreed by clients if work is to commence.

6. FINANCIAL PLANNING AND HOW WE CHARGE FOR IT

- We will **always inform you of our specific advice fees in advance**. This will be in writing. Normally within the proposal summary report and confirmed in suitability letter.
- Most clients prefer to pay their advice fees through their policies. This is not always possible. Some clients prefer to make payments through direct payments from their own accounts. In this case we will issue invoices. It is the client's choice how they pay.
- We will also let you know if there are any other costs that might arise in connection with the services we provide to you. This may include third party work.
- Financial advice and arrangement of investments are exempt of Vat. For report writing only the fees may attract vat. We will always tell you if you have to pay VAT before we undertake any work for you. In the event of the HMRC charging retrospective vat then we reserve the right to come back and do the same for clients.
- Charges for the ongoing service will not be liable to VAT (unless the initial service was liable to VAT) where both the initial and ongoing services are part of the same package.

6a. Pension and Investment Advice Fees

- We **charge for our services by charging a fee**. This is known as an '**adviser charge**'. The adviser charges will be shown as a fixed fee or a fee based on a percentage of the amount you invest.
- There are two types of adviser charges which may apply, **Initial and Ongoing**.

The table below shows the advice cost of arranging and implementing agreed actions where new money is invested. **This generally applies where new money is placed onto a platform or new product. We do not charge for switches of funds already held within platform. For example isa to pension and or fund switches.**

Our initial charges are discounted for clients who agree to utilise our ongoing Portfolio Management Service and thus pay an ongoing fee to Reeves. In essence we discount our initial fees for clients wishing to build a long term relationship with us.

Table of Initial Advice Fees		
	No Ongoing Service	Discounted Fees Where Ongoing Service Applies
Standard fees are based on investment amounts being advised on at that time.	3%	<ul style="list-style-type: none"> ➤ Funds up to £150,000 @ 2.5% ➤ Over £150,000 @ 0.5%
For advising and setting up Regular Payments	A minimum adviser charge is £500.	<ul style="list-style-type: none"> ➤ The above fees apply with no minimum
Example 1: New client switching 4 pension plans to us, with a total value of £100,000.	£3000 (@3%)	<ul style="list-style-type: none"> ➤ Initial £100,000 at 2.5% = £2,500
Example 2: New client switching 4 pension plans to us, with a total value of £300,000	£9000 (@3%)	<ul style="list-style-type: none"> ➤ First £150,000 at 2.5% = £3750 ➤ Remaining £150,000 at 0.5% =£750 ➤ Total Initial Adviser Charge £4,500 (1.5% overall)
Example 3: New client switching 1 pension plan to us, with a total value of £220,000	£6,600 (@3%)	<ul style="list-style-type: none"> ➤ First £150,000 at 2.5% = £3,750 ➤ Remaining £70,000 at 0.5% = £350 ➤ Total Initial Adviser Charge = £4,100 ➤ Single plan discount of 50% would result in an initial charge of £2,050 (0.93%)
Example 4: Existing client with £150,000 or more already with us, not utilising PMS, with a further £50,000 to invest.	£1500 (@3%)	<ul style="list-style-type: none"> ➤ The £150,000 already with us ensures these additional funds attract a 0.5% charge (£750).

Notes:

Single policy discount: For clients wishing to bring pensions or investments to us which involve only one plan or policy, a 50% discount will be available where our ongoing Portfolio Management Service applies.

Minimum Fee: We have a minimum fee of £1,000 per NEW client in all cases. This does not apply to existing clients making incremental investments.

Non-Advised services: some plans can be switched without the need for formal advice. Where clients wish to move this type of plan to Reeves and take advantage of our Portfolio Management Service, this can be done without any initial fees. However, we do recommend that any plans valued at above £30,000 should receive a fully advised service.

Vat: Our fees are not subject to VAT and can be taken from your investment upon receipt by the policy provider or can be paid directly by you.

Ongoing Service Charges – The Reeves Portfolio Management Service

- Fees are calculated and paid monthly, based on the value of your investment(s) on a specific date each month depending on the provider chosen. The annual rate is 1% per year.
- The fees payable will fluctuate monthly due to changing fund values 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 also decrease.

Table of Ongoing Service Charges – The Reeves Portfolio Management Service	
Standard fees are based on fund value at each fee review	<ul style="list-style-type: none"> ➤ 1% of Funds up to £500,000 ➤ 0.5% of all funds over £500,001
Example 1: if your investments are valued at £200,000	<ul style="list-style-type: none"> ➤ £200,000 x 1% = £2,000 pa (£167 pm)
Example 2: if your investments are valued at £750,000	<ul style="list-style-type: none"> ➤ £500,000 x 1% = £5,000 pa (£417 pm) ➤ £250,000 x 0.5% = £1,250 pa (£104pm) ➤ Total = £6,250 pa (£521 pm)(0.83%pa)
Example 2: if your investments are valued at £1,000,000	<ul style="list-style-type: none"> ➤ £500,000 x 1% = £5,000 pa (£417 pm) ➤ £500,000 x 0.5% = £2,250 pa (£188pm) ➤ Total = £7,250pa (£605pm)(0.725%pa)

6b Protection Planning

Our advised protection planning services are suitable if you are looking for the best way to protect you, your family or your business through non-investment insurance contracts such as critical illness cover, health insurance and life cover. We advise on non-investment insurance contracts from a large range of insurers.

You can pay for our advised protection services by:

- Commission (where this is available – a fee may be charged if commission is unavailable)
- A fixed fee

Where we are paid by commission we will tell you the amount before we carry out any business for you. Although you may pay nothing to us up front, this does not mean that our services are free. You still pay us indirectly through deductions from the amount you pay into your product.

We may agree to rebate any commission due into the plan and invoice you directly for an agreed fee. This would be negotiated after any recommendation that was made.

7. OUR OBLIGATIONS

Recommendations

We will confirm to you in writing the basis of our recommendations along with details of any special risks associated with the products recommended.

Best execution

In transmitting investment applications on your behalf to third parties, we will take all reasonable steps to ensure that we obtain the best possible result for you. This is referred to as ‘best execution’.

Protecting your personal information

Your personal information is important to us. We will endeavour to take all due care to protect this information. We highlight below matters relating to your information that you should be aware of.

Some services are provided to our firm by third parties such as processing business or obtaining compliance or regulatory advice, which warrant the disclosure of more than just your basic contact details. Personal information held by ourselves may be disclosed on a confidential basis, and in accordance with the Data Protection Act 1998, to any such third parties. This information may be transferred electronically (e.g. e-mail) and we, or any such third party, may contact you in future by any means of communication which we consider appropriate at the time.

Product providers, lenders and investment managers may administer your policy, any existing policies you may have with them and provide other services, from centres in countries outside Europe (such as India and the USA) that do not always have the same standard of Data Protection laws as the UK. However, they are required to put a contract in place to ensure that your information is adequately protected, and they will remain bound by their obligations under the Data Protection Act even when your personal information is processed outside Europe.

Anti-money laundering – We need to check your identity

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.

Conflict of interests – We must legally declare any that affect our advice

We will endeavour always to act in the best interests of you our client. However, circumstances can arise where we or one of our other clients may have some form of interest in business being transacted for you. If this happens or we become aware that our interests or those of one of our other clients conflict with your interests, 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.

Other benefits we may receive

From time to time we may attend training events funded and /or delivered by product providers, fund managers and platforms. These events are designed to enhance our knowledge and ultimately therefore enhance the quality of service we provide to our clients. Further details are available on request.

Communicating with you

We may communicate with you by telephone, post, e-mail or in person. In certain circumstances, we may ask you to confirm any instructions in writing prior to implementation. All our communications with you will be in English.

8. CANCELLATION

Termination of this Agreement – No penalty charges or fees

This agreement and our authority to act on your behalf may be terminated by either party at any time, by email or letter. There are no penalties or charges whatsoever for termination, however, you will be liable for any services provided prior to termination, and any fees already outstanding. Termination is without prejudice to any transactions already initiated which will be completed according to this agreement unless otherwise agreed in writing.

Product cancellation rights – standard rights as per all authorised forms

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 the conclusion of any contract.

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, protection, payment protection or pension policy and a **14 day cancellation** period for all other policies.

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

9. HOW YOU ARE PROTECTED

All our clients are treated as **retail clients unless otherwise advised in writing**. 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.

Client money

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

Financial Conduct Authority (FCA)	Financial Services Compensation Scheme
<p>We are authorised and regulated by the FCA, 25 The North Colonnade, Canary Wharf, and London, E14 5HS. Our Financial Services Register number is 400918.</p> <p>Reeves – The Pension Specialists is a trading style of Reeves Independent Wealth Management Limited, which is the authorised firm.</p> <p>The firms permitted business is advising on and arranging investments, pensions and non-investment insurance contracts. You can check this on the Financial Services Register by visiting the FCA’s website</p>	<p>We are also covered by the Financial Services Compensation Scheme (‘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.</p> <p>Deposits – a maximum compensation limit of £85,000 per person per firm (£150,000 for joint accounts).</p> <p>Investments – a maximum compensation limit of £50,000 per person per firm.</p> <p>Insurance – a maximum compensation limit of 90% of the claim with no upper limit*</p> <p>* Long term insurance benefits are protected 100% (e.g. annuities)</p> <p>We may also, on occasion, advise on other financial products which are not regulated by the Financial Conduct Authority (FCA). The Financial Services</p>

	Compensation Scheme does not apply to any of these products.
www.fca.org.uk/firms/systems-reporting/register or by contacting the FCA on 0800 111 6768.	Further information about compensation scheme arrangements is available from the FSCS at www.fscs.org.uk/consumer

Complaints

If you are dissatisfied with a recommendation we have made you are entitled to make a complaint. If you wish to register a complaint, please contact us:

In writing: Compliance Officer, Reeves – The Pension Specialists, 147 High Street, Gosforth, Newcastle upon Tyne, NE3 1HA

By phone: 0191 281 9862

By e-mail: nigel@reevesifa.com

Please be assured we treat complaints seriously. A summary of our internal complaints handling procedures for the reasonable and prompt handling of complaints is available on request.

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service at www.financial-ombudsman.org.uk or by contacting them on **0800 023 4567**.

Introduced work

Where we send your business to a third party for advice then the complaint and claims are with that company. Reeves are not liable for their advice.

10. GENERAL

Jurisdiction

This agreement is governed by and should be interpreted in accordance with English law and you agree to submit to the non-exclusive jurisdiction of the English Courts.

Legal and accounting advice

Our firm is not able to render specific legal or accounting advice or to prepare any legal or accounting documents.

It is hereby understood and agreed that the onus is on you, the client, to refer to a solicitor or accountant any point of law or accountancy that may arise during the course of discussions with us.

Investment Related 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.

Investment Performance & Risks

Please be aware that investments can fall, as well as rise, and that you may not get back the full amount invested. The price of investments we may recommend may depend on fluctuations in the financial markets,

or other economic factors, which are outside our control. Past performance is not necessarily a guide to future performance.

Specific warnings relevant to the investments, investment strategies or other products we recommend will be confirmed to you in your suitability report. 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.

Unregulated financial products

Our services may also include advice on investments relating to, or executing transactions in unregulated financial products. Accordingly, you should carefully consider whether such investments are suitable for you in light of your personal circumstances and the financial resources available to you.

Insurance related

Providing information to your insurer

Your insurance / protection cover is based upon the information you provide to the insurance company. Where you are buying insurance as an individual, this means that you must take 'reasonable care' to answer all questions asked by the insurer fully and accurately. For general insurance policies such as car insurance or liability insurance, once cover has been arranged, you must immediately notify the insurers or us of any changes to the information that you have already provided. Failure to provide accurate and up to date information may invalidate your insurance cover and mean that a claim may not be paid.

All other clients (e.g. commercial clients) must still disclose all 'material facts' (any information that may influence the insurer's decision over cover or terms) prior to inception and throughout the period of the policy. Again, failure to disclose material information may invalidate your insurance cover and could mean that a claim may not be paid.

CLIENT AGREEMENT DECLARATION

Your 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.

I/We acknowledge that the client agreement will come into effect from the date of issue.

I/We authorise the transfer of personal information, on a confidential basis and in accordance with the Data Protection Act 1998, between Reeves – The Pension Specialists and any relevant third parties. I/We agree that Reeves – The Pension Specialists, or any such third party may contact me in the future by any means of communication (including by electronic communication e.g. email) considered appropriate at the time.

I/We also confirm that I am / we are happy / not happy to give Reeves – The Pension Specialists express consent to contact me/us by telephone, email or post, to discuss advising on or arranging a mortgage product in the future.

Decisions:

I agree to Third party introduction by Reeves		
I agree to advice fees through the policy or product		
I agree to ongoing service and fees		

Client Name(s) _____

Client Signature(s) _____

Date _____

Signed on behalf of firm _____

Date _____