



# CLIENT AGREEMENT

DATE ISSUED: 01 DECEMBER 2020

**Character Financial Services Limited**

Winterton House, High Street, Westerham, Kent, TN16 1AT Registered in England, number 02316414  
Authorised and regulated by the Financial Conduct Authority, reference number 144340

# OUR STANDARD AGREEMENT

## ABOUT US AND HOW WE WORK WITH YOU

**Character Financial Services Limited** is authorised and regulated by the Financial Conduct Authority (FCA). Our FCA Number is 144340.

You can check this on the FCA's Register by visiting the website <https://register.fca.org.uk/> or by contacting the FCA on 0800 111 6768. The Financial Conduct Authority, 12 Endeavour Square, London, E20 1JN.

## CLIENT CLASSIFICATION

### INVESTMENT

**Character Financial Services Limited** classifies all clients as 'retail clients' for investment business, which means you are afforded all protections under the rules of the Financial Conduct Authority.

Should you wish to be classified differently for investment business, please discuss this with your adviser. Please note that should you wish to be considered as a different category of a customer for investment business, such as a professional client or eligible counterparty you must inform us in writing. We will provide you with a new client agreement, and you may lose a number of protections which will be outlined in that new agreement.

### NON-INVESTMENT AND GENERAL INSURANCE

**Character Financial Services Limited** classifies all clients as 'consumers' for the non-investment insurance business, which means you are afforded all protections under the rules of the Financial Conduct Authority. Should we need to classify you differently, we will discuss this with you. However, you should be aware that you may lose a number of regulatory protections which will be outlined in a revised agreement.

## OUR COMMITMENT TO YOU

Prior to providing you with any advice, we will take time to understand your current needs, circumstances and attitude to risk (where applicable). Any advice provided will be confirmed to you in writing.

**Character Financial Services Limited** takes all our regulatory responsibilities very seriously, and we ensure that all our staff are required to demonstrate their competence to undertake their role, and our business is structured in a manner that is designed to meet in full all the requirements set by our regulator, the Financial Conduct Authority, and under European Securities and Market Authority rules.

## METHODS OF COMMUNICATION

Unless you advise us otherwise, we will communicate with you via the following methods of communication: face to face, video, telephone, email, and letter.

## LANGUAGE

Please note that all our communications and documents will be provided to you in English.

## CLIENT MONEY

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

## INTRODUCTIONS TO A THIRD PARTY

We may receive a fee for making introductions to third party product or service providers. Should we receive a fee, we will confirm in writing to you what that fee will be. When acting as an introducer, marketer or promoter of a scheme, no responsibility is accepted for any matters arising from the referral to the scheme product provider. It is your responsibility to ensure that you enter into separate Terms & Conditions with the third-party adviser.

## DATA PROTECTION

For details of our Data Protection policy, please see our Data Protection Notice, which will be provided separately to you.

## INVESTMENT SERVICES

### INVESTMENT PERMISSIONS

**Character Financial Services Limited** is permitted to advise on and arrange (bring about) deals in investment contracts.

### TRANSACTIONAL ONLY

With regard to investments contracts which we have arranged for you, these will not be kept under review unless we agree otherwise with you; but we will advise you upon your request.

### WITH SERVICE PROVISION

We will provide services to you as more fully outlined in our Letter of Engagement or Service Agreement.

### SCOPE OF ADVICE

#### INDEPENDENT ADVICE

We will only provide advice and make a recommendation to you, having fully assessed your financial needs and objectives.

This means that we will spend some time discussing with you: what you want to achieve financially and see if the advice and services that we offer are going to be appropriate to address them.

It is important to us that you fully understand how we go about doing this, so please do ask us for more detail if anything is unclear to you.

#### FINANCIAL PRODUCTS

In respect of the financial products that we use, we do not restrict ourselves to certain types of products. We will look across a range of products which are called Retail Investment Products. We will also look at Cash ISAs, National Savings Products and structured products as well. We use research tools to select these products using criteria set to meet your needs and will not use pre-determined lists or only a small range of preferred providers. We aim to find the right product to meet your needs on each and every occasion.

#### PRODUCT PROVIDERS

In respect of the product providers that we use: we do not restrict our advice to certain companies. Instead, we use research tools to help us find a company that provides the right products to meet your needs.

#### DEFINED BENEFIT PENSION TRANSFERS

##### FULL ADVICE

We will advise you on whether you should keep your defined benefit pension scheme or transfer out to a new pension that we recommend for you. We will liaise with your new and old schemes to make all the necessary arrangements.

##### ABRIDGED ADVICE

We will advise you on whether you should keep your DB scheme but without considering a new scheme. If you want to continue to look at a new scheme, you will need to take full advice.

## CONFLICTS OF INTEREST

We have a legal and regulatory obligation to take all appropriate steps to identify and to prevent or manage conflicts of interest from arising. In the event of any of our business interests or activities creating a potential conflict of interest, we will ensure that we take all appropriate steps to manage the potential conflict by maintaining robust systems, controls, and staff training.

In the unlikely event that we are unable to prevent the potential conflict, we will fully disclose to you, the general nature and/or sources of conflicts of interest and the steps taken to mitigate those risks.

Further details of our conflict of interest policy are available upon request.

## BEST EXECUTION

It is our policy to transact your business to achieve the best possible results in terms of the:

- Price of products, providers, and services
- Cost of advice
- Speed
- Size and Nature of the transaction
- Effectiveness of the Platform/ Provider/ Service Provider

## OTHER BENEFITS WE MAY RECEIVE

We will not receive any financial inducement or gift that will, in any way, compromise our ability to provide you with suitable advice.

## NON-INVESTMENT AND GENERAL INSURANCE SERVICES

### NON-INVESTMENT AND GENERAL INSURANCE PERMISSIONS

**Character Financial Services Limited** is permitted to advise on and arrange (bring about) deals in non-investment and general insurance contracts.

We are an insurance intermediary and act on behalf of clients and not insurers.

### NON-INVESTMENT AND GENERAL INSURANCE SERVICES

We offer a personal recommendation based on a fair and personal analysis of the market.

### WHAT WILL YOU HAVE TO PAY US FOR THIS SERVICE?

An administration fee of £125 including vat is payable at the outset, and we will be paid a commission by the provider.

We will provide details of the total remuneration payable, including any fees, commissions, charges, expenses, and benefits, in our client engagement letter/fee agreement.

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In the unlikely event that we are unable to prevent the potential conflict, we will fully disclose to you, the general nature and/or sources of conflicts of interest and the steps taken to mitigate those risks.

Further details of our conflict of interest policy are available upon request.

## IMPORTANT INFORMATION

### ACCOUNTING TO YOU

We will forward to you any documents we receive in relation to business transacted as soon as practicable; where a number of documents relating to a series of transactions is involved, we will normally hold each document until the series is complete and then forward them to you.

### COMPLAINTS

If you wish to register a complaint, please contact us in writing at address at the front of this agreement or telephone us on 01883 621074.

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service. <http://www.financial-ombudsman.org.uk>.

### COMPENSATION ARRANGEMENTS

We have briefly set out some information about the Financial Services Compensation Scheme (FSCS) below. If you would like further information about compensation scheme arrangements, details are available at [www.fscs.org.uk](http://www.fscs.org.uk) or call 0800 678 1100.

Most of the products we advise on are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if product providers or we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

The actual level of compensation you receive will depend on the basis of your claim. The FSCS only pays compensation for financial loss. Compensation limits are per person per firm, and per claim category (listed below).

### INVESTMENT

Most types of investment business are covered for 100% of the first £85,000 per person per firm, so the maximum compensation is £85,000 per person per firm.

### DEPOSITS

Money in accounts like current and savings accounts, including cash Individual Savings Accounts (ISAs), are covered up to £85,000 per authorised firm (£170,000 for a joint account). It should be noted that authorised firms may have different brands. The FSCS will provide a £1 million protection limit for temporary high balances held with your bank, building society or credit union if it fails. A temporary high balance would apply when payments have been received in respect of specified life events, details of which can be obtained from FSCS.

### PROTECTION AND NON-INVESTMENT INSURANCE MEDIATION

Protection is at 100% without limit, where the claim is in relation to a long-term care insurance contract that is a pure protection contract, or the claim is in respect of a liability subject to compulsory insurance. In all other cases: 90% of the claim without limit.

# OUR SERVICE LEVELS, INITIAL FEES AND ONGOING PAYMENT FOR SERVICES

## OUR PROCESS

Before recommending a product, we will make suitability checks to ascertain your relevant knowledge, experience, objectives, financial situation, and your ability to bear losses.

Prior to any transaction, we will provide you with a suitability report outlining any recommendations we have made including the selling, holding or buying of investments.

To ensure that you are always fully aware of our advice costs and how and when you are going to be asked to pay for this, we will always confirm this verbally and in writing to you asking for your consent by signing our client engagement letter we will confirm the exact amount and your preferred payment method.

Generally, we will ask you to pay for our services after we have completed a detailed financial analysis of your current position and have agreed that we can provide advice to you and we will confirm this to you in our client engagement letter.

## PAYMENT FOR SERVICES

We will provide with the following service, the cost of which is covered by our implementation fee.

- A full explanation of our company, how we work and a written explanation of the services that our company offers so that you will fully understand the level of services and advice you can expect from us
- A full financial review will always be offered to understand and agree with you; your needs and objectives based on a comprehensive review of your current financial position. Full details of our financial review service are confirmed in our client engagement letter.
- Completion of a detailed risk analysis assessment to fully understand your attitude and tolerance to risk
- Research of the marketplace to ensure the most appropriate provider is recommended
- All our advice will be confirmed in writing
- We will forward any policy documents(s) to you as required.

## LUMP SUM INVESTMENT BUSINESS

It is our company policy to offer you a choice on how we are paid for the Implementation Fee on any lump sum investment business. You may pay us for our initial advice by way of a percentage of the funds invested or a fixed fee.

Please note if you pay our fee by way of a separate cheque 100% of the investment amount will be invested.

## PAYMENT BY FEE (INITIAL ADVICE)

You may pay us for our initial advice by way of a percentage of the funds invested, on an hourly rate or a fixed fee.

Please note if you pay our fee by way of a separate cheque 100% of the investment amount will be invested.

## EXAMPLE OF OUR IMPLEMENTATION FEE AS A PERCENTAGE OF THE FUNDS INVESTED

Example Investment Amount	Typical 3% fee on first £100,000	Typical 2% fee from £100,001 to £300,000	Typical 1% fee from £300,001	Total Fee	Amount Invested Net of Fees
£100,000	£3,000			£3,000	£97,000
£250,000	£3,000	£3,000		£6,000	£244,500
£500,000	£3,000	£4,000	£2,000	£9,000	£491,000

All figures quoted are purely for example purposes. The actual fee paid will depend on the complexity of the work undertaken and will be confirmed to you in our client engagement letter prior to any work being undertaken.

## HOURLY RATES

Fees payable will be calculated by considering the number of hours required to undertake the work and the hourly rate of the individual carrying out the work.

If work is undertaken purely on an hourly rate basis, you may also ask us not to exceed a given amount without checking with you first, or we may agree a fixed fee for work undertaken.

### EXAMPLE OF OUR FEE CHARGED AT AN HOURLY RATE FOR PENSIONS CONSOLIDATION.

Staff Role	Hourly Rate	Estimated Hours	Total Staff Cost	
Financial Adviser	£200	2	£400	
Paraplanner	£185	3	£555	Total Charge
Administration	£50	5	£250	£1,205

All figures quoted are purely for example, the actual fee paid will depend on the complexity of the work undertaken and will be confirmed to you in our client engagement letter/fee agreement prior to any work being undertaken.

## FOCUSED ADVICE

The more time we spend researching and documenting information, the more expensive it can become. This can be deemed too unsuitable where you are merely seeking advice on a specific area or a smaller investment. You can request focused advice where we will obtain limited information from you in order to concentrate on a specific area of financial planning, you should, however, be aware that the advice you receive may be different from advice given using the holistic approach.

### EXAMPLE OF OUR FOCUSED ADVICE FEES

Work undertaken	Typical fee
Full Financial Review	£1,500
Pension Review	£2,000
SIPPs involving Property Purchase	£2,000
Occupational Pension Scheme Transfers	£10,500

## ABRIDGED ADVICE

A fee of £1,500 which will be offset against the cost of full advice if you also take full advice.

## IMPLEMENTATION FEES – REGULAR PREMIUM INVESTMENT

It will always be our policy to provide you with a separate quote for work when considering regular premium investment (excluding phased investment). It is our company policy to arrange for the Implementation Fee on regular premium investment to be deducted from the total amount collected by the product provider. We will agree this amount and ask you to confirm this, in our Client Engagement Letter. Alternatively, we may ask for a separate cheque, payable to our firm, dependent on the premium value considered.

## TERMINATION OF OUR SERVICES (INITIAL ADVICE)

You or we may terminate our authority to act on your behalf at any time. You will be liable to pay for any advice or services that you have received prior to the date of termination. This means that where we have agreed the advice and services that we will provide for you and we have agreed to receive payment for these, either by means of a fee for investment business or by receiving commission from a provider for non-investment business you will have to pay us for any work we have completed up to the date of termination.

## ONGOING SERVICE OPTION

Once you have decided to implement your Financial Plan, it is recommended to benefit from ongoing monitoring and review. **Character Financial Services Limited** has created services to assist you in achieving your identified goals. We have set these out within the attached document '**Character Financial Services Limited Services**'.

Our ongoing service option incorporates a periodic suitability review of the investments we have recommended. This is to ensure the original recommendation remains suitable. This periodic assessment will be completed at least annually. However, the frequency may be increased when considering your risk profile and the types of financial products that have been recommended.

## EXAMPLE OF ONGOING ADVICE CHARGES

Example Investment Amount	Annual Service Charge	Example Annual Service Fee	Minimum Annual Fee
£100,000	0.75%	£750	£500
£250,000	0.6%	£1900	
£500,000	0.50%	£2500	

We will provide you with information regarding the costs at least annually to help you understand the overall cost and the cumulative effect on the return of the investment.

## TERMINATION OF OUR SERVICES (ONGOING ADVICE)

You, or we, have the right to cancel payment for our ongoing services:

- We would give ten business days' notice and, upon request, could signpost you to alternative sources of financial advice. We will terminate any ongoing payments to be received from product or service providers.
- You are asked to give ten business days' notice, and we will terminate any ongoing payments to be received from product or service providers.

Where you hold assets within a WRAP, you need to be aware that there will be terms and conditions applicable, such as your agreement with the wrap provider in respect to facilitating our fees, which means you may need to instruct the wrap provider directly and arrange for the removal of assets from the WRAP or appoint another adviser who will be able to access your assets and provide further ongoing advice to you. We will be pleased to assist you at this time in cancelling our service to you, making sure that any WRAP provider is informed of this cancellation.

## YOUR CONSENT

This is our standard 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 agree that this standard agreement will come into effect from the date of issue.

Client Name(s)

\_\_\_\_\_

Client Signature(s)

\_\_\_\_\_

Date of Receipt

\_\_\_\_\_