



owlhousefinancialmanagement

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Client Agreement

January 2010

1. This document sets out the basis on which we will conduct business with you and on your behalf. **It is an important document and we would ask you to read it carefully and if you are unsure of any of its terms please ask.**
2. The terms of this Client Agreement come into force immediately on issue and remain in force until further notice.
3. **Owl House Financial Management is an appointed representative of Financial Ltd, Andoversford Business Park, Cheltenham, Gloucestershire GL54 4LB which is authorised & regulated by the Financial Services Authority (FSA). FSA number 514678.** You can check this on the FSA's Register by visiting the FSA's website www.fsa.gov.uk/register or by contacting the FSA at **25 the North Colonnade, Canary Wharf, London.E14 5HS or telephone 0845 606 1234.**

FINANCIAL PLANNING OBJECTIVES

4. In order to provide you with personal advice and recommendations suitable for your particular circumstances we will undertake a 'fact find' to gather the appropriate information to assess your needs. We will then be able to set out clearly your financial planning objectives based on your stated objectives, acceptable level of risk and any restrictions you wish to place on the type of policies you are willing to consider. Details of your stated objectives will be set out in a Suitability Report 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.
5. You hereby acknowledge that in the event of **Owl House Financial Management** assisting you in the completion of any investment application or policy proposal forms that you will in any event continue to bear full responsibility for the accuracy and completeness of the information entered on such forms. Therefore you understand that inclusion of incorrect information or omission of any material facts may result in the investment or policy to which the application or proposal relates to being adversely adjusted, made void and/or any claim(s) made against it being refused.
6. We will forward to you all documents showing ownership of your investments/contracts as soon as practicable after we receive them. All such documents may be sent by post and is done so at the client's risk.
7. We are permitted to give advice on investments, general insurance and mortgages and arrange transactions in these products. We may also include unregulated collective investment schemes where these are suitable for you.
8. Unless you inform us whether there are any restrictions as to the type of investment, general insurance or mortgage or their markets on which you want advice, we will only provide that advice on investments, general insurance or mortgages within our authorisation and that we

believe are suitable for you. We will not provide any service relating to futures, options or contracts for difference.

9. When we have arranged any investments, general insurance or mortgage contracts for you we will not give you further advice unless you request it, but will be glad to advise you at any time you ask us to do so. A formal review service is available by separate agreement, details of which we shall be pleased to advise you. In conducting insurance mediation activity the firm does not act contractually on behalf of, or for, its customers & consequently the rules for distance non-investment mediation contracts do not apply.

10. The advice we provide to you on all contracts is INDEPENDENT on products from the whole market.

CUSTOMER CLASSIFICATION

11. The firm proposes to classify you in accordance with FSA rules, as a **Retail Client**.

PAYMENT FOR SERVICES

12. For providing **investment** advice you will pay for our services on the basis of your choice of fee, commission (or product charges) or a combination of fee and commission (through product charges). We will discuss your payment options with you and answer any questions you have. We will not charge you until we have agreed with you how we are to be paid.

13. When **paying by fee**, whether you buy a product or not, 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.

If you wish to pay for our services by way of a fee we will agree the rate or amount we will charge before beginning work and provide you with a fee agreement in relation to any work we undertake in accordance with our Treating Customers Fairly culture. We will tell you if you have to pay VAT.

Our typical charges are:

Financial adviser £100-£200 per hour

Administration £25-£50 per hour

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

Initial review: £750

Annual review: £250

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.

14. When **paying by commission (through product charges)** if you buy a financial product, we will normally receive commission on the sale from the product provider. Although you pay nothing up front, that does not mean our service is free. You still pay us indirectly through product charges. Product charges pay for the product provider's own costs and any commission. These charges reduce the amount left for investment. If you buy direct, the product charges could be the same as when buying through an adviser, or they could be higher or lower. 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. For example:

If you invest £10,000 in an individual savings account (ISA) we would receive commission of 3% of the amount invested (£300) and 0.5% of the value of the fund (roughly £50 every year).

If you pay £100 a month into a personal pension (with a term of 25 years) then we would receive commission of £176 in the first year and 0.5% of the value of the fund every year.

If you pay £100 towards a whole life policy then we would receive £1,920 initially and £30 each year thereafter.

We will tell you how much the commission will be before you complete an investment, but you may ask for this information earlier.

The commission usually includes payment for any ongoing service such as a periodic or ongoing review.

15. When paying by a **combination of fees and commission (through product charges)** the actual amounts will depend on the service provided to you, but will be in line with the arrangements set out above in the sections 13 and 14 headed “**Paying by fee**” and “**Paying by commission (through product charges)**”.

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 may reduce our fee to offset any commission received and will tell you how much the commission will be before you complete an investment, but you may ask for this information earlier.

16. Before providing advice for **mortgages** you will receive from us a “Services and Costs Disclosure Document” or a “Combined Initial Disclosure Document”, detailing fees & Commission options, in accordance with FSA rules. These documents set out how we will be remunerated either by fee, commission or a combination of both.
17. You will receive from the life office or operation in question information about the commission we receive. We will also tell you the amount of commission payable to us on all contracts. All trail or renewal commission payable by providers belongs to the company. We may share commissions with third parties who introduce business to us.
18. In respect of any regular premium policy which we may recommend, should you subsequently cease to pay premiums on the policy and in consequence we are obliged to refund the commission that has been paid to us we reserve the right to charge you a fee representing the amount we have to repay, for a period of up to four years after commencement of the policy. We will not charge the fee if you exercise your right to cancel in accordance with the cancellation notice sent to you by the life company. Details of the commission payable will be notified to you in a specific key features illustration prior to any transaction proceeding
19. We require our clients to give us instructions in writing, to avoid possible disputes. This will usually be in the form of a proposal or application form. We will, however, accept oral instructions in certain instances provided they are subsequently confirmed in writing.
20. If we receive a commission or other form of benefit from the issuer of a security or from another intermediary, we will inform you, but we will not tell you its amount unless you ask us to do so.

CLIENT MONEY

21. For your additional security **we do not handle client's money**. In respect of premiums, we never accept a cheque made out to us or handle cash. 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.

ACCOUNTING TO YOU

22. Unless in exceptional circumstances, we will confirm to you in writing the basis or our reason for recommending the transaction executed on your behalf. We will make arrangements for all your investments/contracts to be registered in your name unless you first instruct us otherwise in writing.

We will forward to you all documents showing ownership of your investments as soon as practicable after we receive them; 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.

23. Unless you specifically request otherwise we may telephone or visit you during normal social hours to offer you further advice or inform you of products and services in which you may be interested. We may also contact you by mail or e-mail. If you do not want to receive such information, please let us know.

FINANCIAL SERVICES COMPENSATION SCHEME

24. We are covered by the Financial Services Compensation Scheme. 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.

Investment

Most types of investment business are covered for 100% of £50,000.

Insurance

Insurance advising and arranging is covered for 90% of the claim, with no upper limit.

Mortgages

Advising on or arranging house purchase finance is covered for 100% of £50,000.

Further information about compensation scheme arrangements is available from the FSCS.

COMPLAINTS

25. If you should have any complaint about the advice you receive or a product you have bought please write to the **Complaints Officer at Financial Ltd, Unit 1 Andoversford Business Park, Andoversford, Cheltenham, GL54 4LB. Telephone Number 01242-820738.**

If following our subsequent investigation and response you are still not satisfied you may contact the Financial Ombudsman Service. Full details are contained within our internal complaints procedure, which is available to you on request at any time.

CANCELLATION RIGHTS

26. You will not have any cancellation rights for ISAs which are not invested in packaged products. Nor will you have cancellation rights for execution only transactions in authorised unit trusts & OEIC's whether or not in an ISA. The effect of cancelling the last component of an ISA has the effect of canceling the entire ISA agreement & may also delay you from entering into another ISA

agreement until the next tax year. Where the ISA results from a transfer you may also lose that ISA allowance.

MATERIAL INTERESTS

27. We offer independent financial advice, but occasions can arise where we, or one of our other customers, will have some form of interest in business, which we are transacting for you. If this happens, or we become aware that our interests or those of one of our other customers conflict with your interests, we will inform you in writing and obtain your consent before we carry out your instructions. There may be occasions when we will be unable to act for one of the parties.
28. As a consequence of such potential conflicts arising, we have put arrangements in place to ensure our clients are treated fairly. We have also implemented a conflicts of interest policy to help us manage such risks, which you may access on request.

RISK WARNINGS

29. The value of investments may go down as well as up, and you may not get back the amount invested. Levels of income from investments may fluctuate. We cannot be held liable for any depreciation in the value of investments arranged for you. Non-readily realisable investments will generally have a restricted market, and therefore it may be difficult to deal in that investment or to obtain reliable information about its value.

TERMINATION OF AUTHORITY

30. You or we may terminate our authority to act on your behalf at any time, without penalty. Notice of this termination must be given in writing and will take effect from the date of receipt. Termination is without prejudice to any transactions already initiated which will be completed according to these terms of business unless otherwise agreed in writing. You will be liable to pay for any transactions made prior to termination and any fees which may be outstanding.

DATA PROTECTION

31. We are registered under the Data Protection Act 1998. It is understood that we keep personal and financial information with regard to your circumstances on file (electronic and/or paper based) as required to be able to advise you as to your financial planning needs. We confirm that this information will not be used, or transferred by us to any other firm or company with the exception of Financial Ltd.
32. We confirm that we cannot be held responsible for the information held on your file becoming inaccurate due to your change of circumstances if you fail to inform us of those changes.
33. Where investment business services are provided to **Owl House Financial Management** by third parties then circumstances may arise which warrant the disclosure of more than just your basic contact details. On these occasions such as processing business, and obtaining compliance and regulatory advice you agree that personal information held by **Owl House Financial Management** may be disclosed on a confidential basis, and in accordance with the Data Protection Act 1998, to such third parties. You agree that this information may be transferred electronically, e.g. e-mail. You also agree that we, or any such company, may contact you in future by any means of communication which we consider appropriate at the time.
34. We keep records of our business transactions for at least five years. We are required to verify your identity in accordance with the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2003. We reserve the right to approach third parties and to delay any applications until adequate verification of identity has been obtained.
35. We reserve the right to amend these Terms at our discretion where changes in regulation, law etc. necessitate by giving you notice in writing. These terms of business shall be governed by and construed according to English Scottish Law. Any disputes shall be determined in the English / Scottish Courts.

