

# **FINANCIAL PLANNING TERMS OF BUSINESS**

## **Moore and Smalley LLP (Trading as MHA Moore and Smalley)**

Richard House, 9 Winckley Square, Preston, PR1 3HP

**Telephone: 01772 821021 Fax: 01772 259441**

### **1 Authorisation statement**

MHA Moore and Smalley is a trading name of Moore and Smalley LLP, and we are authorised and regulated by the Financial Conduct Authority (FCA). The FCA 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 <https://register.fca.org.uk> or by contacting the FCA on 0800 111 6768. Our Financial Services Register number is 448716.

### **2 Independent financial advice**

Not all financial advisers are independent. Some are confined to advising on the products of one or more providers of financial products and investments. We are independent. When we recommend products, we consider impartially the products of all relevant companies and recommend whatever course of action we consider to be in our clients' best interests. You can confirm our independent status by checking on the FCA Register on their website (<https://register.fca.org.uk>). Our advice is based on our current understanding of taxation and legislation.

### **3 Classification of clients**

For the purposes of compliance with the requirements of the Financial Conduct Authority, we treat our professional clients as if they were retail clients. This means that we undertake a greater obligation of disclosure and communication of risk than would otherwise be necessary, but it does not necessarily mean that professional clients will benefit from the Financial Ombudsman Service.

### **4 Service**

We are committed to providing you with the highest levels of service and we offer a variety of service propositions for you to choose from. We acknowledge that our clients have different financial planning requirements and we believe it is only fair to help you choose the appropriate service level which best fits your current needs and circumstances. Your Financial Planning Consultant will explain each service level with you during your initial meetings and you will subsequently be provided with details of both our initial and ongoing service commitment to you, and the associated costs, in writing.

### **5 Our charges**

As a professional firm, we charge fees for our services. We provide you with an initial consultation free of charge. This helps us to understand your financial objectives and we will confirm how we can support you in working towards these goals. We will also discuss the cost, and levels, of our services both initially and throughout our relationship with you. This will usually be in the form of fees, however commissions may be payable for non-investment insurance products, such as term assurance.

Details of commissions receivable by us will be disclosed in writing by us prior to any business being transacted. Where a fee is to be charged, you shall be notified of this in writing, prior to any work being carried out. VAT may be payable.

If we agree any type of commission rebate with you and you cease to pay premiums or terminate a contract in the early stages of its operation, we may have to repay all/part of the commission to the product provider. We therefore reserve the right to ask you to contribute to such repayment.

### **Standalone Investment Services and Costs**

These fees are based on a percentage of the amount you invest, subject to a minimum fee. The two steps of this process are explained here:

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#### Financial Review and Recommendation

This will be a continuation from the initial discussion, or further factfinding appointments, as required. This process covers the:

- gathering of information about your existing financial arrangements and developing a full understanding of your personal circumstances;
- understanding of your investment knowledge and attitude and tolerance towards investment risk;
- recommendation of a suitable investment solution that matches your risk profile and the subsequent assessment and suitability of any existing holdings;
- preparation of our recommendations to you;
- arranging a follow up appointment to explain and discuss our recommendations in detail.

Our charge for this service varies based on the complexity of your arrangements but is subject to a minimum of £923. We will confirm this fee in writing following our initial meeting and once we have understood your requirements

#### Policy Arrangement & Implementation – Lump Sum Investments or Transfers

Should you instruct us to proceed with (any of) our recommendation(s) 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. Again, the charges vary according to complexity and are applied as follows:

Investment Complexity/Size	Complex	Standard	Simplified	Cash Only
£0 - £499,999	3.75%	3.00%	2.25%	1.50%
£500,000 - £999,999	2.50%	2.00%	1.50%	1.00%
£1,000,000+	1.25%	1.00%	0.75%	0.50%

This payment can either be facilitated by the product provider when they receive your funds or paid directly by you. Where the implementation does not exceed the review and recommendation fee, a balancing fee will be charged.

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**Example 1;** if we arrange an investment on your behalf for £10,000 our total fees would be as follows:

Investment Complexity	Complex	Standard	Simplified	Cash Only
£0 - £499,999	£375	£300	£225	£150
Financial Review and Recommendation Fee	£923	£923	£923	£923
Total Fee Payable	£1,298	£1,223	£1,148	£1,073

**Example 2;** if we arrange an investment on your behalf for £100,000 our total fees would be as follows:

Investment Complexity	Complex	Standard	Simplified	Cash Only
£0 - £499,999	£3,750	£3,000	£2,250	£1,500
Financial Review and Recommendation Fee	£923	£923	£923	£923
Total Fee Payable	£4,673	£3,923	£3,173	£2,423

**Example 3;** if we arrange an investment on your behalf for **£750,000** our total fees would be as follows:

Investment Complexity	Complex	Standard	Simplified	Cash Only
First £499,999	£18,713	£14,970	£11,228	£7,485
Next £251,000	£6,275	£5,020	£3,765	£2,510
Financial Review and Recommendation Fee	£923	£923	£923	£923
Total Fee Payable	£25,911	£20,913	£15,916	£10,918

**Example 4;** if we arrange an investment on your behalf for **£1,250,000** our total fees would be as follows:

Investment Complexity	Complex	Standard	Simplified	Cash Only
First £499,999	£18,713	£14,970	£11,228	£7,485
Next £500,000	£12,500	£10,000	£7,500	£5,000
Next £251,000	£3,138	£2,510	£1,883	£1,255
Financial Review and Recommendation Fee	£923	£923	£923	£923
Total Fee Payable	£35,274	£28,403	£21,534	£14,663

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#### **Policy Arrangement & Implementation – Regular Savings / Investments**

Our charge for implementing a regular contribution savings or investment plan is 3% of the first year's contributions, subject to overall minimum implementation fees. You can pay this under either of the two options listed below:

- **Option 1**

You can pay this directly on commencement of the policy.

Example; if your monthly contribution is £500 and you are implementing no other investments, our Review and Recommendation Fee would be a minimum of £923 and our Policy Arrangement & Implementation fee would be £923. A total of £1,846 would therefore be payable.

Example; if your monthly contribution is £500 and you are implementing

£100,000 of other standard complexity investments, our Review and Recommendation Fee would be a minimum of £923 and our Policy Arrangement & Implementation fee would be £3,000 for the £100,000 investment and £180 for the regular investment, meaning £4,103 would therefore be payable.

- **Option 2**

You can facilitate the implementation fee through your policy.

Example; if your monthly contribution is £500 and you are implementing no other investments, our Review and Recommendation Fee would be a minimum of £923 and our Policy Arrangement & Implementation fee would be £923. A total of £1,846 would therefore be payable. This will be collected by deducting £154 each month (£1,846/12) from your monthly contributions for the first 12 months.

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 £500 pm our total charge will be £1,846. We will deduct £154 from each monthly contribution until paid in full. Should payments cease after month 6 (and £924 has been collected) the difference will be charged to you i.e. £922.

#### **Mortgages**

We have a minimum fee of £923 for a Mortgage Review and Recommendation. This is payable whether or not you decide to take out the mortgage that we recommend. For specialist mortgages e.g. buy to let or equity release, our minimum fee of £1,157 is payable whether or not you take out the mortgage. We may also be paid commission from the provider on completion.

#### **Specialist Services**

There may additional fees payable for more complex planning work and one off projects. For example (but not exhaustively) cash flow forecasting, lifetime and annual allowance calculations. For such work we would normally charge a fixed fee, which would be agreed with you before commencing work.

#### **Non-Investment Protection and General Insurance contracts**

When we arrange the sale of a protection or insurance contract, we will not charge you a fee, as we will receive a commission from the provider. The amount of this will be disclosed to you in the product literature.

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#### **Ongoing Services**

It is important to review every investment you hold and at regular intervals. At the time of, or prior to, our recommendation to you, we will discuss our on-going service proposition. This is confirmed in our Ongoing Service Agreement which will be sent to you separately from this agreement.

#### **Payment of Fees**

Fees may be payable from product charges, from you directly, or by a combination of both methods. Note that where we agree that a fee is to be paid by product charges e.g. 0.5% pa of your investment portfolio, this may be deducted monthly by the provider. Fees due will be calculated at your review date, and where payments are received from product providers, balancing fees may be payable.

#### **Trivial receipts**

We may retain sums of trail or renewal commission which are so small, relative to the overall amount of our fees payable by the client to whom they relate, that it would be inappropriate for us to be required to account for these. If you are not in agreement to this, please inform us in writing.

#### **6 Working with other professional firms**

When we are asked to advise the clients of professional firms, we liaise with those firms to ensure that our advice complements theirs. In recognition of their involvement, we may pay such firms a proportion of our remuneration, which will be disclosed in writing.

#### **7 Investment certificates and policy documents**

We arrange for all investments to be registered in the names of our clients or such nominees as they may instruct. Any investment certificates or other evidence of title to investments which we may receive will be forwarded to clients for safekeeping as soon as possible after we receive them. If there are many documents relating to a series of transactions, we will normally hold each document until the series of transactions is complete and then forward them to you. Should you have requested that we forward such documents to you via email, the email copy will be the only one that you receive, unless we have original policy documents to be forwarded to you that need to be retained in paper form.

#### **8 Advice**

We will only execute trades and other transactions for you following our advice. There may be a charge for providing this advice. We do not carry out trades or transactions on an "execution only" basis i.e. on your instruction without us providing advice (other than in exceptional circumstances).

#### **9 Communications**

We will only execute trades and transactions for you based on a written instruction (paper or email), to aid clarification and avoid future misunderstandings. Where an instruction is provided initially via email, we will telephone you to confirm your instruction. Where you contact us initially via telephone, we will ask you to confirm your instruction; either via email or in writing. Please note we will not act on oral instructions to avoid any possible misunderstandings.

Where you contact us via telephone, we may need to verify your identity. We will do this by asking you to verify some personal details.

We will establish an agreed means of communication with you, and as far as it depends on us we will implement commonly accepted security measures to protect messages we send to you.

Should you have agreed to use our eSignature system, you will be provided with separate details in respect of this system and how it works and will need to sign a separate consent document.

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#### **10 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 investments this will typically start when funds are invested and for pure protection policies this 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. Instructions for exercising the right to cancel, if applicable, will be contained in the relevant product information issued to you.

If you cancel a single premium contract, you may incur a loss due to market movements. This means that, in certain circumstances, you might not get back the full amount you invested if you cancel the policy.

#### **11 Client Money**

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

#### **12 Complaints**

Complaints should be addressed in the first instance to Graham Gordon, Compliance Officer, Moore and Smalley LLP, Richard House, 9 Winckley Square, Preston, PR1 3HP. Complaints arising in relation to business conducted after 1 December 2001 which involve financial loss or material inconvenience or material distress may be referred to the Financial Ombudsman Service. Complaints arising in respect of business conducted before that date and complaints which relate to business which is not regulated by the Financial Conduct Authority may be referred to the ICAEW (The Institute of Chartered Accountants in England and Wales). The firm reserves the right to reclaim costs and expenses reasonably incurred in defending any complaints to the Ombudsman which are of a frivolous or vexatious nature.

#### **13 Compensation**

We are covered by the Financial Services Compensation Scheme which is designed to protect private individuals and small businesses. Subject to satisfying the FSCS of your eligibility, you may be entitled to compensation from the scheme if we cannot meet our obligations.

#### **14 Disclaimer**

No responsibility can be accepted by this firm for (i) any action taken without its professional advice in reliance on the contents of any Report submitted by the firm or (ii) any advice given by referring solicitors or other professionals, whether in a joint meeting with advisers from the firm or otherwise.

#### **15 Termination**

The relationship between ourselves and our clients may be terminated by either party at any time without penalty. Notice must be given in writing. Termination will not affect instructions which have been actioned, liabilities which have been incurred, or any business already initiated on your behalf before receipt of the written notice. We do however reserve the right to charge a reasonable fee for the services provided to you.

**I/We agree to the terms above and confirm receipt of these terms and Moore and Smalley LLP's standard terms of business.**

*These terms will be regarded as accepted by you and to have superseded any previously agreed terms.*

