

# Client Agreement

## General

Our aim is to provide you with the highest level of service possible. As part of this commitment and to explain the basis on which we operate, we have set out our terms of business in this document. These terms and conditions of business must be read in conjunction with any fee agreement issued to you and also any suitability report, product literature or key features documents provided.

The provisions of this Client Agreement will take effect immediately that they are provided to you and will continue in force until they are cancelled by you or us, or they are replaced by an updated Client Agreement.

**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 as, by signing them, you consent to the terms contained within, including the authorisation to transfer information between parties. If there are any terms within this agreement that you do not understand please ask for further information.**

The content of this client agreement may be changed at any time in the future but such changes will not be acted upon until you have given your consent by signing an amended agreement.

## Our Status

Blacktower Financial Advisers Ltd (BFA), whose principal offices are at 80, Coombe Road, New Malden, Surrey, KT3 4QS, is authorised and regulated by the Financial Services Authority ("FSA") as Independent Financial Advisers. The company is listed on the FSA register and its Registration Number is 188408. Our Registered Office is at Devonshire House, 60 Goswell Road, London, EC1M 7AD.

You can check this and our address on the FSA's Register by visiting the FSA's website at [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) or by contacting the FSA at 25 The North Colonnade, Canary Wharf, London E14 5HS, telephone number 0845 606 1234.

## Our Services

As independent financial advisers we are able to advise upon the widest possible range of products available from different companies from the whole of the market and from a range of insurers.

Our permitted business is advising on and arranging pensions, savings and investment products, mortgages, equity release products and non investment insurance contracts.

From time to time we may also provide services or recommend other investments which are not regulated by the FSA and we will advise you of this at the time the recommendation is made, e.g. commercial property finance, buy-to-let mortgages, and unregulated collective investment schemes.

Our advice will be confirmed to you in a suitability letter or report that will be sent to you explaining our recommendations. This is an important document and should be retained as a reminder of why the recommendations were made.

When we have arranged any investments for which you have given us instructions, we will not give you any further advice, or keep your investments under review, but we will be glad to advise you at any time you ask us to do so.

If you have subscribed to our ongoing review service we will make regular contact with you in accordance with the agreed frequency.

## Client Classification

There are three possible client classifications that might apply; *retail*, *professional*, and *eligible counterparty*. BFA classify all clients as *retail* clients which means that they are afforded the greatest level of regulatory protection available.

You have the right to request a different categorisation but such a re-categorisation may result in the loss of some or all of the regulatory protections. If you request a different categorisation, BFA reserves the right to withdraw any offer to provide services to you.

## Remuneration

Following our first meeting, which is without charge, and regardless of whether you make a financial transaction through us or not, you will pay us a pre-agreed fee for our advice and services, which will become payable on completion of our work.

We will discuss your payment options with you and answer any questions you may have. You may request an estimate of how much in total you might be charged. You may also issue instructions that a given amount should not be exceeded without first consulting with you. More than one type of fee may be payable for each recommendation. There is no additional cost to you for using a means of distance communication. In the event you have been introduced to us by another professional adviser or introducer, we reserve the right to pass on a portion of the remuneration we receive to the professional adviser or introducer for effecting the introduction. This will be disclosed to you.

In the event that you become a client of BFA and agree, in writing, to the undertaking of a considerable amount of work and then decide not to proceed with our recommendations, we reserve the right to invoice you for the time spent working for you.

## Financial Planning:

### Paying by fee

Depending on the nature of services you receive from us we apply the following fees.

#### *Stage 1 – Initial advice*

Financial Planning Report	Fee range
Financial planning report	£750 - £3,000
<i>The cost of the report produced will depend upon the complexities of the individual client's circumstances and the nature of our bespoke advice.</i>	

The amount to be charged will be agreed with you in advance of any work being carried out on your behalf and will be confirmed in a Letter of Agreement, which must be signed by you.

VAT will usually be payable

#### *Stage 2 – Implementation fees*

Our advice may include a recommendation for you to make an investment or contribution to an investment product or service. Tiered implementation fees will be levied based on a percentage of the investment or contribution amount as detailed in the following table:

Investment/Contribution amount	Tiered Fee %
First £100,000	3%
£100,001 - £250,000	2%
Amount above £250,000	1%

Full details of our implementation fees will be covered in writing prior to you deciding to invest or contribute. We may receive payment either as commission from the product provider or as a fee from a third party. If we receive commission from a product provider on implementation, this will be disclosed to you and we will pass on the full value of that payment either through a reduction in our fees, a reduction in your product charges, an increase in investment amount or via a refund to you.

VAT will not usually be payable

### *Stage 3 – Wealth management*

Where Blacktower arrange or set up investments or schemes on behalf of our clients we typically receive a share of the provider's investment management charges that are levied annually on the investments. This is often referred to as 'trail' income. The setting up of any such arrangement will be disclosed to you in advance and will not normally exceed an amount equivalent to 0.5% of the value of the portfolio on which we have provided advice and/or for which we hold the servicing rights.

Those client's whose portfolios generate in excess of £750 per annum, as detailed above, will receive annual reviews and portfolio valuations as a matter of course. Additional work over and above these reviews and valuations may be subject to additional charges which will be agreed with you in advance. Those clients whose portfolios do not generate trail income in excess of £750 per annum may opt for our bespoke Wealth Management Review Service (details available on request), subject to a minimum annual fee of £750 (+ VAT).

Clients who do not require our Wealth Management Review Service will receive ongoing administrative support, but any reviews or further advice will be subject to additional fees.

### *Hourly rate*

In certain circumstances it may be appropriate for us to charge on an hourly basis. Our typical charges are:

<b>Individual</b>	<b>Hourly fee rate</b>
Director	£220 - £260
Financial Adviser	£140 - £200
Assistant	£80 - £120
Administrator	£40 - £60

VAT will usually be payable

### *Paying by commission (through product charges)*

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

Typically these payments will be the same as our rates shown in the *Stage 2 – Implementation fees* table above. In all cases we will disclose to you how we get paid and the amount in our report and on the contract illustration that will also be provided.

With your agreement, where we are unable to enhance the value of your investment we may retain provider payments greater than our initial fee to cover future charges.

In respect of any regular premium/protection policy which we have arranged for you, 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 confirm the exact amount that will need to be repaid by you and the timescale over which it will need

to be repaid in the suitability report we will send you when a recommendation is made. We will not charge any such fee if you exercise your right to cancel in accordance with any cancellation notice sent to you by the life insurance company.

### Insurance:

A fee may be charged for advisory services dependent upon individual circumstances. Where we receive commission from the provider, we will not charge a fee for arranging Income Protection, Term assurance and/or Critical Illness cover and Private Medical Insurance.

You will receive a quotation which will tell you about any costs or charges associated with any particular insurance policy, and the commission we receive from the insurer.

### Employee Benefits:

All fees will be agreed with you in advance of any work being undertaken on your behalf.

#### *Preliminary services*

Service	Fee range
First meeting	No cost if local to offices
Production of report and recommendations	£1,000 - £10,000
<i>Dependent upon the complexity and range of benefits being provided</i>	

#### *Installation of the Benefit Programme*

Benefit/Cover	Fee range
Employer-sponsored pension scheme	£1,250 - £5,000
Stakeholder pension designation	£500
Group risk benefit schemes	£750 per scheme
Presentation to employees	£1,000 - £2,500
<i>Dependent upon complexity, range of benefits and number of employees</i>	

#### *On-going administration*

Benefit/Cover	Fee range
Employer-sponsored pension scheme	£10 - 20 p.m. per "active" member
Individual meetings with employees (other than annual review)	£150 each
Pension scheme joiner/leaver	£200
Transfers into employer pension scheme	£200
Group risk benefit schemes	10% of annual premium (min. £500)
Annual employer review meeting	£1,250
<i>There is no additional charge for access to our dedicated support team/advisers should employees have any queries relating to the benefit programme</i>	
<i>Any payments received from third party providers will be accounted for within the above fees.</i>	

#### *Review of an Existing Benefit Programme*

A fee between £500 and £8,500 will be charged, dependent upon the complexity of the programme.

**Commercial Property Finance:**
*Research/Application Fee*

Service	Fee
Upon receipt of the required information from you, we will present to a panel of lenders on your behalf.	Arrangements less than £1 million, a fee £495+VAT will be charged. This is non-refundable, but will be offset against any subsequent lender fees received. No research fee will be charged for arrangements of more than £1 million.

*Success Fees*

Delivery	Fee
Production (by a lending source introduced or instructed by BFA) of a formal offer letter.	0.25% of the total advance offered, payable on signed acceptance of the offer, exclusive of any lenders fees.
Upon completion	0.5% of the loan amount or 50% of the lender's initial arrangement fee, whichever is greater. Additionally, we will receive 50% of any future fees that may be paid to the lender within a period of 3 years from initial drawdown, typically on completion of the finance.
For our <b>Premium Service</b> (details available) an additional fee of £750 + VAT is payable on signed acceptance of the offer letter.	

All fees payable under this agreement remain due to Blacktower if the Offer of Advance is issued or advance monies released to any Company associated with the Client or to any other person, partnership trust or corporate body with whom the client has a connection.

**Residential Property Finance**
*Application Fee*

Service	Fee
Upon receipt of the application from you, we will forward this to the selected lender(s).	£295 This is non-refundable.

*Success Fees*

Delivery	Fee
Upon completion	0.5% of the loan amount, subject to a minimum of £750.
Where we receive a procuracy fee from the lender, this may be used to meet our fees or be refunded to you. For example, on a loan amount of £200,000 there would be an arrangement fee of £295 and a transaction fee of £1,000, a total fee of £1,295. You will be provided with a Key Facts illustration when considering a particular mortgage which will tell you about any fees relating to it.	
For our <b>Bespoke Service</b> (details available) additional fees may be payable. We will agree these with you prior to commencing any work on your behalf.	

**Your Responsibility**

It is your responsibility to provide complete and accurate information to us, lenders, investment houses and insurers when we effect any business on your behalf, throughout the life of the plan, policy or mortgage, and when you renew any insurance. It is important that you ensure that all statements you make on proposal and/or claim forms and other documents are complete and accurate. We cannot be held responsible for incorrect data held in the event of non-disclosure.

If you fail to disclose any material information to us or third parties with whom we deal on your behalf, this could invalidate your insurance cover and/or terms of any contract and could mean that part or all of any claim may not be paid.

Unless otherwise agreed with you and confirmed in writing, when we have arranged any investments for which you have given instructions, we will not normally give you any further advice unless you request it, but will be glad to advise you or review the investments at any time you ask to do so, subject to our remuneration arrangements at the time.

## **Communicating with You**

At the discretion of BFA, and unless you give instructions to the contrary, BFA may contact you from time to time between the hours of 9am to 9pm, Monday to Friday, without your further prior consent to such contact.

## **Client Instructions**

We require our clients to give us instructions in writing, to avoid possible disputes. We will, however, accept oral instructions but prefer them to be confirmed in writing. At our discretion we may refuse to accept certain instructions but such discretion will not be exercised unreasonably.

## **Conflicts of Interest**

We will act honestly, fairly and professionally when conducting business with our clients. Occasions can arise when we, or one of our other clients, will have some form of interest in the business that we are transacting for you. If this happens, or if it becomes apparent that BFA's interests conflict with your interests, you will be informed in writing and your consent will be sought before your instructions are carried out.

## **Cancellation rights**

In most cases you can exercise a right to cancel, by withdrawing from the contract recommended to you. 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. In most instances, you will not be able to exercise a right to cancel a mortgage contract, unless the contract is concluded at a distance (i.e. no face to face advice), at which point you may have a 14 day cancellation period.

The start of the cancellation period will normally begin, for pure protection policies, when you are informed that the contract has been concluded or, if later, when you have received the contractual terms and conditions. In other cases, the cancellation period will begin on the day the contract is concluded or, if later, the day on which you receive the contractual terms and conditions. Instructions for exercising the right to cancel, if applicable, will be contained in the relevant product disclosure information which will be issued to you.

## **Quality of Service and Complaints**

If you have any complaint about the advice you receive or a product that you have taken out through BFA please write to the Complaints Investigation Officer, Blacktower Financial Advisers Ltd, 80 Coombe Road, New Malden, Surrey, KT3 4QS. Telephone number: 020 8336 6350.

If you lodge a complaint, you will be provided with a copy of our Complaints Procedures but copies can also be provided on request.

If, after your complaint has been reviewed and our final position has been communicated to you, you remain dissatisfied, you have the right to refer your complaint to the Financial Ombudsman Service. You will be provided with a brochure giving details of the service.

## Risk Factors

BFA will notify you of any specific risk factors that apply to the product or service that is being recommended or provided for you in the suitability letter.

You should be aware that past performance is no indicator of future performance. The value of your investment can go down as well as up and you may not get back all that you invested. Your home is at risk if you do not keep up repayments on a mortgage or other loan secured on it.

## Compensation

We are 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. With effect from 1 January 2010 the following rates will apply:

- **Investment**  
Most types of investment business are covered for up to a maximum limit of £50,000.
- **Insurance**  
Insurance advising and arranging is covered for 90% of the claim, without any upper limit.
- **Mortgages**  
Mortgage advising and arranging is covered for up to a maximum limit of £50,000.

Further information about compensation arrangements is available from the Financial Services Compensation Scheme whose internet address is <http://www.fscs.org.uk>.

## Money Laundering

In accordance with the Money Laundering Regulations 2007, your identity must be verified before any business relationship can be entered into; this includes the giving of advice. If the required verification is not provided we will not be able to arrange any investment for you.

Any persons suspected of money laundering, tax offences or other suspicious activity including the non-provision of satisfactory evidence of identity will be reported to the Serious Organised Crime Agency (SOCA).

Electronic data sources can provide a wide range of confirmatory material without the need to involve you, the client. Although a search for identity verification for anti-money laundering purposes does not require your permission, you should be aware that such a check may take place.

## Documentation, order execution and ownership

BFA will make arrangements for all investments to be registered in your name unless you instruct us otherwise in writing. Unless instructed in writing to the contrary, all contract notes and documents showing ownership of your investments will be forwarded to you as soon as practicable after receipt by BFA. Where a number of contract notes and documents of title are involved we will await arrival of all of them before sending them to you. All contract notes, cheques, policies and other documents will be sent to you by post and will be sent at your own risk.

In executing and transmitting orders on your behalf to third parties, we will take all reasonable steps to ensure that we obtain the best possible result for you in terms of best execution.

Certain transactions may require the transfer of funds between service or product providers. We cannot be held responsible for any delays or consequential financial loss as a result of the actions of such third parties.

Where we place or transmit orders for such investments on behalf of our clients, we may utilise the services of a third party broker and base our decision to place or transmit an order on the price and cost of execution of the order. For orders in collective investment schemes, e.g. unit trusts, the price of units or shares in the scheme is normally set by the scheme operator or manager and as such we have no influence on the price available.

## Your Money

BFA is not authorised to handle client money, neither do we ever own the investments that you buy through us. Cash or cheques payable other than for settlement of fees, charges or disbursements for which we have sent you an invoice, as described in **Our Remuneration** above, cannot be accepted.

## Personal Information and Data Protection

Data provided by you, and with your consent, obtained from other sources such as investment companies, mortgage lenders, pension and insurance companies, will be collected by BFA, may be maintained on computer records and will not be disclosed to other parties except other businesses within the same group, representatives of our compliance advisers, our auditors, and any organisation requiring access to such information for regulatory purposes only, or any person having a legal entitlement to access.

Where we are providing advice in conjunction with your accountant you also consent to us providing him/her with relevant information.

We may also use this data for other related purposes such as creating and maintaining records, analysis for management purposes and statutory returns, crime prevention and legal and regulatory compliance.

In accordance with our responsibilities under the Data Protection Act, you should be aware that the personal information we acquire on your behalf or which you choose to provide will not be passed to any person or organisation outside BFA unless we have your consent, or where we have a legal obligation or have the statutory powers to do so, or when required to do so by law in response to a valid legal request by a law enforcement officer or government agency. All data will be held subject to the rules and regulations contained within the Act and any confidentiality agreements that may be in place.

It is your responsibility that the information we hold is accurate and up to date. You should notify us whenever there is a change in your circumstances.

It will be understood by BFA that, in providing personal information and signing this agreement, you agree to its use by BFA under these conditions.

### *Right of Access to Personal Data*

You are entitled, upon written request and the payment of a fee, currently £10, to be informed whether personal data of which you are the subject is being processed by BFA and to be given a description of:-

- the personal data of which you are the subject,
- the purposes for which it is being or is to be processed, and
- the recipients or classes of recipients to whom it is or it may be disclosed.

You are also entitled to have communicated to you in an intelligible form:-

- the information constituting any personal data of which you are the subject,
- any information available to BFA as to the source of the data

BFA is not obliged to comply with a request under this section unless supplied with such information as may reasonably be required in order to prove your identity and to locate the information which you seek.

Where some or all such pertinent records are stored and maintained on computers, and in order to meet BFA's confidentiality agreements with its other clients, such records may be provided to you in a durable, printed form.

BFA shall comply with a request under this section promptly and in any event before the end of the prescribed period of 40 days from the day on which we receive the request or, if later, the first day on which we have received both the required fee and the information referred to above.

