

# Client agreement and terms and conditions for the supply of financial services



*ifs* **Financial Management**

Last updated 12th December 2011

IFS Financial Management Ltd is Authorised and Regulated by the Financial Services Authority



These terms and conditions set out the basis upon which we will conduct business on your behalf.

## 1 DEFINITIONS AND INTERPRETATION

1.1 In these Conditions, the following definitions apply:

<b>Commencement Date:</b>	the date a copy of these Conditions is accepted by you as evidenced by your signature, after you have read them after receiving them either in the mail, by email or fax or being handed to you personally, or viewed them in full on our web site <a href="http://www.ifs-online.co.uk">www.ifs-online.co.uk</a>
<b>Conditions:</b>	these terms and conditions as amended from time to time
<b>Contract:</b>	the contract between us and you for the supply of the Services in accordance with these Conditions
<b>FSA:</b>	the Financial Services Authority
<b>Party/ies:</b>	you and us, being the parties to the Contract
<b>Products:</b>	financial products relating to life assurance, investments, pensions, unit trusts, OEIC's and other collective investment schemes, ISA's, Personal Equity Plans and other securities and insurances
<b>Services:</b>	financial advice relating to the Products, as more specifically set out in Schedule 1
<b>we/us/our:</b>	IFS Financial Management Limited registered in England and Wales with company number 04375278 and registered office of 6A Castle Street, Christchurch, Dorset BH23 1DT
<b>you/your:</b>	you, the customer of the Services.

1.2 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).

1.3 A reference to a party includes its personal representatives, successors or permitted assigns.

1.4 A reference to a statute or statutory provision is a reference to such statute or statutory provision as amended or re-enacted. A reference to a statute or statutory provision includes any subordinate legislation made under that statute or statutory provision, as amended or re-enacted.

1.5 Any phrase introduced by the terms **including, include, in particular** or any similar expression, shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

1.6 A reference to **writing** or **written** includes faxes and e-mails.

## 2 BASIS OF CONTRACT

2.1 The Contract shall come into force on the Commencement Date and shall remain in force until it is terminated in accordance with these Conditions.

2.2 The Contract constitutes the entire agreement between the parties. You acknowledge that you have not relied on any statement, promise or representation made or given by



or on behalf of us, which is not set out in the Contract.

- 2.3 These Conditions apply to the Contract to the exclusion of any other terms that you seek to impose or incorporate, or which are implied by trade, custom, practice or course of dealing.
- 2.4 Unless we notify you in writing to the contrary, we will treat you as a Retail Client (as defined in the FSA rules).

### **3 SERVICES**

- 3.1 Prior to providing the Services, we may require you to complete a fact find form giving details of your personal and financial circumstances to establish what services are required. We will assist you fully in completing any documents provided.
- 3.2 Subject to clause 3.5 below, the Services will be provided using reasonable care and skill, for example, we will take all reasonable steps to ensure that we execute orders for Products on terms most favourable to you.
- 3.3 Unless you instruct us otherwise, all Products shall be registered in your name.
- 3.4 Following completion of the Services, we shall forward to you all Product-related documentation confirming registration of your investment as soon as practicable. Where a series of investments are being made, we may wait until completion of that series, before forwarding you such documentation.
- 3.5 Investments which are not readily realisable 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.
- 3.6 We retain the right to make any changes to the Services which are necessary to comply with any applicable legal requirement, or which do not materially affect the nature or quality of the Services, and we shall notify you in any such event.

### **4 CLIENT OBLIGATIONS**

- 4.1 You shall co-operate with us in all matters relating to the Services and provide us with such accurate information and materials as we may reasonably require in order to supply the Services.
- 4.2 If you are a company or a trustee, you warrant that you have the necessary power and authority to enter into the Contract pursuant to your constitutional documents (and trust documents if appropriate) and you accept the obligations contained herein.
- 4.3 All undertakings and confirmations given or made collectively by two or more persons under the Contract shall be deemed to be made by such persons jointly and severally and any liability arising as a result shall be joint and several.

### **5 INSURANCE POLICIES**

- 5.1 Where the Services include us putting in place an insurance policy, you should not rely on that policy until we have confirmed to you in writing that the insurance cover is in place.
- 5.2 You have a responsibility to provide complete and accurate information to insurers and to us on an ongoing basis:



- 5.3 when you instruct us to purchase, renew or effect any mid-term changes to an insurance policy; and
- 5.4 throughout the life of the policy, which means disclosing any ‘material facts’ that may arise after you have entered into an insurance contract, but before renewal or mid-term changes.
- 5.5 Material Facts include anything known to you which is likely (or which you ought to realise is likely) to influence the insurer’s decisions relating to the insurance policy provided.
- 5.6 Failure to immediately disclose a Material Fact or any inaccuracy in the information given may result in your insurance cover being invalid or not fully operative and may entitle the insurer to refuse to deal with your claim.
- 5.7 All incidents that may give rise to a claim must be notified to us or your insurer without delay and a claim form completed where required. Delay in notifying a claim may entitle the insurer to decline a claim.

## **6 CONFLICTS OF INTEREST**

- 6.1 We shall endeavour to act in your best interests, however, should a situation arise where we or one of our other clients has an interest in the business being transacted for you, we will notify you of the general nature of the conflict, detailing steps we will take to appropriately manage it and we will obtain your consent before we proceed with your instructions.

## **7 COMMUNICATION**

- 7.1 Subject to clause 7.2 below, we will communicate with you through whatever means are convenient to you and us, including in writing, by email, in person or by telephone.
- 7.2 Unless otherwise confirmed by us, we require all instructions to be confirmed by you in writing. If we agree to accept instructions by email, you should expect your email instructions to be acknowledged within 24 hours. In the event that you do not receive an acknowledgement from a named member of our staff, it may be possible that your instructions have not been received and you should telephone us. Automatic delivery receipts generated by email software programs are not to be taken as evidence that your instructions have been received and understood by us.

## **8 FEES**

- 8.1 We will either:
  - 8.1.1 charge a fee directly to you for the Services (“Fees”); or in circumstances where it is unavoidable,
  - 8.1.2 be paid by a commission, in which case such commission will be deducted from your investment funds by offsetting against the monies paid to you by the Product provider (“Commission”), or allowed for in the calculation of an insurance policy premium or pension annuity rate.
- 8.2 How we charge you will depend on the type of Product and we will notify you of how and what charges will be incurred prior to commencing the Services.



- 8.3 Any excess monies paid by a Product provider (after Commission has been deducted) will be rebated to your investment funds.
- 8.4 Invoices for Fees are payable within 21 days of the date of the invoice and we reserve the right to charge interest for late payment of the Fees at a rate of 4% above the Bank of England's base rate from time to time, from the date the invoice becomes overdue to the date of payment.
- 8.5 Details of the Fees and Commission are more particularly set out in Schedule 2 "Information About Our Services".

## **9 CLIENT IDENTITY**

- 9.1 We are legally obliged, by virtue of the Proceeds of Crime Act 2002 and other anti-money laundering legislation, to verify your identity prior to delivering the Services and we will be unable to provide the Services until we hold sufficient evidence of your identity.

## **10 DATA PROTECTION**

- 10.1 We will treat all of the information you provide to us as private and confidential and we will not use it for any purpose or disclose it to any person (unless you ask us to or give us permission) other than as set out herein.
- 10.2 For the purposes of the Data Protection Act 1998 we will be responsible for determining the purposes for which, and the manner in which, the personal data you provide to us will be processed and we are committed to compliance with all relevant data protection legislation. We take appropriate technical and organisational measures to maintain the security of your personal data in order to protect it against unauthorised and unlawful processing and against any accidental loss, damage or misuse.
- 10.3 You acknowledge and agree that unless you advise us otherwise, your data will be held, processed and used by us and our employees, representatives or financial planners who need to know the information for the purposes of carrying out our obligations herein. We will take reasonable steps to ensure the reliability of all those who have access to your personal data. Unless you advise us otherwise, we may also disclose your personal data to:
  - 10.3.1 third parties such as regulatory authorities, fraud protection or credit risk companies, organisations such as the Serious Organised Crime Agency or bodies with statutory powers such as the Department of Work and Pensions, in order to comply with statutory, legal or regulatory obligations, or otherwise as may be required by law, court order or any governmental or regulatory body;
  - 10.3.2 other intermediaries that are regulated by the FSA where necessary for the purposes of transferring or delegating our responsibilities for the administration or implementation of your products or investments, or upon the sale or transfer of all or part of our business;
  - 10.3.3 any of our subsidiaries from time to time (having the meaning given in section 1159 of the Companies Act 2006) for the purposes of enabling them to provide you with information about products and services where you have not opted out from receiving such information;



- 10.3.4 third party product providers, lenders, insurance companies, investment managers or other similar persons who may administer your products or investments, or are otherwise involved in providing the financial planning services to you; or
- 10.3.5 any other third parties appointed by us to provide services on our behalf.
- 10.4 If you are a company or a trustee, the provisions of this section will apply to the personal data of the individuals that you disclose to us (e.g. your employees or beneficiaries) and by submitting their personal data you confirm that you have obtained the necessary consent from such individuals to do so for the purposes of this Agreement.
- 10.5 We will retain your information and records of the transactions completed on your behalf for up to 6 years. You may request a copy of your records at any time but we reserve the right to make a charge for this service. Any charge will be notified to you in advance.
- 10.6 Due to the nature of the internet, the security of emails cannot be guaranteed and the content of emails may not remain private or unaltered during internet transmission. We accept no liability for any damages that you or any other party may suffer as a result of the loss of confidentiality or any alteration of any emailed information.

## **11 CANCELLATION**

- 11.1 You have the right to cancel a Product:
  - 11.1.1 within 30 days of the commencement of the policy if it relates to investment; and
  - 11.1.2 within 14 days of the commencement of the policy if it relates to insurance.
- 11.2 Cancelling a product or investment does not affect your liability to pay for any financial planning services already provided by us in accordance with the Contract.
- 11.3 If you cancel a Product such as an investment which has fallen in value due to market movements in the time between the date of investment and the date of cancellation, you will be liable for reasonable losses relating to that Product. You should be aware that as the value of investment-related Products can fluctuate, in certain circumstances the return of such an investment may be less than the capital originally invested.

## **12 TERMINATION**

- 12.1 You, or we, may terminate the Services at any time, for any reason, by confirming in writing, provided that you have paid all outstanding fees.
- 12.2 Termination will not affect the completion of any transaction already initiated on your behalf and you will remain liable for payment of any fees or disbursements due to us in relation to services performed up to and including the date of termination, together with the appropriate proportion of any periodic fee due in accordance with the terms set out herein.
- 12.3 Subject to any other provision in these Conditions, on termination for any reason, we will return or destroy all information you provided to us as soon as reasonably practicable, save where we are required to retain copies of information in accordance with our legal or regulatory obligations.



### 13 REGULATION

- 13.1 We are authorised and regulated by the FSA. Our FSA number is 225384 and our name, address and inclusion on the FSA Register can be checked by visiting the FSA website [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) or by contacting the FSA on 0845 606 1234.
- 13.2 We are not authorised to handle client money. We never accept a cheque made out to us or handle cash, except for the payment of fees or disbursements for which we send you an invoice.

### 14 COMPLAINTS

- 14.1 We endeavor to provide you with a high level of customer service. However, if you have a complaint you should contact: Complaints Manager, IFS Financial Management Limited, 6A Castle Street, Christchurch, Dorset BH23 1DT. You may make your complaint either orally or in writing. Copies of our formal complaints procedure are available upon request.
- 14.2 If the fault alleged in the complaint is either the sole responsibility of another firm or the joint responsibility of another firm and us, we will notify both you and the other firm of our intention to refer the complaint to that other firm.
- 14.3 If you are unable to resolve your complaint with us to your satisfaction, depending on the circumstances you may be entitled to refer your complaint to the Financial Ombudsman Service, full details of which can be provided upon request, or are available on its website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) or by contacting 0845 080 1800.
- 14.4 We are covered by the Financial Services Compensation Scheme ("FSCS") and depending on the type of business and the circumstances of the claim, you may be entitled to compensation from the FSCS. Full details of the scheme are available at [www.fscs.org.uk](http://www.fscs.org.uk) or by contacting 020 7892 7300.

### 15 FORCE MAJEURE

- 15.1 For the purposes of this Contract, **Force Majeure Event** means an event beyond our reasonable control including but not limited to strikes, lock-outs or other industrial disputes (whether involving our workforce or any other party), failure of a utility service or transport network, act of God, war, riot, civil commotion, malicious damage, compliance with any law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, fire, flood, storm or default of suppliers or subcontractors.
- 15.2 We shall not be liable to you as a result of any delay or failure to perform our obligations under the Contract as a result of a Force Majeure Event.
- 15.3 If the Force Majeure Event prevents us from providing any of the Services for more than 6 weeks, we shall, without limiting our other rights or remedies, have the right to terminate the Contract immediately by giving you written notice.

### 16 SEVERANCE

If any provision of these Conditions is found to be invalid or unenforceable in whole or in part that provision shall, to the extent required, be deemed not to form part of the Contract and the validity and enforceability of the other provisions will not be affected.



**17 RIGHTS OF THIRD PARTIES**

A person who is not a party to the Contract shall not have any rights under or in connection with it.

**18 LAW & JURISDICTION**

This Contract, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with, English law, and the parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales.

**I agree to the Conditions stated above or viewed by me on the IFS-Online web site and confirm that I have received or viewed and understood the document Information about Our Services.**

**Signature** ..... **Name** .....

**Signature** ..... **Name** .....

**Date** .....



## SCHEDULE 2- BASIS OF FEES & COMMISSION

- 1 Our fee for Initial Financial Planning is usually based on hourly rates, detailed in the following Scale of Fees (Schedule 3). We will estimate the fee in advance and the estimate will not be exceeded without your agreement in writing. This fee is payable after we have completed the initial financial strategy report. A further time costed fee will be quoted for implementation depending on what you require.
- 2 This Implementation fee is payable (plus VAT if applicable) when the initial actions pursuant to the Initial Financial Planning have been completed and an invoice will be submitted to you accordingly. Review Fees are payable on a percentage of funds or fixed fee basis at the client's option - details are in the Scale of Fees
- 3 For Insurance plans, where our advice is to implement Term Assurance, Critical Illness, Income Protection, Severity Illness Cover or Whole of Life cover, rather than charging the Implementation fee we may be paid a commission, disclosed to you at the time we offer our advice, and this may be used to cover all or part of the Fee. If the available commission does not match the minimum fee, the difference is payable by you.
- 4 For Annuity products, you will be charged a maximum fee of 1.5%, payable when the initial actions agreed have been completed and again, any commission received from the Product provider can be used to cover this fee. If commission does not match the minimum fee we would need to complete the work, then we may ask you to pay a top up fee, but will not proceed without your agreement to the extra cost.



## SCHEDULE 3 - FEE SCALE

(If VAT is applicable, you will be advised but most of our work is exempt)

### Hourly Rates

Chartered Financial Planner/Director	£150
Paraplanner Specialist Technician	£75
Administration Support	£50

### Service Contracts

(we will not normally accept clients unless a service contract is agreed)

These fixed rates assume that no trail commissions are received from investments, or it is fully rebated to the investment portfolio. This means that investments must be held within a “wrap” or on-line dealing platform with completely transparent charges and pre-determined adviser remuneration. It is a condition of our service agreements that all investments are held in this way so far as is practical.

### PERCENTAGE OF FUNDS INVESTED

If the platform service is used to pay our fees as a percentage rate this will usually be at 0.5% per annum of the invested balance. The maximum fee will be 1% per annum. All clients will be asked to agree a percentage rate at the start of the contract. The service delivered will vary according to the balance invested and the percentage agreed.



## FIXED PAYMENT SERVICES

### COMPREHENSIVE

£125 per month

Includes:

- Completely bespoke portfolio(s) designed and reviewed by IFS fund selection and review group
- Comprehensive in depth portfolio report twice a year with full performance analysis
- Half yearly review meeting with financial planning aspects dealt with as appropriate
- Option for quarterly meetings *if requested* at no extra charge
- Informative Regular Investment Updates and access to member only website articles, fund commentaries.
- Advisers personal email and mobile phone contact points with out of hours assistance available
- Telephone advice free of further charge without limit
- Named deputy adviser
- *Any project/transactional work charged at 75% of hourly rate only.*

### HALF YEARLY REVIEW

£75 per month

Includes:

- Choice of fully bespoke portfolio with automatic annual reviews or risk graded model portfolios with reviews at our discretion.
- Portfolio report with commentary and recommendations twice a year/quarterly for model portfolios
- Automatic annual face to face review meeting
- Extra half yearly meeting *pro-actively offered* at no extra charge
- Informative Regular Investment Updates
- Telephone advice free of further charge without limit
- *Project and transactional work charged at 90% of hourly rate*

### ANNUAL REVIEW

### OR EMPLOYEE PENSION SCHEME MEMBER SUPPORT £40 per month

Includes:

- “In House” model portfolios available, using our preferred fund shortlist
- Pension fund selection advice for employees and review commentary every year
- 2 hours of telephone advice on any financial matter included
- Face to face meeting available once a year, on request.
- Option to choose risk graded model portfolio with regular reviews at our discretion

EXTRA COSTS: Support for USP/Phased Retirement £15 per month  
(Free to Comprehensive Service Clients or clients paying percentage fees)



## Notes

- 1 Monthly fixed fees are payable by standing order only, in arrears starting 3 months after completion of initial work - no minimum period, no notice required to terminate.
- 2 ***The fees shown cover the review reporting required in respect of investments already in place and the selection of new investments on a regular basis but do NOT include processing and documentation to meet the requirements of the FSA associated with new financial planning projects such as the receipt of new capital sums, retirement or Inheritance Tax Mitigation plans.***

However, at the higher fixed price service levels some otherwise applicable time based fees will be discounted as stated.

The price for recommendations relating to new monies and the associated compliance work will be quoted on each occasion because the work required is quite variable in content. The documentation will be kept to the minimum required by the regulator or best practice, but such record keeping and the formal provision of written explanations and risk warnings are both sensible and unavoidable. It is also necessary to obtain, check and record contract notes and policies, even when using electronic dealing platforms.

- 3 No extra charge is made for travelling time or expenses where a home visit is required within the counties of Hampshire, Dorset, Wiltshire, Somerset and Surrey. For other journeys an extra charge will be quoted with the fee estimate. Public transport charges (eg to London or Isle of Wight) will be charged at cost.

# *ifs* Financial Management



**For more information contact:**

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