Macbeth Scott & Co Life & Pension Services Ltd

Our Client Agreement

Please read this Agreement carefully. If you ask us to start or continue acting for you after you have received this Agreement, we will treat this as your acceptance of these terms, unless the law requires your express signed or written consent for a particular matter.

If there is something you do not understand, please do not hesitate to contact a member of the team.

This document sets out the rights and obligations of Macbeth Scott & Co Life & Pension Services Ltd, and you (the Client). It also sets out the terms under which our services are to be provided, including details of the specific services and a summary of the charges.

Macbeth Scott & Co Life & Pension Services Ltd is 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 FCA's Register by visiting the FCA's website: https://register.fca.org.uk.

Our FCA number is 131459.

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1 Our Services

Macbeth Scott & Co Life & Pension Services Ltd acts on your behalf to advise you on investments and non-investment insurance or protection contracts.

Investments

- ✓ We offer an independent advice service.
- ✓ We will recommend investments based on an assessment of a sufficient range of relevant products available on the market which is diverse in terms of product type and provider to ensure that your investment objectives can be suitably met.
- ✓ We will place no restrictions on the markets considered, unless you instruct us otherwise.
- ✓ We will only make a recommendation when we know it is appropriate for your personal circumstances.

Non-investment protection contracts

- ✓ We offer non-investment protection products, such as term assurance, income protection and critical illness from a range of insurers.
- ✓ We will recommend non-investment protection products based on a fair and personal analysis of the market.

Full details of the products we recommend will be confirmed in the product literature you will receive before it is arranged. We will inform you if any investment we recommend restricts future access to your capital. We are not taxation specialists and cannot accept responsibility for taxation advice. Clients must be responsible for their own taxation position, and we strongly recommend that clients take advice on taxation matters from a qualified accountant. If you reside outside of the UK, you may wish to seek further advice from a local adviser in your place of residence regarding the impact of our advice in relation to local taxation, practices, and law.

Please be aware that investments carry varying degrees of risk and that, as their underlying value can fall as well as rise, you may not get back the full amount invested.

2 Our Commitment to You

Unless we notify you in writing to the contrary, we will be treating you as a 'retail client' for investment business and as a 'consumer' for protection advice. This means that you are afforded the highest level of protection under the regulatory system and should have the right to take any complaint to the Financial Ombudsman Service.

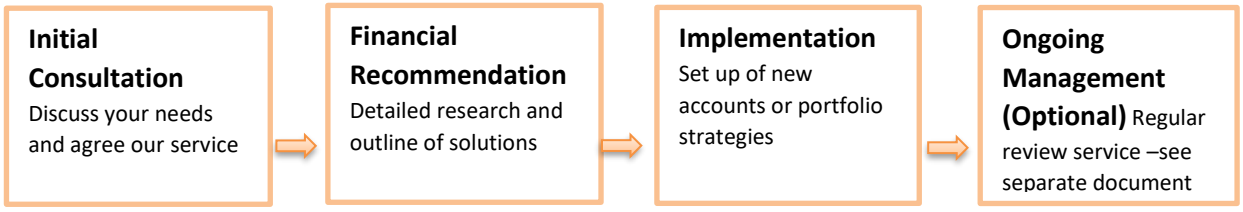
Any advice or recommendation we offer to you will only be given after we have assessed your needs and considered your financial objectives, attitude to risk and capacity to bear any losses. We will also take into account any restrictions that you wish to place on the types of products or investment strategy you would be willing to consider.

We are committed to providing the highest standards of financial advice and customer service. We will:

- ✓ be open, honest and transparent in all interactions
- ✓ prioritise client interests
- ✓ communicate clearly and promptly, and
- ✓ consult with you, the client, to ensure our services meet your expectations and requirements.

3 Our Process and Charges

There are four stages to the financial planning process, each of which is costed separately.



Stage 1 – Initial consultation

We provide you with an initial consultation at our own cost. This meeting:

- provides an opportunity for you to ask questions and understand what we do
- enables us to find out what you are looking for, and what help you require
- enables us to discuss the options available to you from our range of services
- is where we can provide further information regarding our fees and charges.

Initial Consultation	At our own cost

Stage 2 – Financial recommendation

At this stage we will:

- gather information about your existing financial arrangements and personal circumstances
- understand your investment knowledge, tolerance towards investment risk, and capacity for loss
- recommend an asset allocation model that matches your risk profile and the subsequent assessment and suitability of any existing holdings
- prepare our recommendations for you
- arrange a meeting to discuss these recommendations in detail with you.

Financial Recommendation	Minimum fee of £750 for review of assets Further charges at hourly rate

Stage 3 – Arrangement and Implementation

Should you instruct us to proceed with (any of) our recommendation(s), we will act in the following ways:

- handle all fund and account administration on your behalf
- provide regular updates to keep you informed of progress
- ensure all documents are issued in line with your expectations
- confirm in writing all actions taken on your behalf.

Arrangement and Implementation	Usually included in Stage 2, although complex cases may have additional implementation costs.

Our hourly rates are as shown here:

Service provider	Hourly rate
Advanced Independent Financial Adviser	£195
Independent Financial Adviser	£125
Advanced Administrator (e.g. technical research, etc.)	£100
Office Administrator (e.g. photocopying, etc.)	£85

We can provide you with a quote for the work to be done and we will not exceed this without checking with you first. If you are at all unsure please do contact your advisor. We have fact checked our rates and are able to advise that they are below the sector average for our industry. Many of our competitors charge a percentage of the sums invested, meaning that larger accounts would pay more. The same workload via our company could benefit from a significant saving.

An example Investment Portfolio scenario

Jane is 58. She has accrued three separate pension arrangements throughout her working life and is thinking about her future retirement options. She does not wish to access her income yet but wants to understand what she may be able to access in the next 3-5 years. Her portfolio is £100,000.

Step 1	Initial 1 hour consultation to understand Jane's circumstances and requirements.	At our own cost
Step 2	Research into Jane's existing products	3 hours @£100/hour = £300
	Consideration of attitude to investment risk and portfolio build	2 hours @£125/hour = £250
	Full recommendation including bespoke report and second meeting	2 hours @£195/hour = £390
Step 3	Arrangement and Implementation	3 hours @£85/hour = £255
	Checking and confirmation	1 hour @£100/hour = £100

TOTAL CHARGE TO JANE	£1,295

Most of our competitors charge a percentage of the amount invested. The typical competitor charge is 2%-3%, i.e. a fee of between £2,000-£3,000.

Our time/cost approach <u>saves Jane up to £1,705</u>.

An example non-investment scenario

Michael and Katy are 35 and 32 and have just bought their first house. They are married with two small children and want to ensure that, should anything affect their ability to earn, their mortgage repayments will be met.

Step 1	Initial 1 hour consultation to understand the couple's circumstances and requirements	At our own cost
Step 2	Research and comparative quotes for life and critical illness cover	2 hours @£100/hour = £200
	Consideration of any specialist requirements such as pre-existing medical conditions	2 hours @£195/hour = £390
	Full recommendation including bespoke report and second meeting	2 hours @£195/hour = £390
Step 3	Arrangement and Implementation	2 hours @£80/hour = £160
	Checking and confirmation	1 hour @£100/hour = £100

TOTAL CHARGE TO MICHAEL AND KATY	£1,240

Typical commission (payable to us by the provider): £2,100

Macbeth Scott & Co Life & Pension Service Ltd's approach is to discount the commission in accordance with our published rates (i.e. to £1,240 as above), thus reducing the premiums throughout the life of the policy. This usually creates significant savings.

4 How do I pay?

We will issue an invoice within 7 days of your investment plan going live, which can either be paid directly by you or deducted from your investment. We must receive full payment of the invoice amount within 30 days of issue unless you have elected for our fee to be deducted from your investment.

Stage 4 – Ongoing Management & Review Service

Please refer to our separate Servicing Agreement document should you wish to proceed with appointing us for ongoing management of your accounts.

5 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.

6 Client Money

Macbeth Scott & Co Life & Pension Services Ltd is not permitted to handle client money and we cannot accept a cheque made out to us (unless it is in respect of an item for which we have sent you an invoice) or handle cash.

7 Documentation

We will endeavour to make arrangements for all your investments to be registered in your name unless you first instruct us otherwise in writing. All policy documents will be forwarded to you immediately after we have received them. If there are a number of documents relating to a series of transactions, we will normally hold each document until the series is complete and then forward them to you. We will issue all communications in English, unless agreed otherwise. For platform customers these documents will be held electronically. These clients also benefit from having their own secure login documentation sent direct is password protected.

8 Material Interest

We will act honestly, fairly and professionally known as conducting business in ‘Client’s best interest’ regulations. Occasionally situations may arise where we or one of our other clients have some form of interest in business transacted for you. If this happens or we become aware that our interests, or those of one of our other clients, conflict with your interest, we will write to you and obtain your consent before we carry out your instructions, and detail the steps we will take to ensure fair treatment. Where this cannot be achieved, we will not conduct the business. We have arrangements in place to ensure our clients are treated fairly and we have a conflict of interest policy in place to help us manage the risks. You may ask for a copy of this policy at any time.

9 Complaints

We have a written policy for handling complaints and how we ensure we deal with each complaint promptly and fairly. You can obtain a summary from us should you so request. Should you have cause to complain for any reason, a copy of our policy for handling complaints will be automatically sent to you.

If you wish to register a complaint, please write to Macbeth Scott & Co Life & Pension Services Ltd, 3 New Road, Kendal, Cumbria, LA9 4AY, telephone 01539 727727 or email Charles.scott@macbethscott.co.uk

Clients should be aware that if they are unhappy with any response to a complaint received from the company, they may complain directly to the Financial Ombudsman Service who will then assess whether they have an eligible complaint before proceeding with an investigation. You can contact FOS via www.financial-ombudsman.org.uk or telephone: 0800 023 4567

10 Compensation Scheme

If you make a complaint and we are unable to meet our liabilities, you may be entitled to compensation from the Financial Services Compensation Scheme. For investment business you will be covered up to a maximum of £85,000.

Further information about these amounts and limits for all other product types are available from the FSCS at http://www.fscs.org.uk/what-we-cover/products

11 Anti-Money Laundering

We are required by the anti-money laundering regulations to verify the identity of our clients, to obtain information as to the purpose and nature of the business which we conduct on their behalf, and to ensure that the information we hold is up-to-date. For this purpose, we may use electronic identity verification systems and we may conduct these checks from time to time throughout our relationship, not just at the beginning. You should be aware that as a result of this, a 'soft footprint' will be left. This means that there will be no impact on an individual's credit file and would not be seen by any company conducting a credit check on you. You must advise us if you do not wish this check to take place.

12 Law

This client agreement is governed and shall be construed in accordance with English Law and the parties shall submit to the exclusive jurisdiction of the English Courts. The company and its representatives are not qualified to provide any legal advice and will not provide any opinion as to whether a client should complain about any previous advice received unless explicitly agreed.

13 Force Majeure

Macbeth Scott & Co Life and Pension Services shall not be in breach of this Agreement and shall not incur any liability to you if there is any failure to perform its duties due to any circumstances reasonably beyond its control.

14 Termination

The authority to act on your behalf may be terminated at any time without penalty by either party giving seven days' notice in writing to that effect to the other, but without prejudice to the completion of transactions already initiated. You will be liable to pay for any transactions made prior to termination and any fees outstanding or due as outlined in any fee agreement in place, if applicable, within one month of the termination date.

15 Occupational Pension Transfer Advice

We are not authorised to give advice on transferring any occupational pension benefits that you may have accrued during your working life. Should you wish to receive such advice we will refer you to a third party who is authorised to do so.

We will include such benefits within any financial plan/cashflow analysis that we may complete for you however this will be based upon an estimate of benefits you are likely to receive – we will not obtain up to date information from the scheme each time we update the financial plan/cashflow analysis.

Please note that we do not conduct any transaction on an insistent client basis.

16 Continuity of Service on Death

In the event of your death, our advisory service will continue for the benefit of the survivor and/or your executors. This will include obtaining valuations for Confirmation/Probate, where possible (and if appropriate) raise funds from your investments to cover Inheritance Tax prior to the issue of Confirmation/Grant of Probate and assisting in the disposal of transfer of assets. Since any investments which we have arranged for you will continue to be managed and reviewed, the firm will continue to receive the agreed adviser charges, until the executors of the estate advise us otherwise.

17 Foreign Account Tax Compliance Act (FATCA)

The Foreign Account Tax Compliance Act (FATCA) requires US persons holding an interest in any specified foreign financial assets with an aggregate value exceeding $50,000 to report related information to the IRS.
It is your responsibility to inform us if you:-

- Have US citizenship or lawful permanent resident (green card) status
- Were born in the US
- Have a US residence address or US correspondence address (including a US PO box)
- Have standing instructions to transfer funds to an account maintained in the United States or directions regularly received from a US address
- Have a 'in care of' address or a 'hold mail' address that is the sole address with respect to the client;
- Have a power of attorney or signatory authority granted to a person with a US address

Please note that we are not responsible in any way for any reporting obligations that you may have in relation to FATCA. We may also share your FATCA status with other Financial Institutions, HMRC and/or the IRS if requested.

18 Portfolio Cash - Optional

Existing customers will be familiar with the requirement to maintain portfolio cash at or around 2%. We have previously requested permission to disinvest on an ad-hoc basis.

If you ask us to start or continue acting for you after you have received this Agreement, we will treat this as authorisation for Macbeth Scott & Co Life & Pension Services Ltd to re-balance your platform assets where these are held in tax-efficient plans and have been set up as a model portfolio, on a half-yearly basis which will be based on your plan inception date. This is in order to maintain a cash balance at or around 2%, or to ensure you have sufficient cash for the next six months withdrawals, and to ensure that your portfolio remains in line with your attitude to risk. We will rebalance in line with your latest agreed investment strategy. Other time frames are available with agreement with your financial adviser.

Please be aware under the terms and conditions of the platform, the provider will automatically sell assets to raise sufficient cash on a monthly basis. This may cause a delay to future transactions.

Please note that this does not apply to holdings in investment trusts or direct equities, which are excluded from the rebalance process.

Client Initial Fee

This is our standard Client Agreement upon which we intend to rely. For your own benefit and protection, you should read these terms carefully. Please ask for further information on any point you do not understand.

Details of our Ongoing charges are provided in our Service Proposition document.

We have agreed an initial fee of £_____ for the financial recommendation and the implementation. Any agreed fees can be paid directly or deducted from your plan. We will advise on the most efficient way of setting this fee, but please note if you do decide not to implement any agreed advice then fees must be settled directly.

The initial fee amount, noted above, may be blank if this has not yet been agreed at time of issue. If an initial fee is applicable this will be confirmed to you prior to any chargeable work being done. Please do let us know if you would like this agreement to then be reissued with the agreed fee amount. Should you have any queries about the applicable fees please consult with your IFA for confirmation of fees applicable.

You should note that when fees are paid via the provider it may reduce your personal tax thresholds and/or exemption levels. Where this happens, we will discuss it with you and confirm it in your personal recommendation report.