

# Client Agreement

## Investment, Protection and Financial Planning

### 1. INTRODUCTION

This agreement sets out the terms under which our services are to be provided, including details of the specific services and a summary of our charges for those services.

Aaron Tawny is a financial planning business, focussed on helping you understand and plan for your financial future. We are also able to act on your behalf in advising you on investments, non-investment insurance contracts and mortgages. We offer you an initial discussion (at our cost) at which we will describe our services more fully and explain the payment options. Following our initial discussion, should you decide to go ahead there is a cost for our advice and services.

If we intend to advise you on mortgages, we will provide you with a separate Client Agreement detailing the services we offer and the costs of those services.

Full details of what is included in each of our services is provided in our Transparent Approach document.

### 2. OUR SERVICE

The services that you have selected and the charges for those services are confirmed in Section 9 - Your Consent at the end of this agreement. We agree to provide the services selected and you agree to pay us for those services.

We offer both initial and ongoing services. Any products we have arranged for you will only be kept under review as part of an agreed ongoing service for which you agree to pay. Our ongoing services are optional, however where you agree to purchase an ongoing service, unless otherwise agreed, the ongoing service will be provided as a follow up to the initial service.

Any advice or recommendation that we offer to you, will only be given after we have assessed your needs and considered your financial objectives and attitude to any risks that may be involved. We will also take into account any restrictions that you wish to place on the type of products you would be willing to consider.

In some circumstances we may provide you with a non-advised service where you will not receive advice or a recommendation from us. Where this is the case we will provide details of our non advised services and charges separately.

### 3. COMMENCEMENT

This agreement shall commence on the date of signature and shall remain in force until terminated in accordance with Section 6 – Cancellation.

### 4. FINANCIAL PLANNING AND HOW WE CHARGE FOR IT

For any aspect of our financial planning all actual charges and fees will be fully disclosed to you. We will not charge you until we have discussed your payment options and agreed with you how we are to be paid. We will also let you know if there are any other costs that might arise in connection with the services we provide to you.

Our charges/fees will be VAT exempt unless the work we provide for you only involves advice and/or preparing a report, in which case VAT may be applicable. We will always tell you if you have to pay VAT before we undertake any work for you.

Charges for the ongoing service will not be liable to VAT (unless the initial service was liable to VAT) where both the initial and ongoing services are part of the same package.

## Investment Planning

We provide an independent advice service. This means that we will make a recommendation for you after we have assessed your needs. Our recommendation will be based on a comprehensive and fair analysis of the market.

### Initial charges

Our initial charges are based on the area(s) where advice is required and the amount of work involved. They are tailored to meet your specific needs no matter how complex:

Initial Service	Initial Charges
Retirement Planning including full cash-flow modelling	£500 - £1,800
Investment Planning	£150 - £1,200
Pension Planning	£150 - £1,200
Protection Planning	£300 - £1,200
Estate / Inheritance Tax Planning	£550 - £2,500
Financial Planning	£450 - £1,800

### Your Protection

If you are dissatisfied with your initial report, we will refund your fee in full.

### Paying our initial charges

Our charges are payable on completion of our work and must be settled within 14 business days. Payment can be made either by:

1. Cheque (payable to Aaron Tawny Ltd.)
2. BACS transfer.
3. Offsetting report fees. For clients who ask us to implement our recommendations, we are able to offset some or all of our report fees via deductions from the financial product(s) that you might invest in, where the product/platform provider allows this. Please note that if you choose to pay by deduction from a financial product this will reduce the amount left for investment and may, depending on your circumstances, have other consequences.
4. If your investments are held on a platform (a platform is an online investment administration service) you may choose to pay our charges out of the funds held within the platform cash account (where the platform provider offers this facility).
5. Where you invest in a regular contribution contract i.e. contributions are made on a monthly, quarterly or annual basis, you can choose to have our charge deducted from the product in instalments (where the product / platform provider is able to offer this facility). Our normal approach will be for the payment to be spread over a maximum of 12 months. Exact details will be confirmed in writing with you.

If you select option 3, 4 or 5 we will discuss how it works and the implications of using this payment method with you prior to putting it in place. Although you may pay nothing to us up front that does not mean that our service is free. You still pay us indirectly through deductions from the amount you pay into your product.

Below is an example of paying for services via a regular payment e.g Pension or investment:

**Example:**

We typically take our initial service charge from the first 12 monthly payments you make to your product. The example below shows how this works for a £300 per month savings product:

- Total cost of our initial service to set up the product is £1,200. The payment is taken over the initial 12 month period, so we divide the total advice cost by 12. The monthly charge for the first 12 months is therefore £1,200 divided by 12 = £100.
- Each month you pay your premium for the product of £300. Each month for the first 12 months your product provider pays us £100 of that £300.
- So, each month for the first 12 months your payments are split as follows - £200 is invested / £100 pays our initial service charge.

Where you are paying our charge by instalments, if the regular contributions to your plan are cancelled before the charge has been paid in full we reserve the right to request full payment of any outstanding balance of the charges for our services.

**Our fees at the Implementation Stage**

If we implement actions involving investment of capital on your behalf, our fees will be based on a % of the amount invested. Often our fees can be deducted from the investment vehicle arranged or alternatively we can issue you with an invoice.

Investment Amount	Fee rate
£5,000 - £150,000	3%
£151,000 - £250,000	2.5%
£251,000 - £400,000	2%
£401,000 - and above	1.5%

Below is an example of paying our services via a lump sum investment

**Example:**

If you invest a lump sum of £40,000 our adviser fee would be 3% which equates to £1,200.

**Frequency of ongoing review meetings and charges**

Experience shows that as the value of clients assets increase then so does the need for more frequent review discussions. Our review service levels reflect this approach. Any products we have arranged for you will only be kept under review as part of an agreed ongoing service for which you agree to pay. Any ongoing service will be agreed with you and confirmed in our service agreement. Our annual investment administration fee is 0.5% of the value of equity based investments and cash based investments being within the scope of the review service you require.

Service Category	Value of assets under Aaron Tawny advice	Frequency of face to face meetings
Maintenance	£5,000 - £15,000	4 Years
Foundation	£15,001 - £40,000	3 Years
Intermediate	£40,001 - £100,000	2 Years
Comprehensive	£100,001 - £240,000	12 months
Comprehensive Plus	£240,001 plus	Full review 12 months Interim review 6 months

#### Interim non face to face reviews included in the Maintenance, Foundation and Intermediate service categories

These will take place between the agreed face to face review meeting times via the post, internet or telephone conversations. There are no additional charges for this.

#### Paying our ongoing charges

Payment of ongoing charges can be made either by:

1. A regular fee, paid by standing order
2. By deduction from your investment(s) on a monthly, quarterly, six-monthly or annual basis, where the product / platform provider is able to offer this facility

Ongoing services can be cancelled at any time by simply informing us in writing, but please note that we reserve the right to charge you for services provided prior to cancellation.

Example of how are charges could apply:

Ongoing Service Category	Ongoing Charge
	Our annual ongoing charge for this service is 0.5% of funds under advice.
Foundation	<ul style="list-style-type: none"> <li>• For a fund of £40,000, our annual fee would be £200</li> </ul>
Comprehensive	<ul style="list-style-type: none"> <li>• For a fund of £100,000 our annual fee would be £500</li> </ul>

#### Referrals to a Discretionary Fund Manager (DFM)

As part of our service we may decide to refer you to a Discretionary Fund Manager (DFM) to manage some of your investments. We will only do this if we think it is a suitable solution for you. We will explain to you in writing why we have recommended the services of a DFM and how the selected DFM will manage your money.

If, having assessed your needs and objectives, we consider that a DFM service is an appropriate solution for you we will:

- Undertake appropriate due diligence and recommend a DFM service/provider that we believe best meets your needs and objectives
- Attend initial meetings with you and the DFM
- Ensure that your relationship with the DFM is established correctly

- Depending on our agreed ongoing service level we will review the DFM's performance on a six monthly/annual basis
- Attend appropriate review meetings to ensure the DFM service continues to meet your agreed needs, objectives and mandate.

Where we recommend you use a DFM, our fees will be based on a % of the amount invested on your behalf.

Investment Amount	Fee rate
£150,000 - £250,000	2.5%
£251,000 - £400,000	2%
£401,000 – and above	1.5%

#### Example:

If you invest a lump sum of £150,000 our adviser fee would be 2.5% which equates to £3,750

### Paying our Ongoing Charges

For any ongoing work we do in helping manage the relationship between you and the DFM. The charges you need to pay will be based on 0.50% of the value of equity based investments and cash investments managed by the DFM. These are in addition to the DFM's own charges.

You can pay for this service in one of two ways.

1. A regular fee, paid by standing order, BACS transfer or cheque
2. By deduction from your investment(s) on a monthly, quarterly, six-monthly or annual basis, where the product / platform provider is able to offer this facility

Ongoing services can be cancelled at any time by simply informing us in writing, but please note that we reserve the right to charge you for services provided prior to cancellation.

If you select option 2 we will discuss how it works and the implications of using this payment method with you prior to putting it in place.

Ongoing Service Category	Ongoing Charge
	Our annual ongoing charge for this service is 0.5% of funds under advice.
Comprehensive	• For a fund of £150,000, our annual fee would be £750
Comprehensive Plus	• For a fund of £240,000 our annual fee would be £1,200

### Protection Planning

Our advised protection planning services are suitable if you are looking for the best way to protect you, your family or your business through products such as critical illness cover, health insurance and life cover. We advise on non-investment protection products e.g. term assurance, income protection and critical illness from a range of insurers.

- A combination of fee and commission

Our minimum charge for a protection planning report is £300. This may increase depending on the amount of work involved. We may also receive commission from the provider.

### Combination of fee and commission

Where we will receive a commission from the provider at the implementation stage, we will tell you the amount before we carry out any business for you. Any commission we receive from the product provider can be used to offset the agreed fee. Although in some circumstances you may pay nothing to us up front this does not mean that our service is free. You still pay us indirectly through deductions from the amount you pay into your product.

In respect of any regular premium 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 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.

### Example of our fee, based on a £100,000 Life and Critical Illness planning report

Adviser time	£120 per hour	2 hours	£240	
Administrator time	£70 per hour	1 hour	£70	
				<b>Total cost - £310</b>

## 5. OUR OBLIGATIONS

### Recommendations

We will confirm to you in writing the basis of our recommendations along with details of any special risks associated with the products recommended.

### Best execution

In transmitting investment applications on your behalf to third parties, we will take all reasonable steps to ensure that we obtain the best possible result for you. This is referred to as 'best execution'.

### Protecting your personal information

Your personal information is important to us. We will endeavour to take all due care to protect this information. We highlight below matters relating to your information that you should be aware of.

Some services are provided to our firm by third parties such as processing business or obtaining compliance or regulatory advice, which warrant the disclosure of more than just your basic contact details. Personal information held by ourselves may be disclosed on a confidential basis, and in accordance with the Data Protection Act 1998, to any such third parties. This information may be transferred electronically (e.g. e-mail) and we, or any such third party, may contact you in future by any means of communication which we consider appropriate at the time.

Product providers, lenders and investment managers may administer your policy, any existing policies you may have with them and provide other services, from centres in countries outside Europe (such as India and the USA) that do not always have the same standard of Data Protection laws as the UK. However, they are required to put a contract in place to ensure that your information is adequately protected, and they will remain bound by their obligations under the Data Protection Act even when your personal information is processed outside Europe.

### **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.

### **Conflict of interests**

We will endeavour always to act in the best interests of you our client. However, circumstances can arise where we or one of our other clients may have some form of interest in business being transacted for you. If this happens or we become aware that our interests or those of one of our other clients conflict with your interests, 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.

### **Other benefits we may receive**

From time to time we may attend training events funded and /or delivered by product providers, fund managers and platforms. These events are designed to enhance our knowledge and ultimately therefore enhance the quality of service we provide to our clients. Further details are available on request.

### **Communicating with you**

We may communicate with you by telephone, post, e-mail or in person. In certain circumstances, we may ask you to confirm any instructions in writing prior to implementation. All our communications with you will be in English.

## **6. CANCELLATION**

### **Termination of this Agreement**

You or we may terminate this agreement and 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 this agreement unless otherwise agreed in writing. You will be liable to pay for any services provided prior to termination and any fees outstanding, if applicable.

Ongoing services can be cancelled at any time by simply informing us in writing but please note that we reserve the right to charge you for services provided prior to cancellation.

### **Product cancellation rights**

Full details of the products we recommend to you including, for example, the minimum duration of the product, information on your right to cancel or whether no right to cancel exists, and any other early termination rights and penalties, will be covered in the relevant product disclosure information you will receive before the conclusion of any contract.

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, protection, payment protection or pension policy and a 14 day cancellation period for all other policies.

Instructions for exercising the right to cancel, if applicable, will be contained in the relevant product disclosure information which will be provided to you.

If you cancel a single premium contract, you may be required to pay for any loss you might reasonably incur in cancelling it which is caused by market movements. This means that, in certain circumstances, you might not get back the full amount you invested if you cancel the policy.

## 7. HOW YOU ARE PROTECTED

Aaron Tawny is authorised and regulated by the Financial Conduct Authority (FCA), 25 The North Colonnade, Canary Wharf, London, E14 5HS.

Our Financial Services Register number is 301672. Our permitted business is advising on and arranging pensions, savings and investment products, non-investment insurance contracts and mortgages. You can check this on the Financial Services Register by visiting the FCA's website [www.fca.org.uk/firms/systems-reporting/register](http://www.fca.org.uk/firms/systems-reporting/register) or by contacting the FCA on 0800 111 6768.

Unless we notify you in writing to the contrary, we will be treating you as a retail client. 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.

### Complaints

If you are dissatisfied with a recommendation we have made you are entitled to make a complaint. We have a complaints procedure that is available on request. If you wish to register a complaint, please contact us:

**In writing:** The Compliance Officer, Aaron Tawny, 6 Market Place, Kettering, Northants, NN16 0AL

**By phone:** 01536 512724

**By e-mail:** [enquiries@atawny.co.uk](mailto:enquiries@atawny.co.uk)

Please be assured we treat complaints seriously. For your further protection if you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service ('FOS').

### Financial Services Compensation Scheme

We are also 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.

**Investments - most types of investment business are covered for up to a maximum of £50,000.**

**Insurance - advising and arranging is covered for 90% of the claim, without any upper limit.**

We may also, on occasion, advise on other financial products which are not regulated by the Financial Conduct Authority (FCA). The Financial Services Compensation Scheme does not apply to any of these products.

Further information about compensation scheme arrangements is available from the FSCS at [www.fscs.org.uk/consumer](http://www.fscs.org.uk/consumer).

### Client money

We are not permitted to handle client money and we cannot accept a cheque made out to us (unless it is in respect of a level of service you have agreed to) or handle cash.

## 8. GENERAL

### Jurisdiction

This agreement is governed by and should be interpreted in accordance with English law and you agree to submit to the non-exclusive jurisdiction of the English Courts.



## **Legal and accounting advice**

Neither our firm nor our employees are qualified to render legal or accounting advice or to prepare any legal or accounting documents. It is hereby understood and agreed that the onus is on you, the client, to refer to a solicitor or accountant any point of law or accountancy that may arise during the course of discussions with us.

## **Investment related**

### **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 as soon as practicable after we receive 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.

### **Investment Performance & Risks**

Please be aware that investments can fall, as well as rise, and that you may not get back the full amount invested. The price of investments we may recommend may depend on fluctuations in the financial markets, or other economic factors, which are outside our control. Past performance is not necessarily a guide to future performance.

Specific warnings relevant to the investments, investment strategies or other products we recommend will be confirmed to you in your suitability report. Under the terms of this agreement, we may, if appropriate, advise you on investments which are not readily realisable. We would draw your attention to the risks associated with these investments as there is a restricted market for them. In some circumstances it may therefore not be possible to deal in the investment or obtain reliable information about its value.

### **Unregulated financial products**

Our services may also include advice on investments relating to, or executing transactions in unregulated financial products including non-mainstream pooled investments such as unregulated collective investment schemes (UCIS). Accordingly, you should carefully consider whether such investments are suitable for you in light of your personal circumstances and the financial resources available to you.

## **Insurance related**

### **Providing information to your insurer**

Your insurance / protection cover is based upon the information you provide to the insurance company. Where you are buying insurance as an individual, this means that you must take 'reasonable care' to answer all questions asked by the insurer fully and accurately. Failure to provide accurate and up to date information may invalidate your insurance cover and mean that a claim may not be paid.

## 9. YOUR CONSENT

I/We authorise the transfer of personal information, on a confidential basis and in accordance with the Data Protection Act 1998, between Aaron Tawny and any relevant third parties. I/We agree that Aaron Tawny or any such third party may contact me in the future by any means of communication (including by electronic communication e.g. email) considered appropriate at the time.

I/We also confirm that I am / we are happy / not happy to give Aaron Tawny express consent to contact me/us by telephone, email or post, to discuss advising on or arranging a mortgage product in the future.

We may wish to contact you in the future so that we can provide information about other services that may be of interest to you. Please tick if you would like to receive information about our services by means of:

Email:

Telephone:

Text Message:

Post:



Aaron Tawny is Authorised and Regulated by the Financial Conduct Authority.



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