



Heritage Financial Services

Personal Advisers & Discount Brokers

Independent Financial Advice

Client Agreement

This document has been designed to be given to consumers considering buying certain financial products. You need to read this important document. It explains the service you are being offered, our charges and the options available on how you can pay for it.

Our Services

Heritage Financial Services is an independent fee based adviser and will act on your behalf in advising you on products from the whole market. We can advise you on Life Assurance, Pensions, Investments, Pure Protection and Private Medical contracts from a wide range of insurers and investment companies. In some circumstances we may also recommend an unregulated contract such as an offshore collective investment scheme, separate terms apply for such business. We are also able to purchase stocks & shares on your behalf. We are not reliant on commission and therefore impartial to product commission terms, meaning we will only advise on products best suited for you.

There are no restrictions relating to the advice we may provide you with, in relation to the types of investment or markets in which you may invest. Heritage Financial Services will classify you as a Retail Customer, unless otherwise agreed.

The different services we offer:

1. **Financial Health Check** – A head to toe financial review, identifying shortfalls and making a financial plan so your goals are achieved after we have assessed your needs.
2. **Limited Advice** – You yourself have previously identified or it was been generally agreed between us from outset, that we should concentrate on one area of financial planning such as investment, protection, retirement, lifestyle or inheritance tax.
3. **Wealth Management** - We recommend self managed, tracker or diversified portfolios for investments & pensions and regularly review, advise, maintain and report on them.
4. **Direct Offer** – We provide enough information within a non-client specific report to enable you to make your own informed decision on whether to take-up our offer. No personal advice is provided as to the offer being suitable to meet your needs.
5. **Execution Only** - You will instruct us to arrange a product, with your own researched product provider, which investment funds, their allocation rates and the amount to invest.

For service options 1-3 only, we will gather and analyse personal information about you in order to establish your needs and objectives. In normal circumstances, we will set out your overall investment objectives in a 'Suitability Report', which will be provided to you detailing our recommendations. We would ask that you spend time reading the Suitability Report and contact us immediately should any part be unclear or not reflect your objectives. If you agree to the recommendations, you will be invited to proceed with any application for products we have advised.

For service option 5, we act upon your specific instructions and will only process applications on your behalf and you will receive no advice from us or a Suitability Report. You should be aware that that you will not receive the protection afforded to you under our complaints process.

Unless you agree to one of our management service options, we will not automatically carry out a review of any of the investments that another firm has recommended, or that we have arranged on your behalf.

At our discretion and unless we hear from you to the contrary, we may telephone you from time to time between the hours of 9am to 8pm Monday to Friday without your further prior consent to such contact. Our office hours are 9am to 5pm Monday-Thursday and 9am-1pm Friday.

What will you have to pay us for our services?

We offer a free initial discussion when we will describe our services more fully, if you accept our terms we will complete a Personal Financial Questionnaire, establish your needs and inform you of our costs and explain the payment options available to you, before we proceed any further.

If you agree to our charges and instruct us to proceed, it is important to understand that you will be charged for any future work regardless whether you make an application or not. The work is said to be complete on the

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issue of the Financial Plan (a report containing our recommendations), and after any product we arrange for you comes 'in force'. If you were to terminate any agreement/work before it is fully complete, then we reserve the right to charge you for the work we have done, using our hourly rates.

The cost of the Financial Plan plus the Implementation of the advice will be provided in advance before any work commences. If you agree to our charges, so there is no misunderstanding between us, you will be asked to sign a Financial Plan Fee Agreement. After reading the Financial Plan, if you wish to proceed with any of our recommendations, prior to making any application, we will then ask you to sign an Implementation Fee Agreement. Below is a guide to our charges:

Table 1 - Report Fees

Investment Advice	Report Fee	Pension Advice	Report Fee	Pension Advice	Report Fee	Protection Advice + Other	Report Fee
ISA/Unit Trust/OEIC/ Child Trust Fund	£150 each	Stakeholder/ Personal Pension	£262 each	Annuity Purchase with same Life Office	£225	Term Assurance	£150
						Whole of Life plans	£225
ISA transfer	£280	SIPP/SASS without property purchase	£560 each	Annuity Open Market Option	£420	Income Protection & Private Med	£225 each
UK & Offshore Investment Bond	£490 each	SIPP/SASS with property purchase	£1,080 each	Impaired Life Annuity	£630	Holistic Financial Planning	£1,400
Enterprise Investment Scheme/Venture Capital Trust	£630 each	USP/ASP (income drawdown)	£900 each			Tailored IHT Planning	£1,800
Cash & Cash ISA Accounts	£75 each	Non Occupational Pension Transfers	£630			Lifetime Cash Flow	£1,260

Note - If more than one area of advice is required, simply add the cost of each item to obtain the total Report Fee.

Table 2 - Initial and annual fees on single premium investments & pensions (including transfers) and protection policies

Advice	Management Service	What We Do For You	Our Initial Charge		Our Annual Charge (see note 2)
			With Advice	Without Our Advice	
Investment & Pensions	Premier (see note 1)	We construct & maintain a portfolio for you. Includes regular reporting i.e. news letters, bi-annual fund review and annual meeting	Report Fee + 1% of amount invested	1% of amount invested	1% of the fund value
	Executive	We select a self managed or tracker fund for you. Includes regular reporting i.e. news letters, one annual fund review and meeting	Report Fee + 1% of amount invested	1% of amount invested	0.75% of the fund value
	Super Saver	We select a self managed or tracker fund for you and meet to review your investment/pension fund(s) every 3 years. In between this period you will receive an annual valuation; there is no regular reporting. You contact us when you require our help	Report Fee + 1% of amount invested	1% of amount invested	0.6% of the fund value
	Self Select	You choose the funds and look after your own investments. There is no regular reporting; you contact us when you require our help	N/A	1% of amount invested	0.4% of the fund value
Increments to Existing Contract	As per existing Management Service	Either you will instruct us, or we will advise you, that an existing plan be topped-up	50% of Report Fee + 1% of amount invested	1% of amount invested	As per existing Management Service
Annuity Purchase	N/A	We compare the annuity market and either advise to take your pension benefits from your existing provider or transfer the pension fund and arrange an Open Market Option or Impaired Life annuity	Report Fee + 1% of annuity purchase	1%	N/A
Protection Policies	N/A	We compare the Life, Critical Illness & Income Protection plans and recommend the most comprehensive in terms of cost and cover	100% commission option only	50% commission rebated	N/A

Note 1 - This service is only available if you have a minimum of £75,000 invested or proposing to invest with Heritage which can be spread over different investments & pension arrangements and includes bi-annual reporting with one client meeting

Note 2 – Paid for out of invested money or a designated cash account

Table 3 - Regular paying ISA, collective investments & pensions

What We Do For You	Our Initial Charge				Our Annual Charge (see note 2 above)
	With Advice		Without Our Advice		
	If You Pay Us Up-Front	Spread the Fee Over 12 mths	If You Pay Us Up-Front	Spread the Fee Over 12 mths	
As described within table 2 (Investments & Pensions). We will agree on the most appropriate management service	Report Fee + 60 monthly payments x 1%	Report Fee + 60 monthly payments x 1.15%	60 monthly payments x 1%	60 monthly payments x 1.15%	As per your management service choice described in table 2

Example: £100 pm - Based on a premium paying term of 5 yrs - Choice of up-front fee or spread the cost over 12 months

Our Initial Charge for paying us immediately: (£100 x 60 months) x 1% = £60

Our Initial Charge for spreading the fee over 12 months: (£100 x 60 months) x 1.15% = £69 payable by direct debit @ £5.75 pm

What are your payment options?

Your own financial resources - If you pay our fee out of your own personal or business resources then we will not take any commission or fee from your investment or pension. For protection policies, we will give you the option of paying the equivalent of 70% of any commission we are entitled to as a fee and in return we will rebate 100% of any commission, which will reduce the policy premium over the policy term.

Offsetting your fee - If we arrange a protection plan, investment or pension for you, we can opt to receive commission or a fee from the product provider. Although you pay nothing up front, that does not mean our service is free; you still pay us indirectly through product charges. These charges reduce the amount left for investment. We will tell you how much the commission or fee will be before you proceed with any application, but you may ask for this information earlier. If the commission is less than our fee, then you will be asked to pay the difference from your own financial resources.

Hourly Rates

There are occasions when we will carry out work that does not involve arranging financial products, such as additional administration/reporting, investigation or when The Client terminates the Financial Plan Agreement. In this case we will revert to the Administration + Advisory (mainstream) hourly rates.

- **Administration - £50 per hour**
- **Advisory (mainstream)- £140 per hour**
- **Advisory (more complex) £180 per hour**

We will provide you with an estimate of the cost prior to commencing with any work.

Heritage Financial Services does not handle clients' money. We never accept a cheque made out to us (unless it is a cheque in settlement of agreed fees, charges or disbursements for which we have sent you an invoice) or handle cash.

Who Regulates Us?

Heritage Financial Services, Newnham House, 90A Pyle Street, Newport, Isle of Wight PO30 1UJ which is authorised and regulated by the Financial Services Authority. The FSA is the independent watchdog that regulates financial services. Our FSA register number is 185508 and we can be contacted on 01983 527111 or info@heritage-financial.co.uk. Our permitted business is advising on investments (except on Occupational Pension Transfers and Pension Opt Outs), agreeing to carry on a regulated activity; arranging (bringing about) deals in investments, assisting in the administration and performance of a contract of insurance, dealing in investments as agent; making arrangements with a view to transactions in investments. You can check this on the FSAs Register by visiting the FSAs website www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.

What to do if you have a complaint

If you wish to register a complaint, please contact us: Write to The Compliance Officer, Heritage Financial Services, Newnham House, 90A Pyle Street, Newport, Isle of Wight PO30 1UJ. By phone: Telephone 01983 527111. If you cannot settle your complaint with us, you may refer it to the Financial Ombudsman Service.

Are we covered by the Financial Services Compensation Scheme (FSCS)?

We recommend products that are covered by the 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. If any specialist product we advise is not covered, you will be informed in writing prior to any application.

Deposits – 100% of the first £85,000 per person per firm

Investment/Pension - 100% of the first £50,000 per person per firm

Insurance - 90% of the claim, without any upper limit

Further information about compensation scheme arrangements is available from the FSCS at www.fscs.org.uk.

Right to Withdraw

After we have arranged business on your behalf, you may have cancellation rights, which we will inform you of within our Financial Plan.

Data Protection Statement

The information you have provided is subject to the Data Protection Act 1998 (the "Act"). By signing this document you consent to us or any company associated with us for processing, both manually and by electronic means, your personal data for the purposes of providing advice, administration and management. Personal information provided may be maintained on computer records for at least six years, and will not be disclosed to other parties except other businesses within the same group, representatives of our compliance advisers and any organisation requiring access to such information for regulatory purposes only, or any person having a legal entitlement to access.

You have the right to inspect copies of any papers or computer records relating to your transactions. We do, however, reserve the right not to provide you with copies of records if information relating to other parties would be disclosed. To assist us in providing you with a comprehensive service and to keep our records as up-to-date as possible, please notify us of any changes to your personal circumstances, e.g. name change, change of address, etc., as soon as possible. Heritage Financial Services may use the information that we hold about you to contact you from time to time by post, fax, e-mail or telephone to bring to your attention additional products or services, which may be of benefit to you. If you do not wish your information to be used in this way please advise us.

Law

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Client Agreement. English law will be the basis of this contract and the language in which this contract will be interpreted. All communications conducted will be English.

Client Risk

HFS takes the assessment of client risk very seriously and with the aid of risk assessment forms, we will take great care to ensure the recommended products and any investment fund will be most appropriate to you. We shall inform you in writing, that because investments can fall as well as rise, even during the cooling-off period, you may not get back the full amount invested. Past performance is not a reliable indicator of future performance.

Your Investments

All your investments will be registered in your name unless you first instruct us otherwise in writing. We will forward to you all documents showing ownership of your investments as soon as practicable after we receive them; where a number of documents relating to a series of transactions is involved, we will normally hold each document until the series is complete and then forward them to you. All letters, cheques, documents of title, etc. will normally be sent by post to your last known address and shall be sent at your own risk. Unless we are sending marriage, birth certificates or passports by post, we will not normally use the Recorded Delivery service.

Termination of Authority

You or we may terminate 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 that will be completed according to this Client Agreement unless otherwise agreed in writing.

Issued by: **Heritage Financial Services**

Date of Issue:

Clients Consent

I/We understand and consent to the above terms and hereby authorise the transfer of information, as described above on a confidential basis when warranted between such third parties.

Client Signature _____ Client Signature _____

Print Name:

Print Name: