

Client Agreement for Investments & Insurances



Abacus Financial Options Ltd
Arena Business Centre
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Ferndown
Dorset BH21 7UH

Authorisation Statement

Abacus Financial Options Ltd is Authorised and Regulated by the Financial Conduct Authority. The Financial Conduct Authority (FCA) regulates financial services in the UK and you can check our authorisation and permitted activities on the Financial Services Register by visiting the FCA's website www.fca.org.uk/firms/systems-reporting/register or by contacting the FCA on 0800 111 6768.

Our services

Abacus Financial Options Ltd is able to act on your behalf in advising you on investments and non-investment insurance contracts. We offer products and services as follows:

- **Investments** - we offer an Independent advice service. We will recommend investments based on a comprehensive and fair analysis of the market. We will place no restrictions on the Investment Markets we will consider before providing investment recommendations, unless you instruct us otherwise. We will however only make a recommendation when we know it is suitable for you.
- **Non-investment protection contracts** - we are an intermediary and will act on your behalf when providing advice and making our personal recommendation(s) to you. We will do this based on a fair and personal analysis of insurers for term assurance, income protection, critical illness.
- **General Insurance Contracts** - we offer General Insurance contracts: private medical insurance from a range of insurers

We offer you an initial discussion (without charge) at which we will describe our services more fully and explain the payment options. If you decide to go ahead, we will:

- Gather and analyse personal and financial information about you and your aims and objectives;
- Recommend and discuss any action we think you should take and, with your agreement, arrange relevant solutions for you.

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

Your aims and objectives

Unless we notify you in writing to the contrary, we will be treating you as a "retail client" for investment business and a "consumer" for general insurance business. 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 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.

With very few exceptions, we will confirm to you in writing the basis of our recommendations along with details of any special risks associated with the products recommended.

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 conclusion of any contract.

We will issue any documentation/recommendations and any other communication to you in English (unless agreed otherwise).

We may also, on occasion, advise on other financial products which are not regulated by the FCA under the Financial Services and Markets Act 2000. The Financial Services Compensation Scheme does not apply to any of these products.

Our Ethical Policy

We are committed to providing the highest standard of financial advice and service possible. The interest of our clients is paramount to us and to achieve this we have designed our systems and procedures to place you at the heart of our business. In doing so, we will:

- be open, honest and transparent in the way we deal with you;
- not place our interests above yours;
- communicate clearly, promptly and without jargon;
- Seek your views and perception of our dealings with you to ensure it meets your expectations or to identify any improvements required.

Our Investment Services and Costs

We provide you with an initial no cost consultation. This helps us to understand your financial objectives and will confirm how we can support you in working towards these. We will also discuss the cost, and services levels both initially and throughout our relationship with you.

We charge our services by way of a fee. These fees are based on a percentage of the amount you invest.

Financial Review and Recommendation

This can be a continuation from the initial discussion, where agreed, or a further appointment. This process covers the:

- gathering of information about your existing financial arrangements and full personal circumstances;
- understanding of your investment knowledge and attitude and tolerance towards investment risk;
- recommendation of an asset allocation model that matches your risk profile and the subsequent assessment and suitability of any existing holdings;
- preparation of our recommendations to you;
- arranging a further appointment to explain and discuss our recommendations in detail.

There is a minimum charge of £500 for this service to this point in the process.

Policy Arrangement & Implementation

Should you instruct us to proceed with any of our recommendations we will confirm the costs that will be associated with the recommendations and if still agreeable we will:

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

Policy Arrangement & Implementation – Lump Sum Investments or Transfers

Our charge for this service is based on a percentage of the amount you invest and/or transfer, subject to minimum fee of £500. These charges are applied as follows;

Lump sum investments: Which includes pension lump sum contributions, pension provider switches and flexible pension contracts.

A one-off 'adviser charge' will be levied, on a tiered basis. Please see the table below for example investments and what fee that would be charged.

Example client total Investment up to	Charge on the 1 st £200,000 is 3% subject to minimum £500	Charge from £200,001 to £500,000 is 1.5%	Charge from £500,001+ is 1%	Equivalent percentage charge	Total Fee payable
£15,000	£500			3.33%	£500
£50,000	£1,500			3.00%	£1,500
£100,000	£3,000			3.00%	£3,000
£250,000	£6,000	£750		2.70%	£6,750
£300,000	£6,000	£1,500		2.50%	£7,500
£500,000	£6,000	£4,500		2.10%	£10,500
£1,000,000	£6,000	£4,500	£5,000	1.55%	£15,500

N.B. The fee can be invoiced to you, paid via the investment provider or a combination of both

Policy Arrangement & Implementation – Regular Contribution Savings or Investments/Pensions

Regular investment contributions:

An adviser charge of maximum 20% of the total first 12 month's contributions but subject to a minimum/maximum of £500 payable. Please see the table below for example investments and what fee that would be charged

Example monthly investment	20% of first year's contributions	Min/Max fee adjustment	Total payable fee
£50	£120	£380	£500
£100	£240	£260	£500
£250	£600	-£100	£500
£500	£1,200	-£700	£500
£750	£1,800	-£1,300	£500
£1,000	£3,600	-£3,100	£500

N.B. The fee can be invoiced to you, paid via the investment provider or a combination of both.

Option 1 - You can pay the sum directly on commencement of the policy

Option 2 - You can pay the implementation fee through your policy.

For monthly contributions the payment will be deducted proportionally from each monthly contribution during the first year.

Example: for all monthly contribution arrangements the implementation fee would be £500. This will be collected by deducting £41.66 (£500 divided 12) from each monthly contribution for 12 months.

Should you decide to pay this charge through your policy and payments to the policy subsequently cease, we will calculate the total payments received to date and invoice you direct for the balance payable.

Into retirement advice/vesting pension

Retirement advice and purchase of annuity/alternative retirement products (excluding capped/flexible pension contracts)

1.5% of the net* value of the plan value subject to a minimum of £500 *(i.e. value after any tax free cash taken)

Example pension plan value after payment of tax free cash	1.5% of plan value	Minimum fee adjustment	Total payable fee
£10,000	£150	£350	£500
£25,000	£375	£125	£500
£50,000	£750		£750
£100,000	£1,500		£1,500
£250,000	£3,750		£3,750
£500,000	£7,500		£7,500
£1,000,000	£15,000		£15,000

N.B. The fee can be invoiced to you, paid via the investment provider or a combination of both.

Immediate Care Funding Plans

A one-off 'adviser charge' will be levied, on a tiered basis, as a percentage of the single premium to be paid as follows with minimum fee of £500

Example Investment up to	Charge on the 1 st £200,000 is 3% subject to minimum	Charge from £200,001 to £500,000 is 1.5%	Charge from £500,001+ is 1%	Equivalent percentage charge	Total fee payable
£15,000	£500			3.33%	£500
£50,000	£1,500			3.00%	£1,500
£100,000	£3,000			3.00%	£3,000
£250,000	£6,000	£750		2.70%	£6,750
£300,000	£6,000	£1,500		2.50%	£7,500
£500,000	£6,000	£4,500		2.10%	£10,500
£1,000,000	£6,000	£4,500	£5,000	1.55%	£15,500

N.B. The fee can be invoiced to you, paid via the investment provider or a combination of both

For project work:

We will agree a fixed adviser charge with you at outset, which will not change, except where your circumstances and needs differ from our initial understanding. Once agreed, we will not amend the amount of our adviser charge in any circumstances without agreeing it with you first.

If we do not agree a fixed adviser charge with you at outset and our charges depend on how long our advice takes or the size of the investment, you may ask us for an estimate of how much in total we are likely to charge for any service. You may also ask us not to exceed a given amount without checking with you.

Example of project work:

Assistance with Probate work (i.e. registering death with providers)	£600.00
Ad hoc request for documents for taxation purposes	£250.00

Ongoing Reviews and Changes to Existing Investments

We will discuss the full range of our on-going services during our initial consultation. These services include, but are not limited to, providing you with:

- structured reviews to give you peace of mind;
- assessment of your circumstances and any changes to your plans that are needed;
- regular updates and information regarding your holdings;
- a choice of differing levels of support depending on your needs;
- Ongoing support with correspondence and administration issues;

Details of these different levels of services are contained in our Service Proposition and Engagement document.

We will agree separately the level of on-going services at the time of, or prior to, making our recommendation(s) to you. Typically our costs range from 0.5% to maximum 1.00% per annum and are based on the value of your investment(s) at each 12 month anniversary, and are paid monthly/annually in arrears.

N.B. The fee can be invoiced to you, paid via the investment provider or a combination of both

Where we agree to provide ongoing services you can choose to cancel this at any time by providing us with written confirmation of your decision. Payments would then cease within 7 business days or after collection of any due proportion of any period charges if later.

Annual payment for ongoing services:

- Example of an on-going charge at 1.00% of the assets under advice and this sum will be agreed at the signing of the Service Proposition

Example asset value	1.00 % of plan value	Total ongoing fee payable annually
£70,000	£700	£700
£100,000	£1,000	£1,000
£250,000	£2,500	£2,500
£500,000	£5,000	£5,000
£1,000,000	£10,000	£10,000

Your payment options confirmed

Settling your adviser charge:

- as a single payment invoiced to you
- via the investment provider, which can be spread over 12 months
- or a combination of both.

You will be required to settle the payment of any invoiced adviser charge on completion of our work within 30 business days. We accept cheques or BACS transfer payments. We do not accept payment by cash. You will be provided with a receipt upon payment.

Our General Insurance and Protection Services and Costs

Similar to our investment services above, we will provide you with a personal and financial review prior to making our recommendation(s) to you. Should you accept our recommendation(s) we will arrange the implementation of this/these for you. The reasons for our recommendations will also be provided to you in a written report.

We do not charge a fee for our insurance and protection services as we will normally receive commission from the policy provider. You will not be subject to VAT for this service.

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 pure protection policies the start of the cancellation period 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. 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.

If you cancel a single Contribution 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.

Structured Deposits

If we arrange a structured product, we will receive a commission payment from the provider. The commission will be 3% of the amount you invest. For example, if you invest £10,000 we would receive £300 from the provider.

VAT

Under current legislation our services are not subject to VAT but should this change in future, and where VAT becomes due, we will notify you before conducting any further work.

There may be other costs, including taxes, that are payable through other parties (such as the product provider) that we may not be party to. Such charges are normally disclosed in relevant third party documentation, for example a Key Features Document.

Client money

Abacus Financial Options 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.

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.

Instructions

We only accept instructions in writing (via paper or electronic means), to aid clarification and avoid future misunderstandings. Please note we will not act on oral instructions to avoid any possible misunderstandings.

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.

In accordance with the rules of our regulator, The Financial Conduct Authority, we are prohibited from accepting any payment (commission or other non-monetary benefits) which is likely to conflict with the duty of the firm to its clients.

Complaints

If you wish to register a complaint, please write to Compliance Officer, Abacus Financial Options Ltd, Arena Business Centre, 9 Nimrod Way, Ferndown BH21 7UH Telephone 01202 646960

A summary of our internal complaints handling procedures for the reasonable and prompt handling of complaints is available on request and if you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service at www.financial-ombudsman.org.uk or by contacting them on 0800 023 4 567.

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.

Investment business will normally be covered up to a maximum of £50,000.

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>

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.

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.

Force Majeure

Abacus Financial Options Ltd 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.

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. Any transactions effected before termination and a due proportion of any period charges for services shall be settled to that date.

DECLARATION

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. If you do not understand any point please ask for further information.

Please tick this box if you do not consent to us or any company associated with us processing any such sensitive data.

☐

Please tick this box if you do not wish for us or any company associated with us to contact you for marketing purposes by e-mail, telephone, post or SMS.

☐

I/We are aware of the costs of the Financial Review and Recommendation(s), and where appropriate, the Policy Arrangement and Implementation services and agree to the method and timing of these.

My/Our preferred method of paying these costs is (please tick as appropriate);

Invoice ☐

Deduction from the policy ☐

A combination of both ☐

You should note that when paid through the investments 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.

Client Signature

Client Name

Date

Client Signature

Client Name

Date

Signed on behalf of the firm

Date of issue

NB: In relation to your chosen level of ongoing service this will be agreed separately within our Service Proposition & Engagement document.