



## CLIENT AGREEMENT

### Our Status

CopperHouse Financial Ltd is authorised and regulated by the Financial Conduct Authority. Our Financial Services Register number is 790065. You can check this on the FCA's Register by visiting the FCA's website <https://register.fca.org.uk/register>. Registered in England & Wales no. 10956622 registered office: Rochester House, 275 Baddow Road, Chelmsford, Essex CM2 7QA.

### Our service

Independent - We offer independent, whole of market, financial advice with the aim of meeting your future financial objectives. You can choose exactly what you want us to do for you. Our main proposition is an initial financial report based on your current position and future aspirations. We recommend planned actions to move you towards your goals whether they are for financial security in retirement, a specific purchase or an investment in later generations. We can arrange investments and insurance protection. We assess a wide range of providers and products and will make personal recommendations for you based on our professional assessment of your attitudes and needs.

We can recommend discretionary fund management services when we consider that these are suitable and we also specialise in post retirement strategies utilising Self Invested Pension arrangements and Enhanced Annuities. We restrict our advice to mainstream products with a regulatory protection in the majority of cases and we will outline any risks associated with our recommendations.

### Investment products

The range of regulated financial services we can provide includes (but is not limited to) researching, advising upon and arranging packaged retail investment products including:

- Individual Personal Pensions Pension including Self Invested
- Group Personal Pensions
- Collectives (OEICs, unit trusts, investment trusts, ETF's)
- Annuities
- Bonds and life funds
- Structured Products excluding capital at risk products, (SCARP)

In making our recommendations we will consider the full range of packaged retail investment products available and we will recommend those that are suitable for you in our professional opinion. We will also advise you if we consider other products such as cash deposits, discretionary fund management or other investment options are suitable for you.

There are certain products and investments that we have assessed and consider to be unsuitable for the majority of our retail clients. The following are examples of those products that we will not consider advising upon:

DB Transfers – Define Benefit or Final Salary pension scheme transfer are an extremely high risk area of business where it is often difficult to arrange suitable professional indemnity insurance to protect our clients should anything go wrong. On that basis we do not provide this service but however will refer to a specialist advisory practice where appropriate and with your approval.

SCARP - Structured products reliant on the performance of certain indices where the return of capital is not guaranteed and dependent on certain events especially where the possibility of capital loss is significant.

UCIS – Unauthorised Collective Investment Schemes It is a scheme which is not authorised by the Financial Conduct Authority (FCA), through which a number of investors pool their money to invest in one or more assets, with the intention of receiving a profit or income. Examples of UCIS may include investment in property, fine wines, teak, renewable energy or gemstones.

## **Insurance**

We offer insurance products from a wide range of insurers and products in respect of life assurance, income protection and critical illness covers and we undertake a fair and comprehensive analysis of the relevant market. When recommending insurance we act as your agent at all times except where we issue insurer documentation.

We do not offer advice on general insurance products such as buildings and contents, landlord etc. nor do we undertake commercial risk.

## **Execution Only**

We do not operate on an execution only basis and will provide advice in all circumstances. We will arrange contracts on a limited advice basis where as appropriate where for example you may instruct as to top up an existing contract.

## **Mortgages**

Please refer to our separate mortgage terms of business.

## **Our charges – investment and pension related**

Before we provide any advice we will agree the cost of our services with you. For this purpose we will enter into a fee agreement with you.

Our fees may be paid directly to us or taken from your investments or your investment income if you so wish, we will discuss with you and agree which option is most tax efficient and appropriate for your circumstances.

## **Our charges – insurance and non-investment advice**

In respect of non-investment insurance products we are normally remunerated entirely by commission from the product provider based on a percentage of the annual premium. Where required we will give you full details of any fees or commission in writing before you proceed.

## **Complaints**

It is our intention to provide you with the highest possible level of client service at all times. Should we not meet your expectations we have a complaints procedure which is explained below. Should you wish to complain please contact The Complaints Manager either:

- in writing: 156 Springfield Road, Chelmsford, Essex, CM2 6LG
- by telephone: 01245 603870
- by email: [admin@copperhousefinancial.co.uk](mailto:admin@copperhousefinancial.co.uk)

Should you not be satisfied with our final response you may be entitled to refer the matter to the Financial Ombudsman Service (FOS) within six months of the date of our final letter:

- The Financial Ombudsman Service,
- Exchange Tower, London E14 9SR.
- Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)
- Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

## **Financial Services Compensation Scheme**

We are covered by the Financial Services Compensation Scheme for the regulated advising and arranging services we provide so that if we are unable to meet our liabilities you may be protected by the scheme. For further information please go to [www.fscs.org.uk](http://www.fscs.org.uk)

## **TERMS of BUSINESS**

### **This Agreement**

This is our standard Terms of Business Agreement upon which we intend to rely. For your own benefit and protection you should read these terms carefully. If you do not understand any point please ask for further information.

### **Client Classification**

We intend to treat you as a 'retail client' unless you agree otherwise and you will be afforded the highest level of regulatory protection available. For insurance purposes you will either be a 'consumer' or a 'commercial customer'.

### **Conflicts of Interest**

We offer independent advice but occasions could arise where we, or one of our clients, could have some form of interest in business that we are transacting 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 inform you in writing and obtain your consent before we carry out your instructions.

### **Money Laundering Regulations**

We are required by law to verify the identity of all our investment clients. No application will be made on your behalf until such verification has been obtained.

### **We do not handle clients' money**

We are not authorised to accept client money and therefore we never accept a payment made out to us unless it is in settlement of our fees or disbursements. Investment, pension or insurance premium payments must be made payable to the relevant product provider.

### **Client Assets**

All investments will be registered in your name unless otherwise agreed in writing. All contract notes and documents of title in respect of your investments or policies will normally be sent to you directly by the issuing company but where this is not the case they will be forwarded to you, unless otherwise instructed in writing, as soon as practicable after being received by us. Where a number of documents relating to a series of transactions are involved we will normally retain the documents until the series is complete and then we will forward them to you.

### **Commencement and Termination**

These terms of business take effect from the date they are given to you and will apply until either terminated or superseded by any new terms, which we may give to you prior to any new services being undertaken. You or we may terminate our authority to act on your behalf at any time, without penalty. One month's notice of this termination must be given in writing and will take effect from the date of receipt. Termination is without prejudice to any services already provided / transactions already initiated, which will be completed according to the Client Agreement unless otherwise agreed in writing. You will be liable to pay for any transactions made or carried out prior to termination and any adviser charges or other fees which may be outstanding. Where you are paying for on-going services on a monthly basis you may terminate payment by giving notice in writing, but payments made on account towards periodic reviews will not be refundable.

### **Your Duty to Disclose Information**

We will base our recommendations on information you have given to us, it is important that you give us full information in order that we may provide the best advice for your needs and circumstances. Consumers: please note that if you deliberately or recklessly fail to disclose any material information to

insurers, and us, this could invalidate your insurance cover and could mean that part or all of a claim may not be paid. If you are a commercial insurance customer, you have a duty of fair disclosure.

## **Cooling Off**

The product information document will detail your rights to cancel your arrangement once you have taken it out. Depending on the type of product you have purchased you may be entitled to cancel within 14 days (30 days for certain products) of either conclusion of the contract or receiving your documentation, whichever occurs later. You will then receive a full refund provided no claim has been made, except in the case of certain investment products where funds have already been invested, then you will get back the value of the investment whether this has gone up or down.

## **Data Protection**

As part of our arrangement with you, CopperHouse Financial Ltd (“we”, or “us”, or “our”) has certain obligations under privacy laws, including the Data Protection Act (the “Act”) to notify individuals how it will process any personal information it collects about them. Our full data protection statement is available upon request or can be viewed on our website: [www.copperhousefinancial.co.uk](http://www.copperhousefinancial.co.uk)

## **Our Services and Charges**

***Research & Reporting, (for investment and pension planning plus any advice or service where a method of payment is not built into the product or service).***

We conduct an extensive fact finding exercise around your circumstances, needs, attitudes, objectives and your existing financial arrangements. This is done with the aim of making personal recommendations for you and then making the recommended arrangements. After we have obtained sufficient information about your situation then we will research products and providers available to find the most suitable solutions for you.

Our charge for this work is a percentage based calculation for each project undertaken. We will agree this with you each time you require services before we start work. We will provide an estimate of the fee required to complete the task.

Although the initial estimate will be as accurate as possible, there will be circumstances where a change in the value of an investment or pension will lead to a change in the eventual payment received.

All work we undertake starts with fact finding, then research and a report. We will request relevant and detailed information from you and from your existing pension and investment providers in order that we can fully assess and advise on your situation and prospects.

### ***Investment & Pension Implementation Fee:***

We believe that we have a fair and reasonable approach to the way that we charge adviser fees for the work, the time and the risks involved in providing advice.

Our fee basis takes consideration of not only the time taken to research and advise but also the level of risk accepted by offering that advice which can vary considerably.

## **Our Fees**

We charge an initial report and recommendation fee of £575.00 which will be deducted from the implementation fee should you choose to proceed.

In line with many financial advisory firms we charge our implementation fees based on a percentage of funds invested as follows:

Up to £50,000	2.50%
£50,000 to £500,000	0.75%
£500,000 plus	0.50%

For example a £250,000 portfolio would be charged at 3% on the first £50,000 and 0.75% on the remaining £200,000 for a total of £2,750 or 1.10%.

1<sup>st</sup> January 2021

This compares very favourably with the current industry average initial charge of between 2% and 3% for all advice.

Where there is no existing fund or the advice does not relate to investable assets then we charge on a time cost basis, our hourly charges are as follows:

Investment Adviser	£175 per hour
Administration	£ 90 per hour

### **Advisory**

We will confirm to you whether or not VAT applies, most arrangements are VAT exempt. You may optionally pay our fee out of your investments in which case we will arrange for the investment service provider to facilitate payment to us on your behalf.

As for all regulated firms, we experience a risk in transacting business on your behalf which is reflected on us by the size of our annual contribution to the Financial Services Compensation Scheme, (FSCS) Levy and the cost of Professional Indemnity Insurance, (PII).

We would normally recommend and conduct an annual review, however if you prefer a more frequent assessment as detailed above we would be happy to discuss this with you and agree an appropriate plan. Likewise if there is little need for an annual review or the remuneration level will not support one then a less frequent review will be agreed as an example every 2 or 3 years.

We will guide you based on overall circumstances as to the best review frequency to support your interests.

### **Annual reviews**

It is important to reassess and review your financial arrangements to ensure they remain aligned with your circumstances and objectives.

The usual review will include a statement of assets, valuations and a brief overview of how the portfolio has stood up against markets, your risk profile and how it meets your own aims and expectations. This may not necessarily involve specific product advice.

In addition to the initial fees and where we manage your assets throughout the calendar year, we make the following charges:-

Up to £500,000	=	0.55% of funds invested on the anniversary date
£500,000 - £1,000,000	=	0.45% of funds invested on the anniversary date
£1,000,000 - £1,500,000	=	0.35% of funds invested on the anniversary date
£1,500,000 +	=	negotiable

Examples as follows:

£250,000 x 0.55%	=	£1,375.00
£750,000 x 0.45%	=	£3,375.00
£1,250,000 x 0.35%	=	£4,375.00

The above charges are subject to a minimum annual charge of £550.00 and offer good value against the industry average of 0.79% per annum.

Fees charged as a percentage of funds invested will increase if the value of the investment grows.

The additional portfolio management service above will involve the following services:

- Bespoke fund analysis
- Discussion of past objectives and future expectations
- Re assessment of risk profile

1<sup>st</sup> January 2021

- Appropriate analysis of existing risk profile against current portfolio
- Any and all changes required to funds and objectives

## **Legacy Assets**

Any assets set up by agreement prior to the implementation of the Retail Distribution Review (RDR) of 31<sup>st</sup> December 2012 will remain at the previously agreed income levels, unless otherwise negotiated to a new fee scale. This will apply to legacy assets whether or not the original agreement was made with CopperHouse Financial Ltd or another intermediary.

## ***Annuities – advice and implementation***

To advise on, research and arrange an annuity for you we can either agree a fee related to time costed advice as above or agree a fixed fee of 1.5% of the fund value.

For example, if the fund you wish to annuitize is £50,000 in value, our fee will be £750 and is currently exempt from VAT.

We reserve the right to make additional charges based on our hourly rates noted above where a project is particularly unusual or complex. In any event we reserve the right to apply a minimum fee of £500 for any transaction undertaken on your behalf.

We will agree with you our charges before we proceed and will provide you with a fee agreement for signature detailing which services and charges will apply.

## **VAT**

Our fees and charges are normally VAT exempt. If we do undertake services to which VAT applies, then we will confirm this to you when we quote or estimate our fees for you.

## **Pension Fund Drawdown access charges on fee based advice.**

Pension access may be via a regular withdrawal or an ad hoc payment. In regard to the latter, there will be no charges made for the first ad hoc withdrawal in any policy year, thereafter we will charge £175 for each subsequent withdrawal during the policy year. This charge is to cover our administrative time and will not apply to those with an ongoing adviser fee agreement based on a percentage of funds under management.

## **Fees paid out of investments or investment income**

For investments and pensions it is usually possible for the provider to facilitate payment of our fees out of your plan; whilst this maybe your preferred method of fee payment we must draw to your attention that in certain circumstances paying fees in this way could be prejudicial in terms of tax liabilities. We will draw this to your attention if we believe this to be the case, but accept no liability for any tax incurred as a result of your choice of method of remuneration. We must also advise you that in some cases units within a fund may be encashed to meet charges and this will may have a detrimental effect on the performance of your investment.

## **Jurisdiction**

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.

## **Rights of Third parties**

These terms of business exclude any rights, which may be conferred upon third parties by the Contracts (Rights of Third Parties) Act 1999.

## **Force Majeure**

We will not be in breach of this Agreement and will not incur any liability to you for any failure to perform agreed duties owing to any circumstances beyond our reasonable control.

## **Assignment**

We may assign any or all of our rights under any Agreement on giving you not less than seven day's written notice. You may not assign, subcontract or encumber any right or obligation under any Agreement, in whole or in part, without our prior written consent and at our sole discretion.







