

## Service and Payment Agreement

**This is an agreement between:**

**Futures Assured Limited (Independent Financial Advisers)**

**and** .(Client's name(s)).....

of (address).....

.....

.....

**This agreement will be in force from:** ..... **To: Open Ended**

This agreement refers only to investment related business and does not include providing protection advice. We agree to provide you with services and in return you agree to pay us for our services, as detailed below.

## The Service

**We agree to provide you with the following services:**

**Advice** – You have chosen to receive advice from us, whereby we will offer advice and make recommendations after we have assessed your needs.

**No advice** – You have asked us to act upon your instructions only, whereby we will not give advice or make a recommendation. These instructions must be in writing.

## Initial Service(s)

Our initial advice will be appropriate for you based on your requirements and circumstances at that time. We will not ensure that any initial advice is still suitable for you at a later date unless you specifically ask us to do so by way of our ongoing service; you can ask us to do this at any time.

**You have asked us to advise you on either:**

**Full advice basis** – We recommend our full advice service covering all of the financial planning needs areas described in the areas of Protection, Pensions and Investment Planning, for which you have agreed.

**Limited advice basis** – You requested advice in only one or more specific areas of financial planning which will be clearly identified on the Confidential Financial Review Document.

## Payment Method

**Paying by fee:** You have chosen to pay us for our initial services by fee which means you pay us direct by either cheque or BACS payment. This payment would become payable at the time of completion of the application for the product or within 14 days of receipt of the invoice. If you fail to pay our fees when they are due, you will be in breach of this agreement and we may enforce our rights against you.

**Payment by adviser charge:** You have chosen to pay us for our initial services by adviser charge which means the cost of our services will be deducted from the amount invested and will be paid to ourselves via the product provider.

We will tell you if you have to pay VAT

## The Payment Amount

The amount we charge will be dependent on the area of advice and the amount invested as follows:-

### Lump Sum Investments

5% of the first £50,000 of the initial investment (subject to a minimum of £500)

3% of the next £50,000 of the initial investment

2% of any further amount of the initial investment

Typical examples:- £25000 invested therefore  $£25000 \times 5\% = £1250$

£75000 invested therefore  $(£50000 \times 5\%) = £2500 + (£25000 \times 3\%) = £750$  Total £3250

### Pension Reviews (i.e. Pension Switching)

6% of the first £50,000 of the transfer value (subject to a minimum of £600)

4% of the next £50,000 of the transfer value

3% of any further amount of the transfer value

Typical examples:- £25000 transfer value therefore  $£25000 \times 6\% = £1500$

£75000 transfer value therefore  $(£50000 \times 6\%) = £3000 + (£25000 \times 4\%) = £1000$  Total £4000

### Occupational Pension Reviews (i.e. Pension Transferring)

An initial non – refundable fee of £695 (payable by cheque or BACS). Should the advice be to retain your pension with the existing scheme then no further charges apply. However should the advice be to transfer the existing scheme and you wish to proceed then an additional charge would be incurred as stated below:-

6% of the first £100,000 of the transfer value (subject to a minimum of £3000).

3% of any further amount of the transfer value

The initial charge of £695 will be deducted from the additional charge.

Typical examples:- Initial non- refundable charge of £695

Additional Charge:-

£100000 transfer value therefore  $£100000 \times 6\% = £6000 - £695 = £5305$ . Therefore total charge £6000

£250000 transfer value therefore  $(£100000 \times 6\%) = £6000 + (£150000 \times 3\%) = £4500$  Sub Total £10500 - £695 = £9805. Therefore total charge £10500.

## **Taking Retirement Benefits with an Investment Strategy (i.e. Income Drawdown / Investment Linked Annuities)**

5% of the first £50,000 of the net pension fund\* (subject to a minimum of £500)  
3% of the next £50,000 of the net pension fund\*  
2% of any further amount of the net pension fund\*

\*Please note that net pension fund means the fund value after the deduction of any pension commencement lump sum has been taken.

Typical examples:- £25000 net pension fund therefore  $£25000 \times 5\% = £1250$   
£75000 net pension fund therefore  $(£50000 \times 5\%) = £2500 + (£25000 \times 3\%) = £750$  Total £3250

## **Taking Retirement Benefits with no Investment Strategy (i.e. Annuities / Impaired Life Annuities)**

3% of the first £50,000 of the net pension fund\* (subject to a minimum of £500)  
2% of the next £50,000 of the net pension fund\*  
1% of any further amount of the net pension fund\*

\*Please note that net pension fund means the fund value after the deduction of any pension commencement lump sum has been taken.

Typical examples:- £25000 net pension fund therefore  $£25000 \times 3\% = £750$   
£75000 net pension fund therefore  $£50000 \times 3\% = £1500 + (£25000 \times 2\%) = £500$  Total £2000

## **Regular Premium Pensions**

50% of the first years gross premiums of the first £100.00 per month/£1200 per annum  
30% of the first years gross premiums of the next £100.00 per month/£1200 per annum  
20% of the first years premiums of any further amount

Typical examples:- £100 per month gross invested therefore  $£100 \times 50\% =$  Totalling £50 monthly x 12 months = £600  
£250 per month gross therefore  $(£100 \times 50\%) = £50 + (£100 \times 30\%) = £30 + (£50 \times 20\%) = £10$   
Totalling £90 monthly x 12 months = £1080

## **Regular Premium Savings**

25% of the first years premiums of the first £100.00 per month/£1200 per annum  
15% of the first years premiums of the next £100.00 per month/£1200 per annum  
10% of the first years premiums of any further amount

Typical examples:- £100 per month invested therefore  $£100 \times 25\% =$  Totalling £25 monthly x 12 months = £300  
£250 per month therefore  $(£100 \times 25\%) = £25 + (£100 \times 15\%) = £15 + (£50 \times 10\%) = £5$   
Totalling £45 monthly x 12 months = £540

Please note that fee/adviser charge on all regular contribution savings are paid monthly for 12 months..

Any variation to the initial charge must be stated in this box:-

## Ongoing Service

To ensure that your investment remains on track to achieve your financial objectives, continues to match your attitude to risk and are adjusted to meet any change in circumstances, we strongly recommend that you have your investment(s) reviewed on a regular basis. Below describes the various ongoing service propositions and the costs which are available to you.

### The Payment Method

- Paying by fee:** You have chosen to pay us for our ongoing services by fee which means you pay us direct by either cheque or BACS payment
- Payment by adviser charge:** You have chosen to pay us for our ongoing services by adviser charge which means the cost of our services will be deducted from the fund value.

We will tell you if you have to pay VAT

### The Ongoing Service and the Payment Amount

**You have asked us to undertake the following:**

**Postal Review**

This service offers an annual review letter from ourselves which provides you with details of how your investment is performing and recommendations to making alterations to your investments when necessary. This service does not address any change in personal circumstance or attitude to risk.

The cost of this service is 0.25% per annum of the fund value (subject to a minimum of £50 per review)

Typical examples:- Fund value of £25000 therefore  $£25000 \times 0.25\% = £62.50$   
Fund value of £75000 therefore  $£75000 \times 0.25\% = £187.50$

**Annual Face to Face Review**

This annual service offers a full assessment of your personal circumstances, reassessing your attitude to risk and reviewing your goal and objectives. At the meeting we will provide you with details of the investment performance, valuation and an investment commentary. As a result of our discussion with you we will provide any necessary fund switching advice and processing that maybe required.

The cost of this service is 0.5% per annum of the fund value (subject to a minimum of £250 per review).

Typical examples:- Fund value of £50000 therefore  $£50000 \times 0.5\% = £250.00$   
Fund value of £150000 therefore  $£150000 \times 0.5\% = £750.00$

**Bi Annual Face to Face Reviews**

This bi annual service offers a full assessment of your personal circumstances, reassessing your attitude to risk and reviewing your goal and objectives. At the meeting we will provide you with details of the investment performance, valuation and an investment commentary. As a result of our discussion with you we will provide any necessary fund switching advice and processing that maybe required.

The cost of this service is 1% per annum of the fund value (subject to a minimum of £250 per review).

Typical examples:- Fund value of £50000 therefore  $£50000 \times 1.0\% = £500.00$   
Fund value of £150000 therefore  $£150000 \times 1\% = £1500.00$

#### Ad – Hoc Face to Face Reviews

This service will be provided only at your request and can be as frequent or infrequent as you wish. This service offers a full review of your investment, change in circumstances and attitude to risk and the performance of the investment since the last review. We will provide a full discussion meeting to give you peace of mind that your investment is offering its best potential. We will also make recommendations about any required amendments to the investment strategy.

The cost of this service is 0.5% per review of the fund value (subject to a minimum of £250 per review).

Typical examples:- Fund value of £50000 therefore  $£50000 \times 0.5\% = £250$   
Fund value of £150000 therefore  $£150000 \times 0.5\% = £750.00$

#### Bespoke Service

Should you require a service which is not covered by the above options we can offer a service which is specific to your requirements. The cost of this service would be agreed with yourself subject to the nature, frequency and likely time involved.

#### Support Service

This service is provided to all investment client at **no extra cost** and includes:-

- Telephone / email access to your financial adviser
- Support with administrative changes to your plans
- Liaising with providers on your behalf
- Introductions to other professional services (i.e. legal / accountancy services)
- Liaising with your other professional advisers (i.e. solicitor / accountant)

Any variation to the ongoing charges must be stated in this box:-

### Cancellation of this Agreement

You can ask us to stop acting for you at any time, but this must be done in writing. We will keep a copy of this agreement on our files so that we have a copy of the terms on which we acted for you.

We will have no authority to act for you after this agreement has ended. If the agreement is ended while we are providing an initial service to you, we will finish providing the agreed services unless you ask us not to. You will have to pay any outstanding fees/adviser charges for our services even if this agreement has ended. Any fees/adviser charges outstanding at the date of termination will be due within 7 days of the termination date.

As part of this agreement we will provide you with the agreed ongoing service for as long as you ask us. If you decide to end this agreement and have paid fees/adviser charges in advance for future reviews, we will refund those fees/adviser charge.

**This and our Terms of Business set out the legal relationship between us. For your own benefit and protection you should read these terms carefully before signing. If you do not understand any points please ask your financial adviser for further clarification.**

**Please note that the original signed agreement will be given to you together with our Suitability Report and other relevant documentation on presentation of our recommendation. This should be retained and kept in a safe place and a copy will be retained by Futures Assured Limited. Should you require an unsigned copy of this agreement, until your signed agreement is returned please ask your financial adviser.**

Client Signature..... Print Name.....

Date.....

Client Signature..... Print Name.....

Date.....