

## CLIENT AGREEMENT

### What we do and how we charge

We are a financial planning business, focused on helping you understand and plan for your financial future. This agreement is designed to give you an idea of:

- **What we do and how we do it (our services)**
- **What it's likely to cost and how you can pay us**

More detailed information is available on our website [www.pearsonwm.co.uk](http://www.pearsonwm.co.uk).

**This document provides details about our services to you and how we charge, so it is important that you read it fully. If there is something you don't understand, please ask us to explain it.**

### Our services

Whatever financial decisions you have to make, the first step towards making the right decisions is to establish a clear understanding of your financial needs.

People seek financial advice for many different reasons so it's important that we understand your current position and what you want to achieve. At our first meeting we'll gather information about you to help define your needs and priorities.

Our services include:

- **Financial planning:** It's important to identify what you might want to achieve and how you can do this. We can help you to identify your goals and create a plan for your finances to help you achieve them.
- **Retirement planning:** It's important to know whether the money you are saving towards retirement will provide you with sufficient funds to meet your retirement objectives. We can work with you to proactively plan for your retirement and help you decide on the options available once at retirement.
- **Protection planning:** Most of us want to protect the things that are important to us, our family, business and quality of life. Protection planning can help to provide peace of mind in the event of your income changing due to unexpected events. We can help you plan for the best way to protect you, your family or your business.

**We'll only start work once we have agreed our services and charges with you. We'll give you a copy of our Fee and Service Level Agreement which will set out the services we have agreed to provide and confirm how much this will cost.**

## Our advice

We offer independent investment advice. This means that we'll consider the whole market of products and providers to select a suitable solution for you. Where we provide protection planning services, we consider protection products such as term assurance, income protection and critical illness cover from a range of insurers.

Our charges

Our charges fall into three categories:

- a) **Initial charges:** these are the upfront costs of our services.
- b) **Ongoing charges:** once your financial plan is in place it is important to keep it under review so it can be adapted, where necessary, as your circumstances change. Our ongoing services are designed to do this.
- c) **Other charges:** it's possible that there may be additional costs and charges (including taxes) related to the business we arrange. We'll tell you if this is the case.

**All actual charges and fees (in pounds and pence) will be agreed with you and we'll explain your payment options too. We'll also let you know where any fees are subject to VAT.**

## Initial charges

Service Description	Charges*
Personal Pensions and Investments	3% of lump sum/transfer value (minimum fee of £1,500)
Annuity Purchase	3% of net amount invested (minimum fee of £1,500)
Regular premium contracts	Fixed fee of £1,500
Specialise/Ad-Hoc Advice	Details provided upon request, hourly rates may apply
*Discounts may apply for existing clients and larger amounts. Your adviser will provide you with further details.	

## Here are some examples of how our charges could apply:

- If you invested £30,000 our fee would be our minimum fee = £1,500
- If you invested £75,000 our fee would be 3% of £75,000 = £2,250
- If you invested £100,000 our fee would be 3% of £100,000 = £3,000

We will provide you with a personalised illustration before making any application.

## Payment Options

Initial charges can be paid in a number of ways:

- Payment via deductions from the financial product(s) you invest in or (if relevant) deductions from the amount invested with a discretionary fund manager (DFM). Most product providers/DFMs offer this facility but using it will reduce the amount you have left to invest and may, depending on your circumstances, have other consequences (we'll discuss this with you beforehand).
- Cheque or electronic transfer (unfortunately, we cannot accept payments in cash).
- For investments held on a platform (an online investment administration service) you may choose to pay our charges out of the funds held in the platform cash account, although it's important to maintain sufficient funds in the account to cover our charges as they become payable.
- If, as a result of our recommendations, you take out a regular premium pension product where investments are made on a monthly, quarterly or annual basis, it may be possible to have our initial charges deducted from the product in instalments (where the provider is able to offer this facility). In such cases, our normal approach will be for the payment to be spread over a maximum of 12 months. Here's an example to show how this could work based on a £300 per month policy:
  - The initial charge for our service £1,500.
  - The monthly charge over 12 months is £1,500 divided by 12 = £125
  - Each month you pay your product premium of £300 but for the first 12 months your product provider pays us £125 of that £300.
  - For the first 12 months - £175 is invested/£125 pays our charge.
- In some limited circumstances (for protection planning only) we may receive commission from a product provider in relation to a financial product we have arranged for you. If we are paid by commission we'll tell you the amount before we carry out business for you.

### Ongoing Charges

For investments and pensions, an ongoing service will be provided as a follow up to the initial advice.

Ongoing Service	Ongoing Charges
Premier Service (Gold)	1% pa of value of investment/pension
Intermediate Service (Silver)	0.70% pa of the value of the investment/pension
Elementary Service (Bronze)	0.50% pa of the value of the investment/pension
Minimum fund size applies, your adviser can provide you with further information.	

### *Payment Options*

Ongoing charges can be paid in a number of ways:

- By invoice.
- By deduction from your investment(s) on a monthly, quarterly, six-monthly or annual basis, where the product/ platform provider or DFM is able to offer this facility.

- For investments held on a platform (an online investment administration service) you may choose to pay our charges out of the funds held in the platform cash account, although it's important to maintain sufficient funds in the account to cover our charges as they become payable.

### **Other charges**

Depending on the services we provide, there may be additional costs and charges (including taxes) related to the business we arrange. If this is the case we'll tell you how much these will be before we start work. For example:

- There may be other costs, not charged by us, but related to the financial products we may arrange for you. For example, if your investments are held on a platform (an online investment administration service) or held with a DFM, the platform provider/ DFM will make a charge for administering / managing your investments. We'll always disclose any third party costs as part of making our recommendations.

### **Initial and one off services**

This service includes:

- An initial meeting to find out more about you (this meeting is at our expense and without obligation)
- Agreeing your financial goals and objectives
- Establishing your attitude to and understanding of risks
- Establishing your capacity for loss
- Reviewing your current plans, investments and assets
- Undertaking research to identify appropriate plans and solutions
- Providing a personalised report and recommendation(s)
- A face to face meeting to discuss our recommendation(s)
- Implementation of agreed recommendation(s)

### **One off advice service**

We appreciate that sometimes you may just be looking for help in a particular area on a one off /ad hoc basis. For example, you may just want us to review you current pension plan(s) to provide a snapshot of your current retirement provision. You may just want a second opinion on advice provided by a third party.

Here are some examples of how our charges could apply:

We charge a percentage of funds under management with the minimum being 0.50% pa for our Basic service. Our Advisory and Active services have additional fees that would apply (see page 3).

For example, if you selected our Advisory Portfolio Management service, your annual ongoing charge for this service would be 0.70% (of the total market value of the investment funds that we manage on your behalf).

- For a fund of £50,000 our fee would be 0.7% of £50,000 = £350 per annum
- For a fund of £100,000 our fee would be 0.7% of £100,000 = £700 per annum

- For a fund at £150,000 our fee would be 0.7% of £150,000 = £1,050 per annum

## **Our Terms and Conditions**

If you have any concerns about any aspect of our services, please contact us.

This agreement sets out our respective obligations.

## **1. OUR RECOMMENDATIONS**

### **Our Recommendations**

Before providing advice we'll assess your needs, consider your financial objectives and assess your attitude to any risks that may be involved. If you don't want to discuss a particular area of financial planning, and do not want that area to form part of the advice given, we can exclude it if you instruct us to do so. This could, of course, have a bearing on the advice that might have been given.

We will confirm any recommendations we make in writing (a suitability report) along with details of any special risks that may be associated with the products or investment strategies we've recommended.

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 could be affected by 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 arrange are included in the relevant product literature provided.

We may, where appropriate, recommend holding some, or all, of your investments with a discretionary fund manager (DFM), a professional investment manager appointed to monitor your portfolio and make investment decisions on your behalf. In such cases we'll explain the respective responsibilities of ourselves and the DFM in relation to your investments. Before setting up this type of arrangement we'll explain the implications to you.

We may occasionally recommend investments that are not readily realisable. We'll only do this where appropriate but, if we do, we'll draw your attention to the risks associated with the investments in our suitability report. There's a restricted market for such investments and in some circumstances it may not be possible to deal in the investment or obtain reliable information about its value.

### **Financial Crime**

We are obliged to put in place controls to prevent our business from being used for money laundering and other forms of financial crime.

We'll verify your identity before undertaking any business with you. To do this 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. The check may leave a 'footprint' on your credit file but it will not affect your credit rating.

### **Best execution**

Where we send investment applications on your behalf to third parties (e.g. to put an investment in to force), we'll take all reasonable steps to ensure that we obtain the best possible result for you. This is referred to as 'best execution'.

### **Conflict of interests**

Although we'll always try to act in your best interests there may be situations where we or one of our other clients has some form of interest in the 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 own interests, we'll write to you and ask for your consent before we carry out business for you. We'll also let you know the steps we'll take to make sure you are treated fairly.

### **Communicating with you**

Our normal ways of communicating with you are by telephone, post, email, SMS text message or in person. Our communications will be in English.

We only accept instructions in writing or by electronic communication to aid clarification and avoid future misunderstandings.

### **Client Money**

Pearson Wealth Management Ltd is not permitted to handle client money and we cannot accept a cheque made out to us (unless it is in respect of any item for which we have sent you an invoice) or handle cash.

## **2. YOUR OBLIGATIONS**

This section sets out your obligations in agreeing to receive our services.

### **Providing information about your circumstances**

Our advice will be based on the information that you give, so it's important that you provide us with the information we request about your circumstances and objectives to allow us to provide you with the appropriate advice. If you limit the information provided it could affect the suitability of the advice we give.

### **Payment for services**

By signing the Fee and Service Level Agreement you are agreeing to pay the charges for our services. Your selected payment method is also confirmed. We'll tell you if any payments are subject to VAT.

Our initial charges are payable once we have completed our agreed work and must be settled within 30 days.

If you are paying our initial charges by instalment (only applies when you have taken out a regular contribution contract) it's important that you make payments as agreed. Where you miss a payment, or cancel the contract from where the payments are coming, we reserve the right to send you an invoice for the full amount due which must be paid within 30 days.

In some limited circumstances (for protection planning business) we may receive a commission payment from a product provider. If the commission payment relates to a regular contribution policy, and you stop paying premiums on that policy, we may be obliged to refund the commission received back to the policy provider. In such cases, we reserve the right to request the full payment of any outstanding balance of charges for our services.

Any products we have arranged for you will only be kept under review as part of an ongoing service for which you have agreed to pay.

Our charges for ongoing services will start as soon as your investment or pension plan commences.

Ongoing services can be cancelled at any time by informing us in writing (see section 3 - cancellation and amendments) but please note that we do reserve the right to charge you for services we have provided before cancellation.

In some circumstances we may receive ongoing payments (commission) from product providers relating to existing investments you hold. Such payments may be taken into account when determining the charges for ongoing services. We'll discuss and agree this with you where relevant.

### **Legal and accounting advice**

We are not qualified to provide legal or accounting advice or to prepare any legal or accounting documents. This means that the onus is on you to refer any point of law or accountancy that may arise during the course of your discussions with us, to a solicitor or accountant.

## **3. CANCELLATION AND AMENDMENTS**

### **Ending this agreement**

You or we may terminate this agreement at any time, without penalty.

- Notice of termination must be given in writing and will take effect from the date of receipt.
- Any transactions already initiated will be completed according to this agreement unless otherwise agreed in writing.
- You will be liable to pay for any services we have provided before cancellation and any outstanding fees, if applicable.

### **Amendments**

From time to time it may be necessary to amend the terms set out in this agreement where it's not necessary to issue a new agreement. If this is the case we'll write to you with details of the changes at least thirty days before they are due to take effect.

## **Product cancellation rights**

Full details of any financial products we recommend to you will be provided in the relevant product information you'll receive. This will include information about any product cancellation rights along with any other early termination rights and penalties.

## **4. USEFUL INFORMATION ABOUT OUR SERVICES**

### **Who authorises us to advise you?**

We are authorised and regulated by the Financial Conduct Authority (FCA), 25 The North Colonnade, Canary Wharf, London, E14 5HS. [www.fca.org.uk](http://www.fca.org.uk). Our firm reference number is 442021

Our permitted business in advising on and arranging pensions, savings and investment products and non-investment insurance contracts.

You can check our details 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 tell you otherwise, we'll treat you as a retail client for investment business. This means that you are given the highest level of protection available under the UK's regulatory system.

### **What if things go wrong?**

If you are unhappy with our advice or any aspect of our services, we encourage you to contact us as soon as possible. We'll do our best to resolve your concerns.

- **Telephone:** 01473 784430
- **Email:** [info@pearsonwm.co.uk](mailto:info@pearsonwm.co.uk)
- **In writing:** Suzanne Pyne, Pearson Wealth Management Ltd, Tuddenham Hall Estate Office, Tuddenham, Ipswich, Suffolk, IP6 9DD

We have a complaints procedure and we can provide further details on request. If you do have a complaint, and you are not happy with our response, the Financial Ombudsman Service (FOS) may be able to help. The FOS settles disputes between a financial services business and their clients.

Full details are available at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

If your complaint relates to products or services you bought from us online, or by other electronic means such as by email, you may refer your complaint to the online dispute resolution (ODR) platform at <http://ec.europa.eu/odr>

### **Additional peace of mind**

The Financial Services Compensation Scheme (FSCS) is the UK's statutory compensation fund for clients of authorised financial services firms who are unable to pay claims against them, usually because they have gone out of business. You may be able to claim compensation from the FSCS if we cannot meet our obligations. The amount of



compensation available will depend on the type of business and the circumstances of the claim. We can provide more specific information on request, but as a guide:

- Investments - eligible claims for most types of investment business are covered for up to a maximum of £50,000.
- Insurance: in the majority of cases, eligible claims about the advising and arranging of protection products are covered for 90% of the claim, without any upper limit.

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

### **Benefits we may receive**

Under the rules of our regulator the FCA, we cannot accept payments or benefits from other firms (e.g. product providers) that may conflict with our duty to act in our clients' best interests.

From time to time we may attend training events funded and /or delivered by product providers, fund managers and investment platforms. These events are designed to enhance our knowledge and ultimately therefore enhance the quality of service we provide to our clients. Please ask us if you want further details.

## 5. DECLARATION

- I/We acknowledge that the Client Agreement will come into effect once it has been signed by all parties and will remain in force until terminated.
- I/We authorise the transfer of personal information, on a confidential basis and in accordance with the Data Protection Act 1998, between any relevant third parties.
- I/We agree that 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.
- This agreement is governed, and shall be interpreted in accordance with English law and both parties shall submit to the exclusive jurisdiction of the English Courts.
- Pearson Wealth Management 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.

### Email Verification

I/We do not have an email address

(Sole clients only) I am happy to receive correspondence from you and will notify you if the following email address changes.

**My email address is:**

(Joint clients only) We only hold one email address and will notify you if this changes and we are happy to receive individual correspondence from you to this address.

**My email address is:**

We have separate email addresses and would like individual communications sent to our respective email addresses. We will notify you if these change.

**Client 1:**

**Client 2:**

Client name(s):	
Client signature(s):	
Adviser name:	
Adviser signature:	
Date:	

*(CLIENT COPY)*