

# Client Service Agreement



Terms of Engagement



Service Proposition



Fee Agreement

## 3D Financial Planning



01737 225989

## **Terms of Engagement**

3D Financial Planning is a member of Best Practice IFA Group Limited, which is a network that promotes a high level of market standards through the provision of back-up resource, training and support. Best Practice IFA Group Limited is authorised and regulated by the Financial Conduct Authority. The registration number is 223112 and a full list of members can be found on the FCA register.

### *Introduction*

This document is aimed at providing you with a brief overview of our Firm and to introduce our services to you in more detail, from which you may then select the service and remuneration package that best suits your needs. We will discuss this with you so that you fully understand what is offered and how it will benefit you. Should you have any questions on any element of this please do not hesitate to ask us.

### *Advice Services*

The firm is authorised to advise on and arrange Life Assurance, Pensions, Investments, and General Insurance and Mortgages (covered by a separate agreement). We are bound by the rules of the FCA.

We offer advice on an "Independent" basis. This means that we provide unbiased, unrestricted advice based on a comprehensive and fair analysis of the relevant market, giving due consideration to the full range of retail investment, pension and life products available in the marketplace which may be suitable for you.

### **Call recording**

Our telephone calls are not recorded, therefore in line with our regulatory and legal obligations; no advice or instructions can be given or received over the phone, nor can we discuss any of your recommendations over the phone, even if you have already received a written or face to face recommendation. Any call received regarding your products or the advice that you have received will be brought to an end, as we are unable to discuss this over the phone. All advice, recommendations and instructions will need to be given and will only be provided in writing or face to face.

### *Advice options*

We offer a variety of advice options including:

- Execution only (for one-off transactions instructed by you)
- Limited Advice (approaching limited aspects of financial planning only)
- Full Advice (Full Financial Review based on all aspects of financial planning)

### *Transacting business*

By signing these terms of business, you are giving your adviser permission to accept paper, electronic and verbal instructions to transact business on your behalf. This will be especially relevant to switching investment funds. Verbal instructions will only be taken where 3D Financial Planning has call recording facilities. Any instruction received will be considered genuinely given and duly authorised.

### *Termination*

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. The termination will be without prejudice to the completion of transactions already initiated, if this is the case. Any transactions effected before termination and a due proportion of any charges for services accrued shall be settled to the date of notification.

### *Client Money*

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

### *Customer Classification*

Each client with whom the firm does business is categorised to identify the level of regulatory protection applied. We believe in providing our clients with full regulatory protection and we propose to classify you as a 'Retail Consumer' for investment purposes. Where the firm categorises a client as anything other than Retail, you may request re-categorisation to a category that provides a higher degree of protection. We reserve the right to agree to such re-categorisation on a case-by-case basis, however, where we agree to do so; it does not mean that you will have a right to access the Financial Ombudsman Service.

### *Investment Objectives and Restrictions*

Following the issue of this document, any subsequent advice or recommendation offered to you will be based on your stated objectives, acceptable level of risk and any restrictions you wish to place on the type of investments, policies or companies you are willing to consider. Details of your stated restrictions and objectives will be included in the Suitability Report we will issue to you to confirm our recommendation. Unless confirmed in writing, to the contrary, we will assume that you do not wish to place any restrictions on the advice we give you.

### **Data Protection**

We collect and process your personal data (as such term is defined in the EU General Data Protection Regulation 2016/679 ("GDPR")) in the course of providing our services. We are a data controller (as the term is defined in the GDPR) of such personal data. Full details of how we process personal data can be found in our Privacy Notice, at [www.3dfinancialplanning.co.uk](http://www.3dfinancialplanning.co.uk)

We may collect and process personal data in relation to your health, where you provide this either in a written application or by speaking with an adviser. This data will be collected and processed in accordance with our Privacy Notice, and used solely for the purpose of researching and advising on one or more products to suit your needs and assisting you with the application for and ongoing management of such products. We may also pass this data to Best Practice IFA Group Limited and third party service providers so that they may carry out the services that they provide to us. In order to collect and process this data, we require your consent by signing the separate GDPR Consent Form provided to you. This consent can be withdrawn at any time. **Please note that we cannot provide a full range of services without such consent, and withdrawal of consent is likely to require us to cease providing our services to you.**

**Please tick this box to confirm you understand and consent to our processing of personal data relating to your health and our passing such special category data to Best Practice IFA Group Limited and third party service providers.\*** *Health information is typically required for mortgage and protection advice, along with some investment advice areas such as pensions.*

From time to time we send our clients information promoting our services, or other similar services in which we believe you might be interested. If you would prefer not to receive this information, please tick the box below. Alternatively, please contact The Data Protection Officer on 01403 334455 or in writing at Broadlands Business Campus, Langhurstwood Road, Horsham, West Sussex, RH12 4QP.

**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.\***

**\*where client is under the age of 16 consent must be given by either the parent or legal guardian for this data to be processed.**

### **Material Interest**

Occasions can arise where we, or one of our customers, will 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 customers conflict with your interests, we will inform you in writing and obtain your consent before we carry out your instructions and detail the steps we will take to ensure fair treatment. We have arrangements in place to ensure our clients are treated fairly, and we have a conflict of interest policy in place to help us manage the risks. You may ask for a copy of this policy at any time. This is intended to operate, monitor and maintain effective organisational and administrative arrangements with a view to taking all reasonable steps to prevent conflicts of interest.

### **Benchmark Capital**

Best Practice IFA Group, of which we are a member, is part of Benchmark Capital Limited, which is part-owned by Schroders plc. In the interest of disclosure, the companies that fall under Benchmark Capital Limited include Fusion Wealth Platform and Fusion Funds, which may feature in recommendations made to you. Additionally, as Benchmark Capital is associated with Schroders, you may receive independent advice recommendations for funds that are managed by Schroders (including Cazenove Capital Management). For clarity the use of Fusion Wealth, Fusion Funds, Schroders or Cazenove funds is not mandated and would only be used where it is a suitable solution to your financial objectives. All recommendations are made for the best interest of our clients, not the business, and Benchmark Capital group aims to create cost effective solutions and efficiencies which can benefit both consumers and our members. A board of directors have been appointed to maintain oversight and control of the companies within Benchmark Capital, and procedures are in place to monitor and safeguard our consumer's best interests.

### **Rights to Cancel**

We will inform you of your statutory right to cancel. The Distance Marketing Directive normally grants you 30 days in which you may cancel a life or pension contract. However, there will be occasions where no statutory rights are granted, although this will be explained before any contract is concluded.

### **Complaints**

Our complaints procedures are available on request. If you wish to register a complaint, please contact us:

**....in writing** Write to The Compliance Director, Best Practice IFA Group Limited, Broadlands Business Campus, Langhurstwood Road, Horsham, West Sussex, RH12 4QP.

**....by phone** Telephone 01403 334455

Alternatively, you can telephone 01403 334455. If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service (FOS) further details of the FOS can be found at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) or by contacting them on 0800 023 4 567.

## Compensation Scheme

We are covered by the Financial Services Compensation scheme (FSCS) if we cannot meet our obligations. This is dependent upon the type of business, the circumstances of the claim and the eligibility of the claimant. Most types of investment, insurance, pension business and mortgages are covered by the FSCS up to specific limits, generally these limits are:

<b>Investments</b>	– most types of investment business are covered for up to a maximum of £85,000.
<b>Pensions</b>	– most types of pension business are covered for up to a maximum of £85,000.
<b>Insurance</b>	– most types of insurance contracts are covered for 90% of the claim, without any upper limit.
<b>Mortgages</b>	– advising and arranging is covered up to a maximum of £85,000.

Further information about this compensation scheme arrangement and limits that apply to the various types of business can be found on the FSCS website - [www.fscs.org.uk](http://www.fscs.org.uk) or by contacting them on 0800 678 1100.

## Law

These Terms of Business are governed and shall be construed in accordance with English Law and the parties shall submit to the exclusive jurisdiction of the English Courts.

## Regulation

MIFID II has introduced the requirement for Legal Entity Identifier's (LEIs) to be obtained for clients who are companies, charities or trusts. If you are a client who is a legal entity or structure, including a company, charity or trust, you will need to make arrangements to obtain an LEI code if you want the firm to continue to act on your instructions or make a decision to trade on your behalf from 3 January 2018 onwards. Your adviser will be able to provide further guidance on the application process.

## Our Services

It is important that you know what to expect in terms of the services we provide, and that you understand our commitment to you in the provision of those services. We intend to be professional, clear, and fair in our dealings with you, and will always ensure that any service or advice provided is in your best interests.

## Initial Consultation

We will meet with you face-to-face, via Web meeting or telephone conference in order to capture important information about your current circumstances, your financial history, and your aspirations, priorities and objectives in terms of your financial future. We will also discuss your attitude towards "investment risk", and your understanding of how such risk may affect you. This will take approximately 2 hours.

The consultation will close with a summary of our findings, and our suggested next steps toward a tailored, yet realistic, solution to your needs. There is no obligation to proceed at this stage, and no costs will have been incurred.

## Research and Analysis

Should you decide to proceed, further to our initial meeting, we will ask you to formalise your permission for us to commence chargeable work for you by signing this Agreement. At this stage, we will begin to undertake the process of thoroughly analysing your current position based on our extensive knowledge of financial markets, and diligently researching potential solutions for your needs.

Should we need to consult with any professional advisers or financial services providers with whom you have an agreement, we will ask for your express consent to do so.

## Report Preparation

When we have all the information we require, a full Financial Planning Report will be devised to paint a clear picture of your current position and outline a clear and thoroughly researched recommendation for the solution we believe to be in your best interests.

We will arrange to meet with you to discuss our recommendations in full and take you through our Report step-by-step. You are free to take the report away and give it due consideration before agreeing to move forward to the next stage.

## Implementation

Once you feel that you are in a position to make a fully informed decision to proceed, and you have given us your consent to do so, we will begin the process of implementing our recommendations. We will assist you in completing all of the relevant forms and ensuring your applications are processed by the relevant investment houses and providers in a timely manner.

### **On-going Services**

Depending on the size and complexity of your portfolio once in place, you may or may not require on-going management services. It is important to be aware that, in the absence of a specific agreement to provide you with on-going services, your portfolio will not be monitored unless you contact us to ask for a specific service.

### **Discretionary Management Facility**

Where possible, we will offer you the opportunity to run your investments on a discretionary basis, this means that your portfolio will run in real time as there is no need to advise you every time an underlying change needs to be made. The obvious benefit of this approach is that trading can be done easily and efficiently and dealing charges will, in most cases be reduced. Where you would like to apply for this service you will need to sign a discretionary agreement and we will inform you if there are any additional fees to pay.

### **A 'Holistic Plan'**

Where a full advice option has been agreed, we aim to provide all our clients with full and comprehensive advice rather than limiting it to one product. This means that we will consider how all your plans and investments overlap and interact with one another in order to formulate the most efficient strategy for your needs. This can be concisely summarised by the phrase "the whole is more than the sum of its parts".

In order to construct an all-encompassing financial plan for our clients, we will consider Mortgages, Income Protection, Protection, Pensions, Savings, Investment, Taxation and Trusts with a full advice proposition.

### **How we charge**

You will always know our fees before you make a decision to proceed. We don't hide our costs and have a transparent charging structure, so you can be sure we are working efficiently for your benefit.

Our fees are based wholly upon the provision of our qualified and professional expertise; the time taken to analyse your circumstances and devise an appropriate strategy going forward; the design of an appropriate summary report to communicate this strategy to you; and also takes into account our firms exposure to regulatory, commercial and financial risk.

Should we undertake initial research towards your goals, but you subsequently do not proceed with our recommendations; we will raise an invoice for an agreed fee in order to recoup our costs. This payment will need to be made by cheque or bank transfer.

Should you agree to proceed, and we go ahead with the implementation of your strategy, it can be arranged for your total fees to be deducted from the investment amount at outset, via the product provider. Alternatively, you may prefer to make your payment to us by cheque or bank transfer. Your choice can be made in the Client Declaration section of this document.

### **Cost of Initial Services**

Initial Consultation (1st meeting)	Free of charge
Fees for research, analysis and implementing advice	This is calculated up to a maximum of 3% of the value of investment, subject to; Minimum fee of £1500.
Fixed Fee	In exceptional circumstances, or where a client has a specific need we may vary the costs and charges as outlined in this charter. Typically, this would take the form of a "Fixed Fee". In this instance, we will explain and agree this fee with you prior to any advice being given or work being undertaken. Our normal practice is to enter into a fee agreement and you will be asked to sign a separate "Letter of Engagement" which details the scope of work and fee agreed on our hourly rate of £150 per hour.
Should you agree to proceed, and we go ahead with the implementation of your strategy, it can be arranged for your total fees to be deducted from the investment amount via the product provider.	
Fees for on-going management services	Up to 1% of portfolio value, subject to; Minimum annual fee of £1000
<i>Should we undertake research and analysis work on your behalf, but you decide not to take up our recommendations, we reserve the right to charge you a fee to cover our time. This will typically be represented by a rate of £150 per hour for an adviser, with a minimum fee of £600. Additionally, the involvement of administrative staff is represented by a rate of £75 per hour. The time taken to research a typical and non-complex investment or retirement need or objective, to collate the information and devise an appropriate report, may take anything up to 10 hours, which would incur a fee of £1,500. We will estimate the total cost for you in advance of commencing work if you wish. You may ask us not to exceed a specified amount</i>	

### *Invoice Procedure*

Invoices are issued within 10 days of either an advice service being finalised and/or presented, or in the case of Implementation fees, within 10 days of your product/s being commenced.

### *Our Fees do not include;*

Will Writing

Trusts advice

Complex tax calculations/advice

For these services, a separate fee will be agreed with you in advance.

### *Refunds and Cancellation Policy*

Fees are payable subsequent to our Professional Advice Services being provided, and therefore refunds are not available in normal circumstances. Fees paid in respect of regular or annual services are not refundable; however, any on-going services may be cancelled upon request. Please also see your Rights to cancel above, in respect of cancelling individual products or policies.

Should a refund be required due to any element of dissatisfaction on your part, this should be approached via our normal Complaints procedure as outlined above. We will try to resolve the issue to your satisfaction, which may include offering a discretionary refund.

### *Cost of On-going Management Services*

Whether you have a sizable and complex portfolio of products, or one or two modest investments, it is important to consider how these should be managed going forward.

We can provide an on-going service designed to expertly maintain and monitor your portfolio. The benefit of this is to ensure that your objectives and attitude to risk are correctly aligned with your holdings over an extended period of time. In addition, on-going advice services ensure that developing and future financial objectives are taken into account.

Furthermore, aspects of your financial arrangements can change over time, including your goals and risk profile as well as the underlying asset's risk characteristics. On-going service can help adapt and position your arrangements to manage such changes and influencing factors. I have three different levels of service depending on what you wish to receive as every client is different- Transactional, Preferential or Executive.

I would advise you which we feel is most appropriate, however it is your choice as to what level of on-going service you would like to receive.

### *Tax Efficient Fee Collection*

Our fees are constant to give you absolute impartiality, however, as part of the overall financial planning process we will also take into account how best to charge for our service. In almost all cases this is best taken from contracts which either obtain tax relief on creation or are taxed on exit because this effectively saves you this percentage in tax. For example, if our fee to manage your pension investments was £1,000 which was taken via the pension itself the net cost to you may be as low as £600.

Exceptions to the above are ISA's which do not receive tax relief but grow tax free (subject to the 10% tax credit) and are tax free on exit, therefore, it would be prudent to pay the annual management charge outside of the wrapper from a cash account. This would have the added advantage of reducing the growth on the cash account which effectively saves paying savings tax of up to 40% on the amount of the fee.

By using the above, you can save a large amount on the payment of overall fees by engineering the payment from tax efficient sources. The net effect of this approach can reduce fees by up to 40%.

### *Value added Tax*

As we act on your behalf as an intermediary our fees are presently exempt from VAT which means we do not usually have to make an additional charge of 20%. If we do have to charge you for a service which is subject to VAT we will inform you in advance.

## Potential savings on VAT and Tax

If we combine the fact that we act as your intermediary and collect fees direct from a contract rather than ask you to write out a cheque for a service, then the full savings becomes more apparent in the table below.

Type of service offered	Cost of advice for arranging a personal pension	Potential VAT	Tax relief	Total Net Fee
Fee only service for buying a product	£1,000	£200	Nil	£1,200
Fee for acting as intermediary deducted from pension fund	1,000 extra paid into pension to cover fees	Nil	£400	£600
<i>* Potential saving</i>				<i>£600</i>

*\*This example assumes that you are a 40% tax payer and have the ability to pay £1,000 into your pension rather than pay a cheque. This is our interpretation of current tax law which is always subject to change and therefore there is no future guarantee that we can retain tax efficiency of future fee payment.*

### 3D Financial Planning – Service Levels

Transactional	Preferential	Executive
<p>You do not require on-going advice and do not wish to pay a regular retainer or fees, but still want to know we are available should you need financial advice in the future.</p> <p>There are no monthly retainers or other regular fees and work will only be undertaken at your request.</p> <p>Your file will only be updated when you have requested a service.</p> <p>Your portfolio will not be monitored.</p> <p>A fee will need to be charged for updating your file before any work is commenced.</p> <p>This will also be agreed with you in advance, and will be based on the appropriate hourly rate for the work involved. This may be offset against any other fees or commission earned.</p> <p>Fees will be agreed with you for each service prior to work commencing</p> <p>New opportunities will not be drawn to your attention.</p>	<p>You require on-going advice once a year to review your financial position and create a financial plan to meet your own financial goals.</p> <p>Minimum fee of £1,000 which can be paid via an adviser charge of 0.5% to 1% on your investment/pension or as fee.</p> <p>Your file will be updated after each annual review and we will provide you a full annual review looking at your financial objectives and we provide a lifetime Cash Flow forecast. This analyses your incomes, expenditures, savings and investments to illustrate whether certain financial objectives are achievable, and how certain decisions regarding your finances will be likely to affect you many years down the line.</p> <p>Your portfolio will be monitored, and a risk assessment questionnaire will be completed at each annual review.</p> <p>New opportunities will be drawn to your attention through our newsletter following the budget.</p> <p>On-going telephone and email support</p>	<p>You require on-going advice twice a year to review your financial position and create a financial plan to meet your own financial goals.</p> <p>Minimum fee of £2,000 which can be paid via an adviser charge of 0.5% to 1% on your investment/pension or as fee.</p> <p>Your file will be updated after each annual review and we will provide you a full annual review looking at your financial objectives and we provide a lifetime Cash Flow forecast. This analyses your incomes, expenditures, savings and investments to illustrate whether certain financial objectives are achievable, and how certain decisions regarding your finances will be likely to affect you many years down the line.</p> <p>Your portfolio will be monitored, and a risk assessment questionnaire will be completed at each annual review.</p> <p>New opportunities will be drawn to your attention through our newsletter following the budget.</p> <p>Written portfolio valuations on request and on-going telephone and email support</p> <p>Providing strategic updates to your other professional advisers and end of year taxation information</p> <p>Access to 3D Financial Planning Platform where you can monitor your investments online.</p>

It should be noted that the above list is not exhaustive, and there may be many more features and options of service that can be made available to you on request. Correspondingly, not all services may feature as part of any one specified investment product.

#### *Opting Out*

You may decide to "opt-out" of any on-going management service. You are free to do so, however, please take note of the following;

- If your financial circumstances, objectives and attitude to risk change over time, the structure of your investment portfolio may no longer be in your best interests
- As financial markets fluctuate, the way your assets are allocated in your portfolio may become unbalanced and ultimately expose you to more equity risk than you wish to accept
- Any negotiated discounts and subsequent rebates in respect of fund charges will cease should you opt out of on-going services. The monetary value of the rebates varies widely, but typically equates to 0.5-1% per annum.
- If you use a Wrap Platform the provider may apply a charge if you do not have a nominated adviser on your account. Typically, this is 0.5% per annum
- We must be notified either verbally or in writing of your request to opt out of the ongoing review service
- You may opt back in to on-going services at any time.

**Client Declaration**

This document represents our standard Terms of Engagement, upon which we intend to rely. For your own benefit and protection you should read these terms carefully before signing below. If you do not understand any point please ask for further information.

**Fee Agreement**

Our typical charges are based on the Scale of Fees outlined above. This Agreement is designed to confirm and formalise our discussion regarding the services we provide. Where our charges are based upon a percentage of initial investment amount and/or on-going contract value, due to the ease of calculation, we will not confirm the fee in specific monetary terms.

Where our charges are defined by an hourly rate, we will provide an estimate of the overall cost to you before proceeding.

**You should seek legal advice in respect of your own specific requirements to ensure the validity of this agreement.**

An invoice in respect of **Professional Advice Fees** will be raised upon completion of the initial service, or upon completion of any associated transaction/s or product/s, to meet the cost of our services to you.

**Initial fees;** please select one of the following options;

Tick this box if you agree that our initial Fees are to be deducted from your investment	<input type="checkbox"/>
Tick this box if you agree to pay our initial Fees by cheque/bank transfer	<input type="checkbox"/>

**On-going Management Services;** please opt in or out of on-going services below

Tick this box if you do not require any on-going services. Your investments will not be kept under review, and any services you request in future may be subject to further charges. Transactional	<input type="checkbox"/>
Tick this box if you agree to pay our agreed fee for on-going management services, by annual/monthly deduction from your investment Preferential or Executive	<input type="checkbox"/>
Tick this box if you agree to pay our agreed fee for on-going management services, by annual/monthly Direct Debit	<input type="checkbox"/>

<b>Initial Fee</b>		<b>On-going Fee</b>	
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<b>Customer Name(s)</b>		
<b>Customer signature(s)</b>		
<b>Date of signature</b>		
<b>Date of issue</b>		



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