

# CLIENT AGREEMENT



THE THOUGHTFUL INVESTOR



The following document represents our Client Agreement, which sets out the terms upon which we will provide our services to you. This should be read in conjunction with:

- our separate brochure, called *Thoughtful Advice for a World of Difference*;
- the insert which accompanies it, called *Our Advisory Services*; and
- the personalised *Client Fee Agreement*, which we will ask you to sign and return.

We offer three types of service covered by this *Client Agreement*:

- *Comprehensive Advisory Service*;
- *Overview Advisory Service*; and
- *Focused Advisory Service*.

The brochure and accompanying insert explain the differences between each service.

Having read the brochure, the insert and this *Client Agreement*, we will ask you to sign and return a personalised copy of our *Client Fee Agreement* to us. This is our assurance that you have read and agreed to the following terms and to the basis upon which we will be paid. If you are unsure of the implications of any of our terms, please ask us to explain them to you.

## About Us

Castlefield is a trading name of Castlefield Advisory Partners Limited, which is authorised and regulated by the Financial Conduct Authority, who can be found at 25 The North Colonnade, Canary Wharf, London, E14 5HS. We are financial advisers and are registered in England and Wales under company number 6584365. Our registered office is 111 Piccadilly, Manchester, M1 2HY. Our FCA Register number is 478430. You can check our details on the FCA's Register by visiting the FCA's website at [www.fca.gov.uk/register](http://www.fca.gov.uk/register) or by contacting the FCA on 0800 111 6768 or 0300 500 8082. You can contact us via our website ([www.castlefield.com](http://www.castlefield.com)) or via telephone (0161 233 4550).

## About the services we offer

The services we offer can be found in our brochure (called *Thoughtful Advice for a World of Difference*). We will agree with you which of our services you want us to provide or we recommend that you receive. In order to provide you with advice and recommendations suitable to your personal and financial circumstances we will gather the appropriate information from you and we will then be able to set out clearly your financial objectives. Your objectives will be set out and summarised within a personalised Suitability Report, which will be issued to you as part of our advice process. This will document and explain the recommendations we have made.

## Our ethical specialism

Investing ethically is not just about screening out certain sectors, but about investing in businesses that are monitoring their environmental and social impact, with the aim of preserving long-term shareholder value. We believe that companies that take sustainability into account are more likely to show themselves to be robust over the long-term and thereby perform better.

## The scope of our advice

Our advice to you will highlight particular areas where we feel we can be of help. The scope of our advice will depend on the area(s) where we jointly agree that you need advice. We provide an independent advice service. This means that when we consider and recommend retail investment products to you we must

consider all relevant and suitable products and options for you and do so free from any restrictions or bias. Where we provide protection planning services we are an insurance intermediary and will provide advice which is based on a fair and personal analysis of the market. We will make personal recommendations to you on retail investment products without limiting (or restricting) our advice.

If we consider that you will benefit from the services of a discretionary investment manager, we will ordinarily introduce you to our sister organisation, Castlefield Investment Partners LLP (CIP), who will work closely with you and us to agree an appropriate investment strategy, matched to your appetite for risk.

Subject to your agreement with them, they will then manage an agreed portfolio of investments to meet your needs. If you have a portfolio already managed by an alternative investment management organisation, we will only recommend using CIP where this is clearly suitable for you and in our view demonstrably in your interests. We will explain the respective responsibilities of ourselves and CIP in relation to your investments.

In any event, we will always explain carefully the methodology we use in providing advice to you, so that you understand how we have reached our recommendation. We will only recommend a product or service which is, in our view, genuinely suitable for you and meets a need identified as a result of the information you have been willing to provide.

Our advice may include recommending the inclusion of some forms of higher risk investments, such as unregulated collective investment schemes (UCIS), structured products and investments that are not readily realisable. The relevant risk warnings for these investments will be set out in your 'Suitability Report'.

Subject to your agreement to our recommendations, we will implement the advice and arrange the purchase of the recommended investment or insurance products on your behalf.

## **Our Advice Process**

The Financial Planning Process is divided into six separate stages:

- 1. Initial Consultation**
- 2. Research**
- 3. Preparation**
- 4. Advice**
- 5. Implementation**
- 6. On-going Service**

### **1. The Initial Consultation**

This is the first assessment with you and is free of charge. It can last up to an hour and will take place over the telephone or face-to-face. We will ask basic details about your circumstances, to get a sense of how we may be able to help. We may be able to provide an initial estimate of the time and cost involved, if you decide to ask us to advise you formally. We will explain our service options and help you to decide which is likely to be most suitable for you. We will complete with you a *Financial Planning Questionnaire*. You will have the opportunity to ask us questions about how we work. If you don't want to discuss a particular area of financial planning and that area should not form part of the advice given, we can exclude it, if you instruct us to do so. This might of course have a bearing on the advice that might have been given.

We will issue you with any paperwork we are required to give you and discuss the options for how we will be paid. You are not obliged to proceed beyond this stage. However, in order to move to the next stage, you will have to sign a separate *Client Fee Agreement*, to agree to these terms and to indicate that you accept our charges for the work envisaged.

## **2. Research**

Following your agreement, your adviser will then undertake all of the necessary research to be able to meet your requirements. This stage will involve a suitability assessment, looking into areas highlighted as being specific to your personal circumstances. There is likely to be a need to research a range of possible solutions or services which appear to be of relevance to you.

## **3. Preparation**

We will then prepare our recommendations based on the above research, taking into consideration your circumstances and requirements. If you decide not to proceed with our recommendations, a fee will become payable. Please refer to the Client Fee Agreement for further details.

## **4. Advice**

Our recommendations will be presented in the form of a 'Suitability Report'. Your adviser will be available to discuss this report with you and will provide all the required documentation in order to help you to select the most suitable course of action.

## **5. Implementation**

Following your agreement to proceed, we will complete with you all of the necessary documentation and administration procedures relating to the advice provided, such as further research and quotations; communication with financial institutions; consultation with colleagues; administrative and technology costs; correspondence and phone calls. Any final policy documents will be issued to you.

## **6. On-going service**

Typically, our aim is to provide holistic advice over many years, to clients from a range of ages and financial circumstances. Many appreciate an on-going relationship. However, it is important to be realistic and we will discuss with you what level of service we can provide and what is affordable and appropriate for your needs. Our Comprehensive and Overview services include an ongoing review of the suitability of the investments we have recommended, we'll carry out this review at least annually. To do this we will need to make contact with you to assess whether the information we hold about you remains accurate and up to date. We'll issue you with a report setting out the results of our assessment and, if relevant, any updated recommendations. If we are unable to contact you, we will provide an assessment based on the information we already know about you, within twelve months of your previous review.

A key aim of the on-going service is to ensure that investment or insurance products continue to meet your requirements and to arrange to rebalance them accordingly, as your circumstances and requirements change.

## **The Cost of Our Services**

Our separate Client Fee Agreement covers in detail how we charge for our services and the options you have for meeting these costs. The Client Fee Agreement forms part of this Client Agreement, so they should be read alongside each other.

We will discuss the options with you and answer any questions you have. We will not charge you until we have provided you with a personal estimate of the cost and agreed with you how we are to be paid. In the event that we are entitled to receive a commission for non-advised transactions or for certain business transacted or advised on prior to 31<sup>st</sup> December 2012, we will be able to tell you the amount of any commission that is paid to us by product providers and other institutions with whom investments are made.

You should be aware of the possibility that other costs or taxes relating to the services that we provide for you may exist, even though they are not paid through us or imposed by us.

We make no additional charge in relation to our ethical specialisation.

We offer a number of ways in which you can pay for our initial and ongoing advice. The actual adviser charges (fees) will be agreed with you and based on the complexity of the work involved, the amount invested and the overall assets under our advice. We may:

1. Charge you on a percentage basis depending on the amounts invested
2. Charge on an hourly rate
3. Agree a fixed fee with you depending on your specific requirements

These are further detailed below. Please note, all fees quoted include any VAT which may be payable and the cost of implementing the advice, if you decide to go ahead. However, if you act on our advice but choose to implement it yourself, you will still remain liable for our initial advice fees.

### **Fees for initial advice**

1. Initial charges on a percentage basis are tiered as follows:

First £100,000	Typically up to 3%
Amounts above £100,000	Typically 1%

For example, based on the typical charges above, if you were to invest £100,000, our initial advice fee would be £3,000. If you were to invest £200,000, the fee would be £4,000. A fee will also be due in respect of additional new investments (a top up) if and when you add to your existing portfolio.

2. Initial charges on an hourly basis

Depending on the type of work you ask us to carry out, we may charge you on an hourly rate:

- For a Partner or Associate, an hourly rate of: £198
- For a Paraplanner or Senior Executive, an hourly rate of: £120
- For an Executive or Assistant, an hourly rate of: £90

We will provide you with an estimate of how much in total we might charge. You may ask us not to exceed a given amount without checking with you first. We have put together some examples below to show what our typical costs may be, if charged on an hourly basis.

Setting up a contribution into a new pension may require:

Partner/Associate 7 hours	7 x £198 = £1386
Paraplanner/Senior Executive 8 hours	8 x £120 = £960
Executive/Assistant 3 hours	4 x £90 = £360
<b>Total initial charge</b>	<b>£2,706</b>

Reviewing an existing investment portfolio and advising on a new investment may require:

Partner/Associate 9 hours	9 x £198 = £1,782
Paraplanner/Senior Executive 8 hours	8 x £120 = £960
Executive/Assistant 5 hours	5 x £90 = £450
<b>Total initial charge</b>	<b>£3,192</b>

### 3. Initial charges based on a fixed fee

We may pre-agree a fixed charge for any work we carry out on your behalf. The amount of fees will depend on your individual circumstances and the complexity of your financial requirements. As a guide:

Typical fixed charges for setting up a new investment could be between £2,500 and £5,000

This could address a specific requirement you may have in relation to a particular goal (such as retirement planning), for example, setting up a contribution into a new pension scheme, taking into account your needs and objectives, attitude to risk and affordability.

Typical fixed charges for a full financial review could be between £2,500 - £6,000

This would cover a full review of your assets and liabilities and net worth, current and projected income and expenses (e.g. projected into retirement), insurance policies, retirement provision and other investments, including an analysis of current policy and fund features and estimated inheritance tax liabilities, with recommendations to meet your financial objectives.

A fixed fee can also be agreed in advance for regular contributions you intend to make and can be paid in either one lump sum or regular instalments over an agreed period of time.

### **Charges for ongoing services**

We provide 2 levels of ongoing service, Comprehensive and Overview, details of which can be found in our brochure called *Thoughtful Advice for a World of Difference*.

Our fees for ongoing services are charged at 0.8% pa for the Comprehensive Advisory Service, (subject to a minimum of £800 pa) and 0.6% pa for the Overview Advisory Service (subject to a minimum of £300 pa). For example, in respect of the Comprehensive Advisory Service, if you have a portfolio of £100,000, the ongoing charge will be £800. If your portfolio is £200,000 the ongoing charge will be £1,600. For the Overview Advisory Service, if you have a portfolio of £50,000, the ongoing charge will be £300. Please note, if you choose to pay this on a percentage basis, the amount we receive may increase as the fund value increases and conversely decrease if the fund value falls. If you agree to pay this as a fixed fee, the amount we receive will not increase as the fund value increases or decrease if the fund value falls. The fixed charge will be reviewed at your annual review.

If we recommend the use of Castlefield's Premium Portfolio Service, our fees for ongoing services will be 0.6% pa, irrespective of which ongoing service you choose. This will still be subject to the minimum fees detailed above.

Ongoing services can be cancelled at any time by informing us in writing. We will require at least one month's notice. Please note that we reserve the right to charge you for services provided prior to cancellation.

### **Protection**

For advice on non-investment protection policies, you can pay us by way of a fee, commission or a combination of these. Where we are paid by commission we may be able to provide you with an estimate of the amount before we carry out any business for you.

In respect of any regular premium protection policy which we have arranged for you, should you subsequently cease to pay premiums on the policy and in consequence we are obliged to refund the commission that has been paid to us, by the provider, we reserve the right to charge you a fee representing the amount we have to repay.

## Other Charges

Depending on the services we provide, there may be costs and charges (including taxes), not charged by us, but related to the financial products we arrange for you. These charges may be one-off charges (payable up front) or charges payable on an ongoing basis. For example:

**Service costs:** If your investments are held on a platform (an online investment administration service) or held with a Discretionary Fund Manager (DFM), the platform provider / DFM will make a charge for administering / managing your investments.

**Investment costs:** These are the costs relating to the manufacturing and managing of your investments – for example, fees charged by the investment fund manager, costs relating to investment transactions.

We'll always disclose any third-party costs as part of making our recommendations

Before we provide you with our advice we will add together all the costs and charges payable so that you are able to understand the overall costs of our services and recommendations. This is referred to as aggregated costs and charges information.

## Paying for our services

You may pay for our fees directly (by cheque or a BACS transfer to our bank account) or via deductions from the arrangements that you invest in, where the product or platform provider allows this. If you choose to pay by deduction from a financial product this will reduce the amount left for investment and may, depending on your circumstances, have other consequences. If you choose to pay our fees from the arrangements you invest in and these hold insufficient funds to cover an up-coming or recent charge, you authorise us to release up to the total value of the charge due from your largest investment.

We cannot accept payments by cash, cards or standing order. Our fees become payable on completion of our work and should be settled within seven days of the date of the invoice.

## 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 accurate and up to date information when we request details about your circumstances and objectives. This will allow us to provide you with suitable advice. If the information you provide is inaccurate or if you limit the information provided this could affect the suitability of the advice we give.

## Other Important Terms

**HOW WE WILL CLASSIFY YOU:** We have classified you in accordance with the Financial Conduct Authority rules as a **Retail Client**. This means that you are afforded the greatest level of protection available under the Financial Services and Markets Act 2000 (FSMA). If we propose to treat you as any other type of customer, we will let you know and explain why. You have the right to request a different categorisation. However, this may result in the loss of some of the protections available under the FSMA, such as the right to refer complaints to the Financial Ombudsman Service and the right to receive specific information in respect of any investments we recommend or arrange on your behalf.

**METHODS OF COMMUNICATION:** Unless you advise us otherwise, we will communicate with you by any of e-mail, telephone, letter, or face-to-face meeting. Please note, we require you to give us instructions in



writing or via email, to avoid possible disputes. We can refuse your instructions at our discretion. Our authority to act on your behalf may only be terminated in writing, at any time, without penalty, by either party and with immediate effect without prejudice to the completion of any transactions initiated prior to receipt of such notice. At our discretion and unless we hear from you to the contrary, we may telephone you from time to time between the hours of 9am to 9pm without your further prior consent to such contact.

**RECORDING COMMUNICATIONS:** To ensure we carry out your instructions accurately, to help us to continually improve our service and in the interests of security, we will record and may monitor your telephone communications or conversations with us. Copies of our telephone recordings will be available on request, for a period of 5 years after the recording was made.

**ACCEPTING INSTRUCTIONS:** Instructions which have the intention of prompting us to undertake any action on your behalf should be made in writing or by telephone. However, should you wish to give instructions in any other form, including by email, we may accept such instructions, when we believe, in our absolute discretion, that these instructions originated from you or from someone acting with your authority. You accept that we shall not be liable to you for any delay in responding to these instructions and you agree to indemnify us for any losses we incur as a result of reliance on such instructions.

**LANGUAGE:** All our communications and documents will be provided to you in English.

**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 discussions with us, to a solicitor or accountant.

**INVESTMENT AND NON-INVESTMENT INSURANCE SERVICES:** We are permitted to advise on and arrange deals in investments and non-investment insurance contracts. If we arrange these for you, please note they will not be kept under review unless we have agreed to do so. You are free to ask for our advice at any stage. However, we may contact you in the future should we wish to discuss the relative merits of an investment or non-investment insurance contract or service which we feel may be of interest to you.

**BENEFITS WE MAY RECEIVE:** Under the rules of our regulator, the FCA, as a firm providing independent advice we are unable to accept or retain payments or benefits from other firms (e.g. product providers) as this would conflict with our independent status. 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 enhance the quality of service we provide to our clients. As such this doesn't affect our obligation to act in your best interests. Please ask us if you want further details.

**CLIENTS' MONEY:** We do not handle clients' money. We never accept a cheque made payable to us (unless it is a cheque in settlement of our charges or disbursements for which we have sent you an invoice) or handle cash.

**CONFLICTS OF INTEREST:** On occasions we, or one of our other customers/associates/shareholders, will have some form of interest in a transaction we are handling for you. If this happens, or if 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 in writing before we carry out your instructions. We'll also let you know the steps we'll take to make sure you are treated fairly. There may be occasions when we will be unable to act for one of the parties involved. We have links with Castlefield Investment Partners LLP (CIP), as a sister organisation within the same group of companies. We are free to recommend to you that CIP manage some or all of your assets. However, this will only be the case if the product or service they offer is genuinely suitable for you. Please let us know if you would like to see a copy of our *Conflicts of Interest Policy*.

**BASIS OF VALUATION OF INVESTMENTS:** Where we provide you with an estimate of the value of your various

assets or investments, as part of our service to you, we will do this in good faith, to assist you with monitoring your assets. The valuations will be derived from various sources we consider to be reliable – typically provided by product providers themselves, at our request – but we can not be held responsible for the accuracy or completeness of information provided by third parties. The relevant dates of valuation of different investments may also vary as between one provider and another, although presented to you in the form of an aggregate valuation of all of your assets, for purposes which may include the calculation of our agreed fee on or around a set date.

**REGISTRATION/LOCATION OF YOUR INVESTMENTS OR POLICIES:** We will make arrangements for all your investments to be registered in your name unless we have agreed otherwise in writing. We will forward to you all documents showing ownership of your investments as soon as practical after we receive them. All cheques, documents of title, etc, may be sent by post to your last known address and shall be sent at your own risk. A recorded delivery service will not normally be used.

**BEST EXECUTION:** When carrying out orders on your behalf, in relation to financial instruments, we will take all sufficient steps to achieve what is called *best execution* of your orders. This means that we have in place a policy and procedures which are designed to obtain the best possible execution result, subject to and taking into account various (sometimes conflicting) factors. Please let us know if you would like to see a copy of our *Best Execution Policy*.

**CANCELLATION RIGHTS:** Most policies and investments benefit from Cancellation Rights i.e. you may cancel your policy without suffering financial detriment, within a certain time period. Please note that the terms vary from policy to policy and some transactions may not have any Cancellation Rights attached.

**RISK WARNINGS:** The value of investments may go down as well as up and you may not get back the amount you originally invested. Past performance is not necessarily a guide to future performance. The price of investments we may recommend may depend on fluctuations in the financial markets, or other economic factors, which are outside our control. We will notify you separately of any specific risk factors that apply to the service we provide for you or to any investments which we recommend.

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 is 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.

**THE RIGHT TO TERMINATE THIS AGREEMENT:** You or we may terminate this agreement at any time, without penalty or prejudice to the completion of any transactions already initiated. Notice of this termination must be given in writing. You will however be liable to pay for any transactions made prior to termination and any fees which may be outstanding. If we terminate this agreement we will aim to give at least 28 days' notice. Notice of this termination must be given in writing and will take effect from the date of receipt. Termination is without prejudice to any transactions already initiated which will be completed according to this *Client Agreement* unless otherwise agreed in writing. You will be liable to pay for any transactions entered into or cost of advice yet to be invoiced relating to the period prior to termination and any fees outstanding, if applicable.

**TREATMENT OF INFORMATION OR DATA RELATING TO YOU:** To provide our services properly we'll need to collect information about your personal and financial circumstances. We take your privacy seriously and will only use your personal information to deliver our services. Sometimes, we may need to pass your personal information to other organisations (e.g. if you apply to take out a financial product or service we'll need to pass certain personal details to the product or service provider). Your personal information may be transferred electronically (e.g. by email or over the internet) and we, or any relevant third party, may contact

you in future by what we believe to be the most appropriate means of communication at the time (e.g. telephone/ email /letter etc.). The organisations to whom we may pass your details also have their own obligations to deal with your personal information appropriately. Sometimes a product or service may be administered from a country outside Europe. If this is the case, the firm must put a contract in place to ensure that your information is adequately protected. As part of this agreement we'll ask you to consent to the transfer of personal information in accordance with the protections outlined above.

**QUALITY OF SERVICE:** If you have any complaint about the advice you have received from us or a product that you have taken out through us please call or write to our Compliance Officer, Sarah Hanlon. Our contact details are shown in the About Us section above. Our internal complaints handling procedure, covering the reasonable and prompt handling of complaints, is available upon request. If, after we have reviewed your complaint, we cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service, full details of which can be found at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) or by calling them on 0800 0234567 or 0300 1239123. We will not levy any charge for handling complaints made against us. EU consumers who have a complaint about a product or service bought online also have the option to raise it through the EU Online Dispute Resolution portal, <http://ec.europa.eu/consumers/odr/>.

**FINANCIAL SERVICES COMPENSATION SCHEME:** We are covered by the Financial Services Compensation Scheme (FSCS). If you make a valid claim against us in respect of the investments we arrange for you, and we are unable to meet our liabilities in full, you may be entitled to redress from the Financial Services Compensation Scheme. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered up to a maximum limit of £50,000 and deposits may be covered up to a maximum of £85,000. Pure protection contracts are covered for 100% of the claim, with no upper limit. Further information about compensation scheme arrangements is available from the FSCS, website: [www.fscs.org.uk](http://www.fscs.org.uk).

**VERIFYING YOUR IDENTITY:** We are required to verify your identity and no advice can be offered nor transactions undertaken on your behalf until such verification has been obtained. In connection with this arrangement, we may carry out an online identity check with a licensed identity checking agency, which will retain a record of that search. 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.

**AMENDMENT TO THESE TERMS:** If we amend these terms, we will inform you in writing. You agree that we may change the future content without receiving your prior consent to do so, but we will not conduct any investment business for you following any change unless we have given you at least 10 business days' notice, unless it is impractical to do so.

This *Client Agreement* is personal to you and/or to your personal representatives and you or they may not transfer obligations entered into. We may assign this contract to any person connected with us or to any successor company, on giving written notice to you to that effect. This *Client Agreement* shall be governed by and construed according to English Law. Any disputes shall be determined in the English Courts.

**RELEVANT REGULATIONS:** The Contract (Rights of Third Parties) Act 1999 shall not apply to this Agreement.



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