

CLIENT AGREEMENT

ARCH FINANCIAL PLANNING LIMITED

Arch Financial Planning Limited is authorised and regulated by the Financial Services Authority (FSA). FSA Number 222989

You can check this on the FSA's Register by visiting the FSA's website www.fsa.gov.uk/register or by contacting the FSA on Tel: 0845 606 1234, or by writing to The Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.

OUR COMMITMENT TO YOU

Any advice or recommendation that we offer to you, will only be given after we have assessed your needs and circumstances and considered your financial objectives and attitude to risk.

With very few exceptions, we will confirm to you in writing the basis of our recommendation in a Suitability Report, which we will issue to you to outline our recommendation, along with details of any special risks associated with the product or advice 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 may depend on 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, or investment strategies, we recommend will be confirmed to you in your Suitability Report.

CLIENT CLASSIFICATION

Arch Financial Planning Limited classifies all clients as 'retail clients' for investment business which means you are afforded all protections under the rules of FSA. Should you wish to be classified differently, please discuss this with your adviser.

Should you wish to be considered as a different category of client, such as a 'professional client' or 'eligible counterparty', you must inform us in writing. We will provide you with a new client agreement and you will lose a number of protections which will be outlined in that new agreement.

METHODS OF COMMUNICATION

Unless you advise us otherwise, we will communicate with you via what we believe to be the most appropriate method in each instance. This could, for example, include face to face meetings, email, telephone, letter and fax.

We will send you our regular email bulletin and may also contact you in the future by means of other unsolicited promotions (by telephone, email or post) should we wish to discuss the relative merits of a particular product or service which we feel may be of interest to you.

You can, of course, remove your email address from our bulletin service and/or instruct us not to communicate with you using certain methods.

LANGUAGE

Please note that all our communications and documents will be provided to you in English.

INVESTMENT SERVICES

Arch Financial Planning Limited is permitted to advise on and arrange (bring about) deals in investments.

With regard to investments which we have arranged for you, these will not automatically be kept under review but we will advise you upon your request. However, please refer to the heading 'Ongoing Service'. We may contact you in the future by means of an unsolicited promotion should we wish to contact you to discuss the relative merits of an investment or service which we feel may be of interest to you.

Arch Financial Planning Limited does not handle clients' money. We never accept a cheque made out to us (unless it is a cheque in settlement of charges or disbursements for which we have sent you an invoice) or handle cash.

SCOPE OF ADVICE

We are able to act on your behalf in advising you on investments, mortgages and non investment insurance contracts. We offer products and services as follows:

- We offer investment products from the whole of the market.
- We offer some non investment products such as pure life assurance, critical illness, income protection and private medical insurance from the whole of the market.
- We offer other non investment products such as buildings and contents insurance, travel insurance and other general insurances from the CETA network which only offers products from a limited number of companies.
- We also offer mortgage products. Where we propose to do so we will provide you with a separate Initial Disclosure Document detailing the services we offer and the costs of those services.

CONFLICTS OF INTEREST

We will endeavour always to act in the best interests of our clients. However, circumstances can arise where we or one of our other clients may have some form of interest in 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 interests, we will write to you and obtain your consent before we carry out your instructions, and detail the steps we will take to ensure fair treatment.

BEST EXECUTION

It is our policy to transact your business in order to achieve the best possible results in terms of the nature and price of the products selected, transaction charges, administration and service excellence. Further details of our policy regarding this will be provided to you separately upon request.

DATA PROTECTION

The information you have provided is subject to the Data Protection Act 1998 (the "Act"). By signing this document you consent to us or any company associated with us (such companies include, for the avoidance of doubt, Paradigm Partners LLP and any member of its group and/or companies, persons or entities of any nature whatsoever with which it is associated or allied from time to time) processing, both manually and by electronic means, your personal data for the purposes of providing advice, administration and management.

Paradigm Partners LLP is retained by Arch Financial Planning Limited to provide a wide range of compliance and related services to assist us in complying with the financial services regulations.

"Processing" includes obtaining, recording or holding information or data, transferring it to other companies associated with us, product providers, the FSA or any other statutory, governmental or regulatory body for legitimate purposes including, where relevant, to solicitors and/or other debt collection agencies for debt collection purposes and carrying out operations on the information or data.

We may also contact you or pass your details to other companies associated with us to contact you (including by telephone) with details of any other similar products, promotions, or for related marketing purposes in which we think you may be interested.

The information provided may also contain sensitive personal data for the purposes of the Act, being information as to your physical or mental health or condition; the commission or alleged commission of any offence by you; any proceedings for an offence committed or alleged to have been committed by you, including the outcome or sentence in such proceedings; your political opinions, religious or similar beliefs, sexual life; or your membership of a Trade Union.

Please tick this box if you do not consent to us or any company associated with us processing any such sensitive personal data.

If you are not happy for us or any company associated with us to contact you for marketing purposes by email, telephone, post or SMS, please tick this box

If at any time you wish us or any company associated with us to cease processing your personal data or sensitive personal data, or contacting you for marketing purposes, please contact the Data Protection Officer in writing at Arch Financial Planning Limited, Arch House, The Common, Cranleigh, Surrey GU6 8RZ, or by telephone on 01483 204600.

You may be assured that we and any company associated with us will treat all personal data and sensitive personal data as confidential and will not process it other than for a legitimate purpose.

Steps will be taken to ensure that the information is accurate, kept up to date and not kept for longer than is necessary. Measures will also be taken to safeguard against unauthorised or unlawful processing and accidental loss or destruction or damage to the data.

Subject to certain exceptions, you are entitled to have access to your personal and sensitive personal data held by us. You may be charged a fee (subject to the statutory maximum) for supplying you with such data.

PAYMENT FOR SERVICES

We offer an initial discussion without charge, when we will describe our services more fully and explain the payment options. We can usually commit to meetings during office hours at our office, or your home or office in Surrey, Sussex, Hants, Kent or South London. If you wish to meet us at your home or office which is outside of this area, or you can only attend an evening or weekend meeting, please note that a fee may be required and we will inform you of this before the meeting takes place.

We will discuss your payment options with you and answer any questions you have. We will not charge you anything until you have agreed how we are to be paid. If you would like to go ahead and we believe that we can offer a service to you, we will:

- gather and analyse personal information about you, your finances, your needs and objectives;
- recommend and discuss any action we think you should take and, with your agreement, arrange relevant investments for you.

There are three parts to the services we offer and you need to be aware of what the charging options are for each.

1. **Advice** - Where we provide you with advice on any financial matter, whether as a result you buy a product or not, we will usually charge you a fee. Although we have an underlying hourly rate as set out below, we will normally be prepared to agree a project fee, so that you know how much you will be expected to pay at the outset.
2. **Arranging products** - Where we arrange investment (or other products for which we are regulated) for you, we will normally offer you a choice of paying an arrangement fee or agreeing to a level of commission. The difference between the two is that a fee is a direct payment, that is, you write a cheque to us. A commission is an indirect payment, that is, where a product provider pays us a percentage of the investment amount out of the investment or other product. Some product providers dictate the amount of commission that they will pay, based upon industry agreed guidelines. Others will pay amounts on a more discretionary basis, usually with our input. This latter approach is variously known as 'factory gate pricing' or 'customer agreed remuneration'.
3. **Ongoing service** - There are various levels of service that we offer. We will agree with you to receive an annual fee or commission based on a percentage of the investment portfolio or other products on which we are to advise you. Where this 'fund based' fee or commission is not sufficient to cover our costs we will agree an annual retainer with you.



ADVICE - PAYMENT BY FEE

Whether you buy a product or not, you will pay us a fee for our advice and services, which will become payable on completion of our work.

(a) Advice - Hourly Rate.

Our typical charges are:

Director	£160	per hour
Chartered Financial Planner	£160	per hour
Certified Financial Planner	£160	per hour
Financial Adviser (CII Diploma level)	£140	per hour
Financial Adviser (CII Certificate level)	£120	per hour
Trainee Adviser	£90	per hour
Support Team Administrator	£60	per hour

We will agree the actual rate we will charge in writing before beginning work. You may also ask us not to exceed a given amount without checking with you first. We will tell you if you have to pay VAT.

(b) Advice - Lump Sum

More usually we will estimate how much in total we will charge for each project that we undertake for you. We will agree what we will charge you before beginning work.

The range of lump sum charges is quite wide because of the greatly varying complexity of the projects we are asked to undertake. The minimum fee for a simple financial planning review or for giving advice on a simple investment portfolio is usually **£500**.

For a full financial planning review involving tax planning and trust advice the fee could be up to **£3,000**. Our minimum fee for any advice or service we provide is **£300**. We will tell you if you have to pay VAT.

Please note that these charges are for the advice only. Where we are requested to arrange products following our advice a separate fee or commission will be charged.

ARRANGING PRODUCTS - PAYMENT BY FEE

When you ask us to arrange a product we can usually do so on a fee or commission basis. Please note that this is quite separate from the fee that will be required for our advice or other services as detailed under the previous heading. Not all products pay commission so in that case it could only be on a fee basis.

Where you decide to pay us a fee for arranging a product, this will become payable **before we process the product application or investment**, otherwise full commission will be taken on the product.

If you pay us a fee for arranging a product, and we also receive commission from the product provider, we will pass on the full value of that commission to you in one or more ways.

For example, we could reduce our fee; or reduce your product charges; or increase your investment amount; or refund the commission to you.

(a) Arranging Products - Hourly Rate.

Our typical charges are:

Director	£160	per hour
Chartered Financial Planner	£160	per hour
Certified Financial Planner	£160	per hour
Financial Adviser (CII Diploma level)	£140	per hour
Financial Adviser (CII Certificate level)	£120	per hour
Trainee Adviser	£90	per hour
Support Team Administrator	£60	per hour

We will agree the actual rate we will charge in writing before beginning work. You may also ask us not to exceed a given amount without checking with you first. We will tell you if you have to pay VAT.

(b) Arranging Products - Lump Sum

More usually we will estimate how much in total we will charge for arranging each product or investment for you. We will agree what we will charge before processing the product or investment.

At one level our time involvement for arranging a £500,000 investment is no more than for arranging a £100,000 investment and our fee should be the same. However, this overlooks the fact that our general compliance costs and our professional indemnity insurance increase in line with our turnover.

The range of lump sum charges follows the pattern shown below. We will agree what we will charge you before beginning work.

Arranging Investments	Fee as % of investment amount
Up to £100,000	3.0% (minimum £500)
£100,000 - £250,000	2.0%
£250,000 - £500,000	1.0%
£500,000 above	0.5%

Arranging Pensions	Project Fee
Personal Pension and Stakeholder Pension	£500 - £2,000 depending on contribution level
SIPP	£2,000 - £5,000 depending on contribution level

Other Products	Project Fee
Protection Policies	£500 to £1,500 depending on risk involved
Mortgages	£300 in addition to any fee provided by the lender
Equity Release	£1,350
Care Fees Plan	£2,000

We will tell you if you have to pay VAT.



ARRANGING PRODUCTS - PAYMENT BY COMMISSION

If you buy a financial product, we will normally receive commission on the sale from the product provider. Although you may not be asked to pay anything directly, that does not mean our service is free. You still pay us indirectly through product charges. Product charges pay for the product provider's own costs and any commission. These charges reduce the amount left for investment. If you buy direct, the product charges could be the same as when buying through an adviser, or they could be higher or lower.

The amount of commission we receive will vary depending on the amount you invest and (sometimes) how long you invest or your age.

For example:

1. If you invest £7,200 in an individual savings account (ISA) we would receive commission of 3% of the amount invested (£216) and 0.5% of the value of the fund (roughly £36 every year).
2. If you invest £50,000 in a unit trust portfolio we would receive commission of 3% of the amount invested (£1,500) and 0.5% of the value of the fund (roughly £250 every year).
3. If you invest £100,000 in a unit trust portfolio we would receive commission of 2.5% of the amount invested (£2,500) and 0.5% of the value of the fund (roughly £500 every year).
4. If you invest £250,000 in a unit trust portfolio we would receive commission of 1.5% of the amount invested (£3,750) and 0.5% of the value of the fund (roughly £1,250 every year).
5. If you invest £500,000 in a unit trust portfolio we would receive commission of 1% of the amount invested (£5,000) and 0.5% of the value of the fund (roughly £2,500 every year).
6. If you pay £500 a month into a personal pension (with a term of 25 years) then we would receive commission of £1,200.
7. If you pay £200 a month towards a whole life policy then we would receive £2,300.

We will tell you how much the commission will be before you complete an investment or policy, but you may ask for this information earlier.

Where we receive commission as indicated above this includes payment for any ongoing service such as a periodic or ongoing review.

PAYMENT BY A COMBINATION OF FEE AND COMMISSION

It should be clear from the earlier sections that you can deal with us on a fee basis or a commission basis. However, in reality the two systems of payment often get combined but will be in line with the arrangements set out in the sections headed "Advice - Payment by Fee", "Arranging Products - Payment by Fee" and "Arranging Products - Payment by Commission".

For example:

- a) If, having paid us a fee for our advice, you ask us to arrange an investment or product and we agree to take commission on that arrangement.
- b) If, having paid us a fee for our advice, you ask us to arrange an investment and pay us a fee for that arrangement. However, we will then receive 0.5% of the investment fund each year to cover/go towards the costs of future servicing. As this would normally be taken from your fund along with the other annual charges made by the fund manager etc this is really a commission payment.
- c) If, having paid us a fee for arranging a protection product, we receive a small amount of renewal commission each year. It is sometimes possible to request that such renewal commission not be paid but if it does not affect the premiums that you are paying there is no point in doing this. If it is possible to decline all such commission to your benefit our initial fee would normally reflect this and be somewhat higher than where we continue to receive renewal commission.
- d) If, having agreed a certain level of service and the amount of fund based commission is not sufficient to cover our servicing costs we will require you to pay a monthly retainer as well.

MORTGAGE BUSINESS CHARGING STRUCTURE

If we provide advice to you on a mortgage we will give you a separate initial disclosure document (IDD) *Keyfacts about our mortgage services*. The following is a summary of our mortgage business charging structure.

We offer an initial discussion without charge, at which we will describe our services fully and explain the payment structure. If you decide to go ahead, we will charge an obligatory non-refundable fee in order to cover our initial research and administration costs (the 'initial fee').

THE INITIAL FEE IS £300.

In addition to the initial fee, we will also be entitled to receive further remuneration when a mortgage application completes. This will normally be by way of us receiving a procuration fee from the lender/company. If your mortgage is expected to be particularly difficult to arrange we may charge you a 'final fee' but the amount of this will be agreed with you before we carry out any chargeable work.

For difficult mortgages we would typically charge a final fee of 1% of the advance payable when your mortgage completes. For example, if the advance is £100,000, you will pay the initial fee of £300, plus the final fee of £1,000 on completion.

If you are required to pay us by final fee, we will offset any procuration fee received from the lender/company against this. The obligatory initial fee cannot be offset by the procuration fee and is non-refundable if you pull out or your application is declined.

If your application is declined and we research a new lender/company, we will not charge you another initial fee.



EQUITY RELEASE BUSINESS CHARGING STRUCTURE

If we provide advice to you on equity release (which includes lifetime mortgages and home reversion schemes) we will give you a separate initial disclosure document (IDD) *Keyfacts about our equity release services*. The following is a summary of our equity release business charging structure.

We offer an initial discussion without charge, at which we will describe our services fully and explain the payment structure.

THE FEE ON COMPLETION IS £1,350.

A fee of £1,350 is payable when an equity release application completes. We may be paid commission from the provider, in which case this amount will be deducted from the fee required from you. If any such commission is £1,350 or more, therefore, no fee will be required from you. We will keep any excess commission over £1,350.

'BUY-TO-LET' BUSINESS CHARGING STRUCTURE

Unlike most mortgage advice, the advice given on 'buy-to-let' mortgages is **not regulated by a regulatory body, such as the Financial Services Authority (FSA)**. This means that you will not have any recourse under the Financial Services Ombudsman or Financial Services Compensation Scheme in respect of any future dispute resolution.

Apart from the regulatory aspects, if we provide advice to you on a buy-to-let mortgage our charging structure is similar to that for mortgages generally.

We offer an initial discussion without charge, at which we will describe our services fully and explain the payment structure. If you decide to go ahead, we will charge an obligatory non-refundable fee in order to cover our initial research and administration costs (the 'initial fee').

THE INITIAL FEE IS £300.

In addition to the initial fee, we will also be entitled to receive further remuneration when a buy-to-let mortgage application completes. This will normally be by way of us receiving a procurement fee from the lender/company. If your mortgage is expected to be particularly difficult to arrange we may charge you a 'final fee' but the amount of this will be agreed with you before we carry out any chargeable work.

For difficult mortgages we would typically charge a final fee of 1% of the advance payable when your mortgage completes. For example, if the advance is £100,000, you will pay the initial fee of £300, plus the final fee of £1,000 on completion.

If you are required to pay us by final fee, we will offset any procurement fee received from the lender/company against this. The obligatory initial fee cannot be offset by the procurement fee and is non-refundable if you pull out or your application is declined.

If your application is declined and we research a new lender/company, we will not charge you another initial fee.

ONGOING SERVICE

If you have arranged an investment portfolio with us then we will normally receive ongoing payments, typically 0.5% of the value of the portfolio each year in commission, or charge your fund 0.5% as our fee.

Where the value of your portfolio is at least £100,000 then we will be happy to review your portfolio at least once a year (couples can have their portfolios amalgamated for this purpose). Where the value of your portfolio is less than £100,000 then we will discuss with you the level of service you require and whether a monthly retainer is required.

If you require a full financial planning review then we will charge a retainer based on the level of complexity of your financial affairs. This will range from £500 to £2,000 a year. However, if we are receiving 0.5% pa of the value of your investment portfolio, this amount will be deducted from the annual retainer that is required.

We will confirm what we will charge you in writing before beginning work.

COMPLAINTS

If you wish to register a complaint, please contact us:

Write to: The Managing Director, Arch Financial Planning Limited, Arch House, The Common, Cranleigh, Surrey, GU6 8RZ
Telephone: 01483 204600

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.

Please be assured we treat complaints very seriously.

COMPENSATION ARRANGEMENTS

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

Most types of **investment business** are covered for 100% of the first £30,000 and 90% of the next £20,000 so the maximum compensation is £48,000.

Insurance advising and arranging is covered for 100% of the first £2,000 and 90% of the remainder of the claim, without any upper limit.

Further information about compensation scheme arrangements is available from the FSCS www.fscs.org.uk/consumer

ACCOUNTING TO YOU

We will forward to you all documents showing ownership of your investments as soon as practicable after we receive them; where a number of documents relating to a series of transactions is involved, we will normally hold each document until the series is complete and then forward them to you.



TREATING CUSTOMERS FAIRLY STATEMENT – OUR COMMITMENT TO YOU

Treating Customers Fairly (TCF) is a key FSA objective and is central to their regulatory agenda of ensuring an efficient and effective financial services market. Our business would not exist without our customers and so ensuring their fair treatment is foremost in our considerations; to this end, we have considered the FSA's six 'consumer outcomes' when formulating our business process. These outcomes, listed below, are central to the TCF objective.

1. CONSUMERS CAN BE CONFIDENT THAT THEY ARE DEALING WITH FIRMS WHERE THE FAIR TREATMENT OF THEIR CUSTOMERS IS CENTRAL TO THE CORPORATE CULTURE. Every aspect of our business has been analysed from a TCF standpoint and we have ensured that all members of staff are aware of the concept and their responsibilities. We put your interests first and provide you with a fair deal; we ensure you receive a professional service of the standard you would expect from competent staff.
2. PRODUCTS AND SERVICES MARKETED AND SOLD IN THE RETAIL MARKET HAVE BEEN DESIGNED TO MEET THE NEEDS OF IDENTIFIED CONSUMER GROUPS AND ARE TARGETED ACCORDINGLY. You can be confident that the communications you receive from us regarding the products we advise on and arrange for you will be fair, clear and not misleading. They will detail the product features, why it is suitable and its risks; these details will be clearly set out in the context of your specific needs.
3. CONSUMERS ARE PROVIDED WITH CLEAR INFORMATION AND ARE KEPT APPROPRIATELY INFORMED BEFORE, DURING AND AFTER THE POINT OF SALE. We will communicate with you at all points of the advice process in a way that is clear, fair and not misleading. If, at the end of the process, you are not happy with our advice and recommendation, you are under no obligation to accept the advice we offer.
4. WHERE CONSUMERS RECEIVE ADVICE, THE ADVICE IS SUITABLE AND TAKES ACCOUNT OF THEIR CIRCUMSTANCES. We will not advise on and arrange a product that is not suitable for you as an individual. We will not recommend any product that is in our interest to arrange, as opposed to being in your interest to enter into.
5. CONSUMERS ARE PROVIDED WITH PRODUCTS THAT PERFORM AS FIRMS HAVE LED THEM TO EXPECT, AND THE ASSOCIATED SERVICE IS BOTH OF AN ACCEPTABLE STANDARD AND ALSO AS THEY HAVE BEEN LED TO EXPECT. The products that we recommend you will perform as we have led you to expect.
6. CONSUMERS DO NOT FACE UNREASONABLE POST-SALE BARRIERS IMPOSED BY FIRMS TO CHANGE PRODUCT, SWITCH PROVIDER, SUBMIT A CLAIM OR MAKE A COMPLAINT. Our responsibilities do not end with the completion of the advice process. If you decide that the product, provider or fund is unsuitable for you, we will take your views into consideration and will facilitate a change. In addition, you are within your rights to complain about any aspect of the advice process and anything we have done or failed to do. Your complaint can be verbal or written and does not have to be justified.

NUCLEUS WRAP

Arch Financial Planning Limited owns 250,000 non-voting ordinary 0.5p shares in a company within the Nucleus Financial Group. Nucleus provides an administrative platform which we may use to manage your investment portfolio.

This shareholding does not alter our regulatory responsibility to provide you with impartial advice, and so should not influence our advice to you.

We are able to use a range of standard risk-rated portfolios on the Nucleus Wrap. If we use one or more of these to manage your investment portfolio, you agree that Nucleus may automatically rebalance the assets held in these portfolios every three months to match the assets to the original asset allocation. Such rebalancing will be carried out automatically and without reference to you.

Please ask if you wish to discuss this in further detail.

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 and will take effect from the date of receipt. Termination is without prejudice to any transactions already initiated which will be completed according to these terms of business unless otherwise agreed in writing. You will be liable to pay for any transactions made prior to termination and any fees outstanding, if applicable.

CLIENT'S CONSENT

This is our standard client agreement upon which we intend to rely. For your own benefit and protection you should read these terms carefully before signing them. If you do not understand any point please ask for further information.

I consent to the above terms and hereby authorise the transfer of information, as described above on a confidential basis when warranted between such third parties. I agree that this client agreement will come into effect from the date of issue.

I also confirm that I AM / I AM NOT happy to give Arch Financial Planning Limited my express consent to contact me by telephone to discuss advising on or arranging financial or insurance products in future.

Client Name(s) X-----

X-----

Client Signature(s) X-----

X-----

Date of Signature(s) X-----

X-----

Date of Issue Date of accompanying email

Arch Financial Planning Limited

Arch House, The Common,
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Email: ifa@arch-fp.co.uk



Professional Adviser
Baillie Gifford
Financial Education Award

AUTHORISED AND REGULATED BY THE FINANCIAL SERVICES AUTHORITY

compliance/fsa/client agreement 2009.10

