

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 our fee 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 normally offer an initial discussion at our expense, 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 an 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 the fee being deducted from the investment or other product.

Your first choice is therefore to pay us the fee directly, that is, you write a cheque to us. Your second choice is to make an indirect payment, that is, where we arrange for a product provider to pay us the agreed amount out of the investment or other product.

At present some product providers dictate the amount of fee that we can take from their product, based upon industry agreed guidelines.

However, under new regulations which will come into force on 31 December 2012 all payments to advisers must be either directly by fee or indirectly by fee from the product without any influence from the product providers. This new system is referred to by the regulator as 'adviser charging'.

3. **Ongoing service** - There are various levels of service that we offer. We will agree with you to receive an annual fee from the investment portfolio or other products on which we are to advise you. Where this fee from the investment portfolio or other products is not sufficient to cover our costs we will agree an annual retainer with you.

FEES FOR ADVICE

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:

Charge in Respect Of	Hourly Rate
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 – Project Fee

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 fees 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 **£3,000** or more. 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 will be charged.

FEES FOR ARRANGING PRODUCTS

When you ask us to arrange a product we charge a fee which can usually be paid directly by cheque, or indirectly where we arrange for a product provider to pay us the agreed amount out of the investment or other product. 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. Where a product cannot cope with indirect fee payment then our fee will need to be paid directly by cheque.

Where you decide to pay us a direct fee for arranging a product, this will become payable **before we process the product application or investment**, otherwise we will arrange for the product provider to pay us the agreed amount out of the investment or other product.

At one level our time involvement for arranging a £1m investment is no more than for arranging a £100,000 investment and our fee should be the same. However, this overlooks the increased risk to the company which is reflected in the fact that our general compliance costs, capital adequacy requirements and professional indemnity insurance increase in line with our turnover.

The range of fees follows the pattern shown below. We will agree what we will charge you before arranging the product or investment.

Arranging Investments	Typical Fee
Up to £50,000	£500 to £1,250
£50,000 - £100,000	£1,250 to £2,000
£100,000 - £250,000	£2,000 to £3,750
£250,000 - £500,000	£3,750 to £5,000
£500,000 - £1m	£5,000 to £7,500
Above £1m	£7,500

In the above table 'Investments' includes arranging transfers between Money Purchase Pension Plans.

Arranging Pensions	Typical Fee
Personal Pension and Stakeholder Pension	£500 - £1,000 depending on contribution level
SIPP	£1,000 - £5,000 depending on contribution level

Other Products	Typical Fee
Protection Policies	£500 to £5,000 depending on the level of risk involved
Mortgages	£300 to £800 in addition to any fee provided by the lender
Equity Release	£1,350 to £1,850
Care Fees Plan	£2,000 to £5,000

We will tell you if you have to pay VAT.

If you pay us a direct fee for arranging a product, and we also receive commission (see heading below) from the product provider, we will seek to pass on the value of that commission to you in one or more ways as explained under that heading.

ARRANGING PRODUCTS - COMMISSION

Where possible, when the amount of fee payable to us is to be paid indirectly, we will arrange for a product provider to pay us the agreed amount out of the investment or other product. In such cases the amount of our fee will be determined by us in line with the maximum fees detailed in the previous table.

However, at present many product providers are not able to offer a true adviser charging facility where the fee is determined by us, and will instead pay us a commission determined by the product provider. With the exception of certain general insurance products, product providers will have to move to true adviser charging by 31 December 2012.

If we arrange a financial product for you, therefore, we may receive commission from the product provider. Where we have no control over the commission payable to us we will seek to account to you for any excess over the maximum fees detailed in the previous table in some other way.

For example, we could reduce our fee; or request that the commission be reduced to increase your investment amount or the policy benefits; or refund all or part of the commission to you.

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.

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 at our expense, 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 at our expense, at which we will describe our services fully and explain the payment structure.

THE FEE ON COMPLETION IS £1,350 TO £1,850.

A fee of £1,350 to £1,850 is payable when an equity release application completes. We may be paid a fee from the provider, in which case this amount will be deducted from the fee required from you. If any such fee from the provider is £1,350 to £1,850 or more, therefore, no fee may be required from you. We will keep any excess fee from the provider over £1,350 to £1,850.

'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 at our expense, 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 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 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.

FEES FOR ONGOING SERVICE

To provide an ongoing service which would include an annual review our minimum fee is £750 a year.

If you have arranged an investment portfolio with us then we will normally receive ongoing fees to cover this amount from your investment portfolio or you can pay us by means of a retainer.

The fee for our ongoing service will reflect the level of complexity of your financial affairs, the amount of investment for which we are responsible and the level of service that you require.

We will confirm the level of our fee for ongoing service to you in writing before beginning work and before each increase in our fees for ongoing service.

TRANSACTIONAL CLIENTS

We are prepared to provide advice and/or arrange products on a purely transactional basis, that is, where no pre-arranged ongoing service is required.

Transactional clients are welcome to contact us with requests for service at any time although our regular clients may take priority and a fee will be required based on the work involved.

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 that 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.

Deposits: 100% of the first £85,000 (from 31.12.2010).

Investments: 100% of the first £50,000 (from 01.01.2010).

Long Term Insurance: 90% of the claim with no upper limit (from 01.01.2010).

General Insurance: 90% of the claim with no upper limit (from 01.01.2010). 100% of the claim with no upper limit for compulsory insurance.

Home Finance Business (eg mortgage advice and arranging): 100% of the first £50,000 (from 01.01.2010).

Compensation limits are per person, per firm.

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.

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.



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.

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 X-----

Client Signature X-----

Date of Signature X-----

Spouse/Partner Name X-----

Spouse/Partner Signature X-----

Date of Signature X-----

Date of Issue Please refer to the date of the email to which this Client Agreement was attached

Arch Financial Planning Limited

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New Model Adviser
of the Year 2010 South East



AUTHORISED AND REGULATED BY THE FINANCIAL SERVICES AUTHORITY

compliance/fsa/client agreement 2011.01