

First Steps

for those interested in using our services

Thank you for enquiring about our services. Your enquiry is very much appreciated. FIRST STEPS seeks to provide you with **the information which you might wish to know about us at this stage** without drowning you in paper which you do not want and the world cannot afford. You will also find **enclosed important documents** whose completion and return is a necessary part of these FIRST STEPS, should you wish to use our services.

Our Client Proposition

- **Independent financial advice** provided by a team of highly experienced advisers and supported by robust and compliant processes.
- **Quality financial planning** based on long term objectives, led by a personal adviser but with access, where necessary, to in-house investment, pensions, protection and mortgage specialists.
- **Clarity of payment** for our services whether indirectly by commission or directly by fees.
- **Use of Wrap Services** to aggregate assets and provide clients with up-to-date information on their investments and pensions at all times.
- **Choice of customer or client services** depending on whether one-off or ongoing advice is required.
- **Ongoing personal service** structured to suit the needs of the client. This will include a mixture of face to face and technology driven advice.
- **Ongoing general communication** including our email bulletin, MoneyTalk; 'information' letters, a wide range of in-house Guides, and an actively managed website.

Our Services

We can help you:

- **build up and maintain an investment portfolio** to achieve your objectives, whether you wish to save regularly or you already have a range of existing investments. This includes investing for children and grandchildren and holding investments in trust as well as investment advice for trustees and companies.
- with the **funding of your pensions for later life** and transfer existing plans where necessary. This includes running group pension and employee benefit schemes for small to medium size companies and charities.
- **make the best of your pension funds once you reach retirement.** This includes advice on annuities and pension drawdown plans.
- find the **most suitable life insurance and health insurance plans** for yourself and your family.
- obtain **the most suitable mortgage or re-mortgage.**
- arrange your affairs so that you **do not pay unnecessary tax.** This includes income tax, capital gains tax and inheritance tax.
- We can help **you or a relative fund care fees.** This includes advice on immediate care plans and investing assets in the most appropriate way.

In FIRST STEPS you will find information on

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Our advice process
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Our terms of business (**please sign and return the additional copy of this if you wish to use our services**)



About Us

Arch Financial Planning Limited was regulated by the Financial Services Authority (FSA) as a personal investment firm with effect from July 2003. However, the history of our business goes back to October 1989 when we were authorised to provide independent financial advice under our former name of Arthur Childs Financial Services.

What began as the trading style of Arthur Childs, the founding principal, developed into a family partnership in 2001. As the firm expanded further we sensed the need for a less family-centred name and a move to a limited company status which we did in 2003.

We have been based in **Cranleigh, Surrey** since our formation in 1989. Cranleigh is technically still a village rather than a town but is **home to a number of highly successful organisations** which have a reach far beyond Cranleigh. These include **Cranleigh School**, the independent day and boarding school set in a two hundred-acre site; **Cranleigh Freight Services**, one of Europe's leading freight companies; **Cranleigh Aerials**, now a five company group which has clients such as Guildford Borough Council, Hampshire County Council, Berkeley Homes and Laing Homes; the **Cranleigh Show**, one of the country's oldest one day agricultural shows, and of course **Arch Financial Planning Limited**.

The company has a team of **nine independent financial advisers (IFAs)**, four of whom have been with the company for over ten years, and three support staff at its Cranleigh office. The company has **over 4,400 customers** on its books and many hundreds of those would count themselves as regular clients. In total the company is responsible for **over £100 million of customer/client funds**.

We consider our 'home' territory to be Surrey, South West London, Sussex and Hampshire, although we have clients throughout the UK and indeed overseas.

We encourage our advisers to continue studying for professional examinations throughout their time with us. A number of them have passed Chartered Insurance Institute exams at the Diploma and Advanced Diploma level.

The team of advisers is overseen by our Managing Director who is a **Chartered Financial Planner, Fellow of the Chartered Insurance Institute (FCII), Fellow of the Personal Finance Society (FPFS), Associate of the Pensions Management Institute (APMI) and Associate of the Institute of Financial Planning (AIFP)**.

Our Role as IFAs

It is important that you understand **our role concerning your financial and investment planning** and the foundational principles on which we base our advice. If these principles are understood and accepted, it will be easier to decide at any time whether changes need to be made.



Principle 1 - Whilst it might seem self evident, **our role is to provide financial planning advice**. Although this will often involve recommending the most suitable financial planning products for your circumstances we are not limited in this to simply selling products. In our dealings with you we will strive to be **creative, independent** of any product provider, and **client-centred**.

Principle 2 - Our aim is to assist you to achieve **your long term financial goals**. Our skills are more about the 'big picture' of your investment planning commensurate with your age, attitude to risk, capital growth/income needs and tax position rather than the day-to-day detail of investment management. A major part of this planning will be to determine the overall shape of your investment portfolio by the **strategic allocation of your investments** across the most appropriate types of asset. Studies have shown that by far the most important influence on the variation of investment returns is the strategic asset allocation between the major asset classes. We have **no expertise in day-to-day tactical asset allocation** and no more ability than the next man in making short-term profits for our clients.

Principle 3 - We will **strive to be ethical in all our dealings with you**. This simply means that we will try to deal with your financial affairs as though they were our own. In circumstances where there might be a conflict between your needs and our personal financial advantage we will put your needs first.

Principle 4 - We will **only advise you within our areas of expertise and experience**. We are constantly seeking to expand our knowledge and experience; however, if our advice needs to go beyond our current level of competence in any area, we will seek the help of another adviser within the company to assist us in the process. In some situations we will explain that we cannot advise you on a particular aspect of your financial planning and where possible direct you to another professional who can.

Principle 5 - We acknowledge the simple fact that **the world in which we live is constantly changing**. We are currently in a technological revolution which is changing our lives every bit as much as the industrial revolution of the 19th Century. Such changes will inevitably mean that some of our decisions with hindsight were wrong. Our role at such times is to **admit our mistakes and make the necessary changes for you** on the most favourable terms that we can arrange.

Principle 6 - **Every investment has an element of risk**. It is an unavoidable part of the investment process. For example keeping £100,000 on deposit in a bank (or building society) will subject around 65% of the capital to the risk of loss through the collapse of the bank. Even many National Savings products can subject your capital to loss through the effects of inflation. Our job is to identify the risk, **match the risk to your requirements and attitude to risk** and explain clearly that risk to you.

Principle 7 - Even though risk is unavoidable **we will seek to reduce the risk to your portfolio as much as we can** by using diversification of investment types, markets and market sectors, products and product providers to avoid you having all your 'eggs in the wrong basket' at the wrong time. We will use collective investments that are **managed on a day-to-day basis by professional fund managers** and where possible will involve the tactical asset allocation services offered by various **multi managers**.

Principle 8 - When giving investment advice to you **we will take account of your tax position** and the tax treatment of the investments. This will hopefully enable you to avoid paying unnecessary tax.

Principle 9 - No single type of investment is right for everyone. Each carries different risk profiles and personal needs and preferences also vary widely. The **ideal is a balanced portfolio** between long and short term; low risk and high risk. What constitutes a balanced investment portfolio will vary from investor to investor depending on such factors as your age, your employment status, your requirements for income and/or growth and your attitude to risk.

Principle 10 - We will want to make sure that you have **sufficient money on deposit or otherwise readily accessible for emergencies** so that you do not have to remove capital from long term investments at an inappropriate time.

Our Advice Process

All of our clients are individuals and wish to be treated as such. In this respect, we are building a relationship rather than producing an end product. The 'process' that we go through with them is never quite the same as for another client. However, we need to use a clearly defined underlying process to make sure that nothing is missed and that we maintain our compliance with the financial services regulations at all times.

First Interview



Purpose - **Confidential Questionnaire**
Establish **what is required**
No charge

Typically up to two pages long, containing:
Brief description of **background information**
Statement of **your requirements**
Outline **what we can do** for you
Our commission/fee costs for doing the work
We will seek **your approval** (possibly with cheque)



Follow up letter

Charging option (1)



If the work involved is to recommend some life cover, or a pension or a single investment we will normally make a recommendation and **provide an illustration to you without charge**. Our 'suitability' letter will then identify the commission or fee required to arrange the policy/investment.

We will, at the same time, provide you with **letters of authority** for your existing plans.

If the work involved is to carry out a **comprehensive financial review**, produce a report, or to recommend combinations of life cover, pensions, investments etc we will **request a cheque before carrying this out**.

This will typically be a fairly nominal amount such as **£300** in view of the time it will actually take us. The idea is simply to gain a commitment from you.



Charging option (2)

Whether you intend to let us work on a commission or fee basis, the **initial cost could be set off** against that if you proceed with our recommendations.

Charging option (3)



If you have confirmed, after receiving our follow up letter, that you wish to proceed on a fee basis, we will simply **start billing you at our hourly rate** from now on, unless a fixed total fee has been agreed.

If we have agreed to proceed on a fixed total fee basis we will require the fee **before our Support Team process any applications** etc.

If we have agreed to proceed on a **commission basis** then the support Team will simply process the applications as normal.



Arranging the investments etc

Investment reviews



These will depend on whether you wish to be treated as a **customer** or a **client**. A customer will simply approach us each time they require our services. If a review is required you may be asked to **agree to pay a fee** for this.

A client will be offered reviews at certain intervals. The cost for these will usually be **covered by the fund based commission**, or a monthly retainer.

This is really **the start of a new cycle**. We would normally meet with you to identify your requirements without charge. This would be followed by **a letter confirming what we are being asked to do** and the way we expect to be paid for this (ie a repeat of charging options 1,2 or 3).



Other servicing work

Our Team

Directors

SARAH J BOND, Director – Operations and Support
(sarah.bond@arch-fp.co.uk)

ARTHUR J CHILDS, Managing Director
(arthur.childs@arch-fp.co.uk)

MARY L CHILDS, Director – Financial Control
(mary.childs@arch-fp.co.uk)

Support Team

JOANNA ENTICKNAPP

SANDRA FAIRWEATHER

ABIGAIL HENDRY

JULIA TIDY

(support@arch-fp.co.uk)

Adviser Team

STEVE BARRY Protection Specialist
(steve@barryifa.fsbusiness.co.uk)

SARAH J BOND Office Based Adviser
(sarah.bond@arch-fp.co.uk)

PHILIP D BOYD Investment Specialist
(philip@boydphilip.wanadoo.co.uk)

ARTHUR J CHILDS Strategic Planning
(arthur.childs@arch-fp.co.uk)

PETER N KINGSTON Senior Care Fees Specialist
(peter.kingston@arch-fp.co.uk)

JULES OBEЕ Senior Mortgage Specialist
Protection Specialist
(jules.obee@arch-fp.co.uk)

ALISON V RADFORD Equity Release Specialist
Trust Specialist
(alison.radford@arch-fp.co.uk)

JOE C TRICCAS Senior Pensions Specialist
(joe.triccass@arch-fp.co.uk)

DEIRDRE A TRUSSLER Mortgage Specialist
Protection Specialist
(deirdre.trussler@arch-fp.co.uk)

Arch in the Press

The most widely read weekly newspapers for over 30,000 IFAs and 40,000 professionals within financial institutions are *Money Marketing*, *Financial Adviser*, *Professional Adviser* and *New Model Adviser*. Arch Financial Planning Limited has received numerous mentions in these publications and these are included on our website.

Arthur Childs, our Managing Director, is part of the Broker Review Panel for *Money Marketing*. As such he is often asked to contribute his views on new financial product launches. Arthur is also a regular contributor to the Market Tactics section of *New Model Adviser* and is one of 250 advisers from all over the UK who form the IFA Panel for *Professional Adviser* magazine.

Our Email Service, MoneyTalk

Please register for our brief monthly email bulletin, MoneyTalk. This will keep you informed on a number of general financial planning issues without any obligation on your part.

Simply send an email to moneytalk@arch-fp.co.uk and ask us to include you in the next issue. You can de-register at any time in the same way.

If we received your initial enquiry by email we will have automatically included your email address in the free subscription list for, MoneyTalk. However, we are keen to respect your wishes and not to inconvenience you in any way. There will be an unsubscribe link on the first, and indeed every, issue of MoneyTalk that you receive.

If you unsubscribe when you receive the first issue, or at any time, **we will delete your email address from our subscription list immediately**. We will not pass on your email address, or other contact information, to any other organisation.

Our Website

We have an actively managed website which contains a great deal of helpful information on aspects of financial planning – www.arch-fp.co.uk. If you have access to the internet do please bookmark our website for a regular look. It is all part of our developing service to clients.

The Nucleus Wrap

A wrap is an administrative platform (ie service) that combines, or wraps, all of a client's investments into a single manageable account.

Arch Financial Planning Limited was **an early user of investment platforms** as it could see the benefits for its clients in terms of **consolidation, convenience, choice, control and cost**. For the last **six years we have used various platforms** including the Cofunds Fund Supermarket on which **we have placed over £12 million of client assets**.

Building on this experience of other platforms and our most recent research, Arch Financial Planning Limited has **joined with a selected number of firms and has entered the Nucleus Wrap** as it feels that this offers outstanding value for our clients going forward.

In order to use the Nucleus Wrap clients are required to invest **a minimum of £20,000 into the service**, although such an investment does not have to be made at the outset.

The main advantages of wraps are:

- You can **view all of your investments together** (provided they are held on the wrap) and obtain a clearer overview of your financial position.
- It is **easier for your investment adviser to see and advise on asset allocation**, as well as the balance of the tax vehicles being used. Of course, if it is easier for your investment adviser, **it is beneficial for you because he or she can do a better job** of advising you on your investments.
- Whilst **there will be additional charges** for using the wrap (in the case of Nucleus 0.35% or 0.45% pa depending on the underlying product), the wrap will often **buy funds on a wholesale basis**. In other words the increased cost could be partially offset by a reduction in the initial charges normally included in the retail funds.
- Your **investment adviser's administration costs are less** and this is likely to translate into less charges to you.
- **Tax reporting** of income and assets **should be easier**.

For the reasons given **we intend to use the Nucleus Wrap for all suitable new clients** and over time offer **all existing suitable clients** the opportunity to move their investments and pensions onto Nucleus.

Key facts about our services

1. The Financial Services Authority (FSA)

The FSA is the independent regulator of financial services. The information under this section 'Key facts about our services' has been required by the FSA to be given to consumers considering taking advice on certain financial products. You may use this information to compare value for money, to shop around and to decide which firm to use.

2. Whose products do we offer?

Investment

- We offer products from the whole market.
- We only offer products from a limited number of companies
- We only offer products from a single group of companies.

Insurance

- We offer products from a range of insurers for pure life assurance, critical illness, income protection and private medical insurance.
- We only offer products from a limited number of companies for buildings and contents insurance, travel insurance and mortgage payment protection insurance.
- We only offer products from a single insurer.

3. Which service will we provide you with?

Investment

- We will advise and make a recommendation for you after we have assessed your needs.
- You will not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.
- We will provide basic advice on a limited range of stakeholder products and in order to do this we will ask some questions about your income, savings and other circumstances but we will not:
 - Conduct a full assessment of your needs;
 - Offer advice on whether a non-stakeholder product may be more suitable

Insurance

- We will advise and make a recommendation for you after we have assessed your needs for pure life assurance, critical illness, income protection and private medical insurance.
- You will not receive advice or a recommendation from us for Buildings and Contents Insurance, Travel Insurance and Mortgage Payment Protection Insurance. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.

4. What you will have to pay us for this service?

Investment

- Before we provide you with advice, we will give you our keyfacts guide 'about the cost of our services'.
- We will tell you how we get paid, and the amount, before we carry out any business for you.

Insurance

- A fee. We will tell you if you have to pay VAT. Our typical charges are £250 to £1,000 (depending on the sum insured) for pure life assurance, critical illness, income protection and private medical insurance and £100 for Buildings and Contents Insurance, Travel Insurance and Mortgage Payment Protection Insurance
- No fee.

You will receive a quotation which will tell you about any other fees relating to any particular insurance policy.

5. Who regulates us?

Arch Financial Planning Limited, Arch House, Collins Court, 39 High Street, Cranleigh, Surrey GU6 8AS is authorised and regulated by the Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.

Our FSA Registered number is 222989.

Our permitted business is advising on and arranging pensions, savings and investment products, pension transfers and opt outs, and non investment insurance contracts. 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 0845 606 1234.

6. What to do if you have a complaint

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

In writing: **Write to:** The Managing Director, Arch Financial Planning Limited, Arch House, Collins Court, 39 High Street, Cranleigh, Surrey, GU6 8AS

By phone: **Telephone:** 01483 204600

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

7. Are we covered by the Financial Services Compensation Scheme (FSCS)?

We are covered by the 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.

Investment

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

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.

Key facts about the cost of our services

1. The Financial Services Authority (FSA)

The FSA is the independent regulator of financial services. The information under this section 'Key facts about the cost of our services' has been required by the FSA to be given to consumers considering taking advice on certain financial products. You may use this information to compare value for money, to shop around and to decide which firm to use.

2. Our services

We provide a financial planning service for individuals and businesses which is creative, independent, client-centred and technology driven. Whilst clients will be allocated a personal independent financial adviser, all our advisers are encouraged to specialise so that on occasion one or more of our other advisers may be involved in particular areas of your financial planning. Should we recommend that you make any form of investment, that investment will be selected from the whole market. Our advice process is overseen by a Chartered Financial Planner.

We offer an initial discussion without charge, when we will describe our services more fully and explain the payment options. Meetings can be held at our office, or your home or office in Surrey, Sussex, Hants, Kent or South West London. You can obtain a clearer idea of the breadth of our financial planning services by visiting our website www.arch-fp.co.uk. If you have email you can elect to receive MoneyTalk, our monthly email bulletin.

3. What are your payment options?

Not all firms charge for advice in the same way. 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. We have ticked the payment options we offer.

- Paying by fee.** Whether you buy a product or not, you will pay us a fee for our advice and services. If we also receive commission from the product provider when you buy a product, 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.
- Paying by commission (or product charges).** If you buy a financial product, we will normally receive commission on the sale from the product provider. Although you pay nothing up front, 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. We will tell you how much the commission will be before you complete an investment, but you may ask for this information earlier.
- Paying by a combination of commission and fee.** In some circumstances, we also charge a fee on top of any commission we might receive to recognise that the commission payable does not properly reflect the work which we have undertaken in advising you and arranging the investment. We also offer payment by fee, rather than commission, for the initial advice leading to the setting up of a product, and then payment via fund based commission to cover future servicing of that product.

4. How much might our services cost?

If you choose the fee option:

(a) Hourly Rate

We will agree the rate we will charge before beginning work. We will tell you if you have to pay VAT.

Our typical charges are:

Director (CII Diploma level)	£140	Per hour
Director (CII Certificate level)	£120	Per hour
Senior adviser (CII Diploma level))	£140	Per hour
Financial adviser (CII Cert level)	£120	Per hour
Trainee adviser	£90	Per hour
Administration	£60	Per hour

You may ask us for an estimate of how much in total we might charge. You may also ask us not to exceed a given amount without checking with you first.

(b) Lump Sum

We will agree what we will charge you before beginning work. Our typical charges are:

Full financial review: £750 - £1,500 (depending on the complexity)

Pension transfer review: £950 (this does not include the cost of the actual transfer)

We will tell you if you have to pay VAT.

(c) Monthly Retainers

You may wish to pay a monthly retainer (£15, £35 or £50) for an agreed level of ongoing service. If you wish to deal with us on a purely transactional basis, you will not be asked to pay a retainer.

If you choose a fee or part-fee payment option and we are arranging a lump sum investment or lump sum pension contribution, then, in addition to the hourly rate, there is **an additional fee of 0.75% of the investment amount or pension contribution** towards our compliance and professional indemnity insurance costs.

There is **a minimum fee of £250** for any service that we provide.

If you choose the combination of commission and fee

We will charge you a combination of fees and commission. The actual amounts will depend on the service provided to you, but will not exceed the total of the maximum fees set out above and the maximum commission set out in the tables below.

If you choose the commission option

Tables 1 and 2 show examples of the amounts of commission we could receive (or the equivalent we earn through product charges) and compare those amounts with the market average (see notes 1 & 2 at the end of this section 4).

The amounts vary according to: the type of product, the amount you invest, and (sometimes) how long you invest for, or your age when you start the product. We will confirm the actual amount to you before you buy a product.

Table 1 - Commission if you invest monthly				
Products	Example term or age	Comparison of costs		Example based on £100 per month
		Our maximum	Market average	<i>This shows the maximum costs of our sales and advice for a monthly investment or premium of £100, ignoring any changes in fund value</i>
Savings and investments				
Collective investments (eg unit trusts)	Any	4.0% of all payments plus 0.5% of your fund value each year from year 1	2.3% of all payments plus 0.5% of your fund value each year from year 1	£48.00 each year plus £6.00 in year 1, £12.00 in year 2, and so on (The actual amount in later years will vary in line with your fund value)
Endowments	10 year term	40.0% of the first 12 month's payments plus 2.5% of all payments from month 17	30.3% of the first 12 month's payments plus 2.5% of all payments from month 17	£480.00 initially plus £30.00 each year from month 17
Protection				
Whole of life assurance	Age 40	160.0% of the first 12 month's payments plus 2.5% of all payments from month 49	101.3% of the first 12 month's payments plus 2.5% of all payments from month 49	£1920.00 initially plus £30.00 each year from month 49
Saving for retirement				
Personal and Stakeholder pensions	25 year term	30.0% of the first 12 month's payments plus 0.25% of your fund value each year from year 2	19.6% of the first 12 month's payments plus 0.25% of your fund value each year from year 2	£360.00 initially plus £7.20 in year 2, £10.80 in year 3, and so on (The actual amount in later years will vary in line with your fund value)
	10 year term	20.0% of the first 12 month's payments plus 0.25% of your fund value each year from year 2	14.1% of the first 12 month's payments plus 0.25% of your fund value each year from year 2	£240.00 initially plus £7.20 in year 2, £10.80 in year 3, and so on (The actual amount in later years will vary in line with your fund value)
Personal Pension Schemes				
Not all types of personal pension scheme are included in the information above about commissions. Instead only the more common types are included, and schemes such as SIPPs are not. Before we start advising you, we will inform you of how much we could be paid if we do recommend one of these products to you.				
You can also ask us about commission we might receive on underlying investments we recommend you hold within a SIPP, if not contained in the information above.				

Table 2 - Commission if you invest a lump sum				
Products	Example term or age	Comparison of costs		Example based on £10,000 lump sum
		Our maximum	Market average	<i>This shows the maximum costs of our sales and advice for a lump sum investment of £10,000, ignoring any changes in fund value</i>
Savings and investments				
Collective investments (eg unit trusts)	Any	5.0% of the amount you invest plus 0.5% of your fund value each year from year 1	1.4% of the amount you invest plus 0.5% of your fund value each year from year 1	£500.00 plus £50.00 each year from year 1 (The actual amount in later years will vary in line with your fund value)
Investment bonds	Any	7.5% of the amount you invest	4.3% of the amount you invest	£750.00
Saving for retirement				
Personal and Stakeholder pensions	Any	4.0% of the amount you invest plus 0.5% of your fund value each year from year 2	2.2% of the amount you invest plus 0.5% of your fund value each year from year 2	£400.00 plus £50.00 each year from year 2 (The actual amount in later years will vary in line with your fund value)
Personal Pension Schemes				
Not all types of personal pension scheme are included in the information above about commissions. Instead only the more common types are included, and schemes such as SIPPs are not. Before we start advising you, we will inform you of how much we could be paid if we do recommend one of these products to you.				
You can also ask us about commission we might receive on underlying investments we recommend you hold within a SIPP, if not contained in the information above.				
At retirement				
Annuities	Any	2.5% of the amount you invest	1.4% of the amount you invest	£250.00
Income drawdown	Any	4% of the amount you invest plus 0.5% of your fund value each year from year 1	2.1% of the amount you invest plus 0.5% of your fund value each year from year 1	£400.00 plus £50.00 each year from year 1 (The actual amount in later years will vary in line with your fund value)

Notes:

The market average figures are calculated by the FSA using actual data from a representative sample of regulated firms and are shown in a way that you may compare with our own maximum rates. The market average figures will be updated by the FSA from time to time based on new data.

Where a firm sells its own products it must calculate its figures according to FSA guidelines.

5. Further Information

If you need any more help or information

- ➔ ask your adviser; or
- ➔ visit www.fsa.gov.uk/consumer

Please let us know if you would like this information in a larger font

TERMS OF BUSINESS LETTER

CLIENT CLASSIFICATION

Unless we notify you in writing to the contrary, we will be treating you as a "retail client". This means that you are afforded the highest level of protection under the regulatory system and should have the right to take any complaint to the Financial Ombudsman Service. Details of our complaints procedure are available on request.

OUR RELATIONSHIP

Any advice or recommendation that we offer to you, will be based on your stated objectives, circumstances and take into account any restrictions that you wish to place on the type of products you would be willing to consider.

With very few exceptions, we will confirm to you in writing the basis of our reason for recommending the products arranged on your behalf.

Your stated objectives will be reiterated in the Suitability Report, which we will issue to you following our recommendation, along with details of any special risks associated with the product recommended.

Full details of the products we may recommend to you including, for example, the minimum duration of the product, information on the right to cancel or whether no right to cancel arises, and any other early termination rights and penalties, will be covered in the relevant product disclosure information you will receive before conclusion of any contract.

Any products we have arranged for you, will not be kept under review but we will advise you upon your request.

However, we may contact you in the future by means of an unsolicited promotion (by telephone 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.

CLIENT MONEY

Arch Financial Planning Limited IS NOT permitted to handle client money AND we cannot accept a cheque made out to us (unless it is in respect of an item for which we have sent you an invoice) or handle cash.

DISCLOSURE OF CHARGES/FEEES

All charges/fees will be fully disclosed to you. These will be disclosed in summary form before we undertake any work for you. The precise charges relating to any recommendations we make will be confirmed in your Suitability Report or relevant product disclosure information that is provided to you.

In respect of any regular premium pure 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, we reserve the right to charge you a fee representing the amount we have to repay, for a period of up to four years after commencement of the policy. We will not charge any such fee if you exercise your right to cancel in accordance with any cancellation notice sent to you by the life insurance company.

There is no additional cost to you for using a means of distance communication.

CONFLICT 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 customers 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 customers 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.

OUR INTEREST IN NUCLEUS FINANCIAL SERVICES LIMITED

The Nucleus Wrap is an administrative platform which we may use to manage your investment portfolio. The Nucleus Wrap service is only open to a restricted number of quality IFA firms/companies and each IFA firm/company is asked to invest in the service. The cost varies according to the size of the IFA firm/company and expected volume of business. In the case of Arch Financial Planning Limited we have paid £12,500 as a joining fee for which the company will receive shares in Nucleus. This shareholding does not alter our regulatory responsibility to provide you with impartial advice, and so should not influence our advice to you. Please ask if you wish to discuss this in further detail.

BEST EXECUTION

In executing or transmitting orders on your behalf to third parties, we will take all reasonable steps to ensure that we obtain the best possible result for you in terms of best execution.

RISK WARNINGS

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.

CANCELLATION RIGHTS

In most cases you can exercise a right to cancel, by withdrawing from the contract recommended to you. In general terms you will normally have a 30 day cancellation period for a life, pure protection or pension policy and a 14 day cancellation period for all other policies.

The start of the cancellation period will normally begin, for pure protection policies, when you are informed that the contract has been concluded or, if later, when you have received the contractual terms and conditions. In other cases, the cancellation period will begin on the day the contract is concluded or, if later, the day on which you receive the contractual terms and conditions. Instructions for exercising the right to cancel, if applicable, will be contained in the relevant product disclosure information which will be issued to you.

DOCUMENTATION

We will endeavour to make arrangements for all your investments to be registered in your name unless you first instruct us otherwise in writing. All Policy Documents will be forwarded to you as soon as practicable after we receive them. If there are a number of documents relating to a series of transactions, we will normally hold each document until the series is complete and then forward them to you.

DATA PROTECTION

Some services are provided to Arch Financial Planning Limited by third parties such as processing business or obtaining compliance or regulatory advice, which warrant the disclosure of more than just your basic contact details. You agree that personal information held by Arch Financial Planning Limited may be disclosed on a confidential basis, and in accordance with the Data Protection Act 1998, to any such third parties. You also agree that this information may be transferred electronically, e.g. email and you agree that ourselves, or any such third party, may contact you in future by any means of communication which we consider appropriate at the time.

Product Providers, Lenders and Investment Managers may administer your policy, any existing policies you may have with them and provide other services, from centres in countries outside Europe (such as India and the USA) that do not always have the same standard of data Protection laws as the UK. However, they are required to put a contract in place to ensure that your information is adequately protected, and they will remain bound by their obligations under the Data Protection Act even when your personal information is processed outside Europe.

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.

YOUR CONSENT

I have read the above terms and fully consent to the terms imposed and I authorise the transfer of information, on a confidential basis when warranted between any such third parties. I acknowledge that the Terms of Business Letter will come into effect from the date of issue and I acknowledge receipt of the First Steps document which contains the 'key facts about our services' and the 'key facts about the cost of our services'.

With this copy of First Steps you should have been given a separate copy of this Terms of Business letter. Please sign below on that separate copy and return it to us if you wish to use our services. Please note, however, that whether or not you sign our Terms of Business letter you will be bound by its contents if, after the date of issue, you instruct us to act on your behalf or apply for an investment or other financial product through us.

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.

Customer Name(s)	
Customer signature(s)	
Date of issue	See date of email to which this was attached, or date viewed on our website

Enclosed with FIRST STEPS you will find

Business Card – you should have received the business card of the adviser who gave you this document. If *First Steps* was emailed to you as a pdf document the covering email should have contained the name and contact details of our adviser as well as our address and contact details. If for any reason **you have not received a business card or full contact details on an email** please let us know immediately.

Confidential Questionnaire - this is so that we can get a clear picture of your current personal financial circumstances. **Please complete this as fully as you are able.** If there are sections in the Confidential Questionnaire that do not apply to you please write 'none' in those sections rather than leaving them blank or just putting a line through them. If you would prefer not to give information in any particular section please write, 'not disclosed' across that section; however, you should be aware that any advice we provide may then be limited as a result.

This information will be treated confidentially and will only be used for advising you on your financial affairs and for no other purpose. Where you accept our recommendations, the information will form part of our confidential client computer database and we are a registered user of such information under the Data Protection Act 1984.

When completed please post the Confidential Questionnaire to us at:

**Arch Financial Planning Limited
FREEPOST SCE14868
CRANLEIGH
GU6 8BR**

If you have any questions please contact the person who gave you this Guide or telephone **0845 3700 661**

For Further Info

If you would like to discuss any aspect of this information before returning the above documentation please speak to the person who gave this to you or contact us via one of the following:

Tel: **0845 3700 661**
Email: **enquiries@arch-fp.co.uk**

AUTHORISED AND REGULATED BY THE FINANCIAL SERVICES AUTHORITY

THE FINANCIAL SERVICES AUTHORITY DOES NOT REGULATE TAXATION AND TRUST ADVICE

compliance\fsa\first steps(06.08)