

## **CLIENT AGREEMENT**

Cleddau Financial Services Ltd is authorised and regulated by the Financial Services Authority. FSA Number 409895.

You can check this on the FSA's Register by visiting the FSA's website [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) or by contacting the FSA on 0845 606 1234.

### **Our Commitment to You**

Prior to providing you with any advice we will take time to understand your current needs, circumstances and attitude to risk. Any advice provided will be confirmed to you in writing.

### **Client Classification**

Cleddau Financial Services Ltd classifies all clients as 'retail clients' for investment business and 'consumers' for non-investment insurance business, which means you are afforded all protections under the rules of the Financial Services Authority (FSA). Should you wish to be classified differently for investment business, please discuss this with your adviser. Your adviser will inform you should your circumstances dictate that we would need to classify you differently for non-investment insurance business.

Please note that should you wish to be considered as a different category of customer for investment business, 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 may 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 the following methods of communication, Face to Face, E-mail, Telephone, Letter & Fax.

### **Investment and Non-Investment Insurance Services**

**Cleddau Financial Services Ltd** is permitted to advise on and arrange (bring about) deals in investments and non-investment insurance contracts.

With regard to investments and non-investment insurance contracts which we have arranged for you, these will not be kept under review unless we agree otherwise with you; but we will advise you upon your request.

**Cleddau Financial Services Ltd 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**

**Investment** – We offer products from the whole market.

**Non-investment Insurance** - We offer products from a range of insurers on the basis of a fair analysis of the market, for example; for Term Assurance, Critical Illness and Permanent Health Insurance.

### **Conflicts of Interest**

Cleddau Financial Services Ltd offers advice in accordance with that disclosed to you in this agreement. Occasions may arise where we, or one of our other clients 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 on request.

## **Termination of Authority**

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 this Client Agreement unless otherwise agreed in writing. You will be liable to pay for any transactions made prior to termination and any fees, which may be outstanding.

## **Data Protection**

For details of our Data Protection statement and policy, please see our separate Data Protection Statement and consent form, which will be provided separately to you.

## **Payment for Services**

### **Investments**

Cleddau Financial Services Ltd offers you an initial meeting to understand in broad terms; your needs and objectives and to agree with you that our services are right for you going forward. This meeting usually lasts for around one hour, the cost of which is met by our firm.

Thereafter payment for our advice and services can be by a fee, by commission or by a combination of both.

**Paying by Commission** – Where investment advice has been provided we will normally receive commission from the product provider. Whilst you will not be asked for a payment directly this does not mean that our service is free. The commission is derived from the product charge which has an overall effect of reducing the amount allocated to the investment.

The amount of commission we receive will vary depending on the amount you invest and (sometimes) how long you invest, for example:

- 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 (approximately £36 every year).
- If you invest £10,000 in any lump sum investment such as an insurance bond or Personal Pension we would receive commission of 3% of the amount invested (£300) and 0.5% of the value of the fund (roughly £50 every year).
- If you invest £100 month into a personal pension we would receive commission of 3% of the amount invested (£3) and 0.5% of the value of the fund (roughly £6 every year).

If we receive commission for arranging a product which you subsequently cancel, resulting in a reclaim of commission by the product provider, you agree that you will pay Cleddau Financial Services Ltd. a sum equal to the hours worked based on the rates stated above to a maximum of £1500.

If commission payable is less than £600, we reserve the right to charge you a fee of a maximum of the difference between the commission and £600. For example, if commission received totals £320, we reserve the right to charge you a fee of £280.

**Paying by Fees** – Whether we arrange an investment for you or not, a fee is payable for our advice and services. This payment is due on completion of the work following invoice. If 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. We will confirm what we will charge you in writing before beginning work. Typical charges are as follows:

Chargeable Hourly Rate: Director £200 per hour  
Financial Advisor £150 per hour  
Administration £50 per hour

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

**Paying by a Combination of fee and commission (through product charges)** – We will charge you a combination of fees and commission. The actual amounts will depend on the service provided to you, but will be in line with the arrangements set out in the sections headed “Paying by fee” and Paying by commission (through product charges).

### **Non-investment insurance policies**

We may also be remunerated by, fee or commission. You will receive a Client Specific Illustration, which will detail any other fees relating to your particular insurance policy.

### **General**

Please note that there is a possibility that other costs, including taxes, could be incurred related to transactions in connection with investment business that are not paid via the firm or imposed by it.

For certain transactions that we recommend to you, Cleddau Financial Services Ltd will accrue a notional entitlement under a Discretionary settlement. The value of this entitlement does not impact on the overall charges applied to your investment, and the actual cost to you will be disclosed as required by the Financial Services Authority.

In addition to the above, for certain transactions that we recommend to you, we will also receive a royalty payment from the provider as part of the annual management charge. This payment will be made on an annual basis and again will not affect the charges applied to your contract as disclosed to you at the point of application. We will be happy to provide you with details of the payments as they relate to your investment should you request these.

### **Complaints**

If you wish to register a complaint, please contact us in writing at the above address or telephone us on 01646 602088. If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.

### **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.

#### **Investment**

Most types of investment business are covered for 100% of the first £50,000, so the maximum compensation is £50,000.

#### **Insurance**

Insurance advising and arranging is covered for 90% of the claim with no upper limit.

Further information about compensation scheme arrangements is available from the FSCS

### **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.



<b>Date</b>		