



## CHESTERTON HOUSE

YOUR LIFE - YOUR PLAN - OUR TEAM

**CHESTERTON HOUSE FINANCIAL PLANNING LTD, 2-3 RECTORY PLACE, LOUGHBOROUGH LE11 1UW**

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Authorised and regulated by the Financial Conduct Authority Reg No 2118345 (ENGLAND)

Directors: AK Jervis *ACII, Dip PFS, CFP, RHP* Urwin *Dip PFS*, Secretary: SJ Jervis

## Terms of Business

### OUR REGULATOR

1. Chesterton House Financial Planning Ltd is authorised and regulated by the Financial Conduct Authority (FCA), 12 Endeavour Square, Stratford, London, E20 1JN. [www.fca.org.uk](http://www.fca.org.uk). The FCA regulates financial services in the UK, and you can check our authorisation and permitted activities on the Financial Services Register by visiting the FCA website [www.fca.org.uk/firms/systems-reporting/register](http://www.fca.org.uk/firms/systems-reporting/register). Our FCA Register number is 126368.

### OUR ADVICE

2. **Investment & Pension Advice:** We offer an independent advice service. We recommend investments and pensions based on a comprehensive and fair analysis of the market with no restrictions on the investments we consider unless you instruct us otherwise. We will only make a recommendation when we know it is suitable for you.

You should be aware that the investments we recommend can fall as well as rise in value, and you may not get back the full amount invested. Past performance is not a guide to future performance. We will inform you if any investment we recommend restricts future access to your capital.

3. **Non-investment protection advice:** Providing advice on the best way to protect your mortgage, your family and your financial future.

We are an insurance intermediary and will provide advice which is based on a fair and personal analysis of the market.

Full details of the products we recommend will be confirmed in the product literature you receive before they are arranged.

### CLASSIFICATION OF CLIENTS

4. Unless we notify you in writing to the contrary, we will be treating you as a "retail client" for investment business. 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 (FOS).

### OUR SERVICE

5. The primary aim of our service is to help you to identify and quantify your goals and objectives, and then to work with you to create a Financial Plan to aim to achieve them. In order to do this you agree to give us complete and up-to-date information regarding your personal and financial circumstances and any other pertinent facts as requested by us in order to advise you correctly, and to inform us of any changes in your circumstances and objectives that are relevant to the work that we do for you. You acknowledge that we cannot adequately provide the services requested by you unless you provide such information completely and candidly, and that the value of our recommendations depends entirely upon the adequacy and accuracy of the information provided by you.

### INSTRUCTIONS

6. We require you to give us instructions in writing, to avoid possible disputes. We will, however, accept oral instructions provided they are subsequently confirmed in writing. Electronic communications are acceptable provided that they are capable of being stored and reproduced in paper form.

7. We will enter into communication with you through whatever means are convenient to you and us, including face-to-face, telephone, e-mail and other acceptable electronic communication methods. Our communications with clients will ordinarily be in English, both in respect of oral and written communications.

#### **HOW WE CHARGE YOU FOR OUR SERVICES**

8. Whether you buy a product or not, you will normally pay us a charge for our advice and services. We will agree the basis and amount of our charges with you before beginning work. Details of our standard charges are attached.
9. You agree to pay our charges promptly on issue of an invoice. If your account remains unpaid for more than 30 days, we reserve the right to charge interest at the rate of 3% above the Bank of England base rate on the outstanding balance, and to cease acting for you. We will retain all documents and other items in our possession until all outstanding amounts are paid in full.
10. For non-investment protection advice we may be eligible to receive commission from the product provider when you buy a product. If so, we will normally accept the commission in payment for our work in full. At our discretion we may pass on some or the full value of that commission to you in one or more ways; for example, we could reduce our charge, use it to improve your contract terms, or refund commission to you.
11. Please note that because of the disproportionate costs involved in accounting for small amounts of commission we will not normally credit individual payments of less than £10.00 to you and these amounts will be retained by us.
12. Nothing in these Terms will override your legal or statutory rights, and we will comply with any legislation that may affect the payment or receipt of commission by us or to us.
13. It is important to us that you feel that you have received good value from our dealings with us. If this is not the case, you should contact your Financial Planner who will try to reach a satisfactory agreement with you. If you remain dissatisfied, you should write to us as referred to in the Complaints section below.

#### **INVESTMENT OBJECTIVES & RESTRICTIONS**

14. Following the issue of this document, any subsequent advice or recommendation offered to you will be based on your stated investment objectives, acceptable level of risk and any restrictions you wish to place on the type of investments or policies you are willing to consider. Details of your stated investment objectives will be identified during our discussions with you and confirmed in the personal recommendation we will make to you. Unless confirmed in writing to the contrary, we will assume that you do not wish to place any restrictions on the advice we give you.

#### **ONGOING SERVICE – SERVICE AGREEMENT**

15. If we have created a financial plan for you, we will typically offer you the option to enter into a Service Agreement with us, to provide periodic reviews and other services as agreed with you. If you choose not to enter into a Service Agreement (or we do not offer this to you) we will have no further responsibility to you. We will not typically offer you a Service Agreement if we do not believe it would represent good value for money for you, for example if our advice is limited to mortgages and insurance (for which a separate Terms of Business would be issued).

#### **DOCUMENTS**

16. We arrange for all investments (certificated and uncertificated) to be registered in the names of our clients or such nominees as they may instruct. Any investment certificates or other evidence of title to investments which we may receive will be forwarded to clients or, if so instructed, to their legal advisers for safe keeping.

#### **MONEY LAUNDERING REGULATIONS**

17. We are required for the purposes of the anti-money laundering regulations to verify the identity of our clients, to obtain information as to the purpose and nature of the business which we conduct on their behalf, and to ensure that the information we hold is kept up-to-date. For this purpose, we need to obtain information about our clients and one of the ways in which we might do this is to access digital information held in the public domain, such as the Companies House website.

#### **YOUR PERSONAL DATA, CONFIDENTIALITY & SHARING INFORMATION**

18. To provide our services properly, as detailed under 'Our Service', we'll need to collect information about your personal and financial circumstances. We take your privacy seriously and will only use your personal information to deliver our services. We adopt a transparent approach to the processing of your personal data. Sometimes, we may need to pass your personal information to other organisations, including those within the Chesterton House Group. If you apply to take out a financial product or service, we'll need to pass certain personal details to the product or service provider. We may also engage the services of third-party providers of professional services in order to enhance the service we provide to you. These parties

may also need to process your personal data in the performance of their contract with us and also have their own obligations to deal with your personal information appropriately.

We will hold your data in accordance with current legislation and our Privacy Notice which you have been provided with and is available on request or by visiting our website at <https://www.chestertonhouse.co.uk/website-terms>.

19. We are concerned to preserve the confidentiality of client information and to protect clients against the risk of identity theft. Consequently, if clients advise us that they wish to receive information which is personal to them by telephone or in other ways which will prevent us from ensuring that it is they who are requesting the information, we may ask them for special identifying data, such as their mother's maiden name.

## **BEST EXECUTION**

20. Where we send investment applications on your behalf to third parties (for example to put an investment into force), we'll take all sufficient steps to ensure that we obtain the best possible result for you. This is referred to as 'best execution'. We have a 'best execution policy'. If you want to see a copy of it, please ask us.

## **COMPLAINTS**

21. Complaints should be addressed in the first place to the firm's Compliance Officer, Mr Andrew Jervis at our office address/telephone number. A summary of our internal complaints handling procedures for the reasonable and prompt handling of complaints is available on request and if you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) or by contacting them on 0800 023 4567. One exception to this is for business buy to let mortgages, which you would not be able to refer to the FOS.

## **GOVERNING LAW**

22. You will not be entitled to assign or transfer the benefit of this Agreement.
23. The validity, construction and performance of this Agreement shall be governed by English Law.
24. Except where a loss could with reasonable foresight have been avoided, neither party shall be liable to the other for any loss or damage outside the reasonable control of both parties.

## **CONFLICT OF INTERESTS**

25. We will act honestly, fairly and professionally, known as conducting business in 'Client's best interest' regulations. Occasionally situations may arise where we or one of our other clients have some form of interest in business transacted for you. If this happens or we become aware that our interests or those of one of our other clients conflict with your interest, 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. Where this cannot be achieved, we will not conduct the business.

## **COMPENSATION**

26. If you make a complaint and we are unable to meet our liabilities, you may be entitled to compensation from the Financial Services Compensation Scheme. For investment business you will be covered up to a maximum of £85,000 per person per firm. Further information is available from the FSCS at <http://www.fscs.org.uk/what-we-cover/products>

## **TERMINATION OF THE AGREEMENT**

31. Where no Service Agreement is in place, the relationship between us and our clients may be terminated immediately in writing by either party, but termination will not affect instructions which have been actioned or liabilities which have been incurred.

Where a Service Agreement is in place, we may terminate this agreement by giving you at least 28 days written notice. You may terminate this agreement by giving us at least 7 days written notice. Any transactions already initiated will be completed according to this agreement unless otherwise agreed in writing. You will be liable to pay for any services we have provided before cancellation and any outstanding fees, if applicable.

**TERMS OF BUSINESS Version 24 – Effective September 2022**

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# How We Charge

## Initial Meeting

Following your initial enquiry we will normally arrange a meeting with you. This meeting could be held at our offices, via telephone or online. We will not make a charge for this meeting, the purpose of which is to gain an understanding of your requirements, make an assessment of your current financial circumstances, and summarise the work which you would like us to do for you.

## Financial Plan

The work is likely to include preparation of a Financial Plan containing detailed recommendations of the actions that we recommend you should take in order to achieve your objectives. Your Financial Plan will take a holistic approach to your circumstances, and may recommend actions in a number of areas, for example (but not exclusively) insurance and risk management, cashflow planning, tax planning, pension planning, debt reduction, investment planning, legacy and estate planning. We will address these areas according to their relevance to you and the priority that you place on them.

## Initial Adviser Charge

We will agree an Initial Adviser Charge with you before commencing work. This will be based on our assessment of the complexity of your affairs, the amount and type of work involved. Our initial charges for our service (other than for Defined Benefit pensions) are as follows:

• Plan creation	£1,500 plus the following charges for any other elements included in your Plan;
• Investment recommendations	£ 300
• Cashflow forecast(s)	£ 400
• Protection analysis	£ 350
• ISAs/GIA/investment bond analysis	£ 200 (per account)
• Pension switch analysis	£ 250 (per pension)
• Lifetime or Annual Allowance analysis	£ 350
• Inheritance Tax planning	£ 500
• Tax planning (e.g. VCT, EIS)	£ 300
• Asset based charge	0.2% of the anticipated assets subject to our advice

In addition we will charge a fixed fee of £200 per contract/account for the advice and administration relating to the setting up of any regular payment investment or pension contract.

As an example, a client requiring a Financial Plan to determine how best to use their accumulated assets, which include the analysis of two personal pensions and two ISAs with a total value of £500,000, would require a Financial Plan with investment recommendations, cashflow forecasts, two ISA analyses and two pension switch analyses. They would therefore pay an initial charge of £4,100.

The initial charge is payable in three stages (see below) and is non-refundable where we have substantially completed the work in question.

- A deposit payment, typically 20% of the total, payable before we commence work
- A second payment, typically 55% of the total, on delivery of your Financial Plan, which will contain our recommendations
- A final payment, typically 25% of the total, on implementation of your Financial Plan, which becomes payable when you agree to proceed with our recommendations. If you decide not to proceed with our recommendations, this element is not payable.

## Defined Benefit Pensions

We will charge for 'abridged advice' at a rate of £1,500 for the first scheme, plus £250 for each additional scheme. Where this leads to 'full advice', we will typically charge £3,500, plus 0.6% of the transfer values being considered. These charges are payable whether we advise you to transfer or not. The charge paid for abridged advice will be offset against the full advice cost.

As an example, a client only requiring advice on a defined benefit pension with a Cash Equivalent Transfer Value of £500,000 would pay a total initial advice charge of £6,500 (including £1,500 for abridged advice).

## Financial Planning Service Agreement

Our ongoing Financial Planning Service is explained in detail in our separate Financial Planning Service Agreement. The charges that apply are shown in the Standard Ongoing Advisor Charge Scale table below:

Investment Portfolio Value	Ongoing Adviser Charge as % of Investment Portfolio Value
first £300,000	charge of 1.00%
next £300,000	charge of 0.85% (15% Discount)
next £1,400,000	charge of 0.75% (25% Discount)
next £3,000,000	charge of 0.70% (30% Discount)
next £5,000,000	charge of 0.60% (40% Discount)
excess over £10,000,000	charge of 0.50% (50% Discount)

For example, if your Long Term Portfolio is valued at	
£300,000	the charge will be £3,000 a year
£500,000	the charge will be £4,700 a year
£900,000	the charge will be £7,800 a year
£2,000,000	the charge will be £16,050 a year
£7,000,000	the charge will be £49,050 a year

### **Minimum Annual Ongoing Adviser Charge**

We will make a minimum annual charge for providing the Financial Planning Service, based on the amount and complexity of work required. This will be specified in your Financial Planning Service Agreement but would typically be £2,400 for a service requiring one review meeting per annum or £4,800 for a service requiring two review meetings per annum.

In the event that total charges from all relevant sources do not exceed the Minimum Annual Ongoing Adviser Charge in any calendar year from commencement of the Agreement, we may invoice you for the difference between the charges received and this Minimum Charge or agree a Monthly Retainer Charge with you to meet the anticipated shortfall.

### **Work for which additional charges may apply**

There are some areas of work for which we may charge additional fees because of their complexity, requirement for greater research, or increased administration. These are considered as outside of the standard service agreement. The list below refers to the most common items that may arise, however we reserve the right to make additional charges for any work that we deem to fall outside of our normal Service Agreement, at our discretion.

Additional charges may apply to advice on and/or arrangement of, for example : Specialist Tax and/or Trust Planning, 'At retirement' advice, other life events (such as setting up a new business, death, divorce), other scenarios where new investments are purchased within your portfolio or for any other work which falls outside of the scope of this Agreement. In each case we will agree the exact amount or basis for our fees with you before we start the work.

Further details are disclosed in the Financial Planning Service Agreement.

### **Non-Investment Protection**

You do not pay us a fee. We may be eligible to receive commission from the product provider when you buy a product, which is a percentage of the total annual premium. We will normally accept the commission in full as payment for our work which covers a full analysis of your circumstances goals and objectives, research into the most appropriate product and provider and associated costs, full recommendations, the application process, and general associated administration.

We will normally accept commission payments in full once the plan is in force. At our discretion we may pass on some or all of that commission to you in one or more ways; for example we could use it to improve your contract terms, or refund commission to you. A list of the commission ranges we may receive from product providers is available upon request.

**Mortgages** – We are paid via a combination of fee and commission. Further details are disclosed in our Mortgage, Protection, and Insurance Terms of Business.

**Equity Release** – We are paid via a combination of fee and commission. Further details are disclosed in our Equity Release Terms of Business.

**Insurance** – You do not pay us a fee. We may receive an introductory payment from Source Insurance Ltd. Further details are disclosed in our Mortgage, Protection, and Insurance Terms of Business.