

# Client Agreement

**This document and the Client Fee Agreement attached are important documents. You should therefore read these terms carefully before signing them. If you do not understand any of the items covered please ask.**

**The terms of this Agreement will come into force immediately and will remain in force until cancelled by you or us. This document sets out our commitments to you and the basis upon which we will conduct business.**

## Our Services

It is important to stress that we offer a full *Independent* advice proposition. Other firms may offer advice that is *Restricted*, which means that they can only offer advice on limited types of products, or the products from one company or a limited number of companies. You will not be able to compare our services with theirs as we are providing a market wide review that is not restricted in any way.

As an Independent Financial Adviser, we will consider all areas of your finances unless directed otherwise and can use all products and providers across the market place to ensure any objectives are implemented successfully. Our permitted business is to advise on and arrange pensions, investments, savings, mortgages and non-investment insurance contracts. As part of our service, we offer an initial discussion without charge, in which we will describe our services more fully and explain the payment options available to you. If agreed, after this initial discussion we will review with you in more detail your financial requirements. If you have requested a full financial review, we will:

- Gather all relevant personal information, including details of your finances, your needs and future financial objectives, including your attitude towards risk, your capacity for loss and your ethical concerns.
- Analyse the information gathered in detail against your stated objectives and research possible solutions.
- Provide a detailed report of your situation to include our product recommendations.
- Work with you and any relevant product providers to ensure the recommendations are implemented.
- Agree a review service with you at outset to ensure any plans and investments remain appropriate.

If you have requested a focussed review in one area, we will follow a similar process on that area and confirm to you in writing the limitation. We accept no responsibility with regard the implications of focused advice and the potential impact to recommendations due to non-disclosure on certain aspects of your financial affairs.

If you require regular reviews of the progress towards your financial objectives, we will explain the options under our ongoing service propositions.

## Client Classification

All clients with whom the firm conducts business are firstly classified into one of three areas. These are retail, professional or eligible counter-party categories, which ultimately allows us to identify the level of regulatory protection in each case. We propose to classify you as a *Retail Client* for investment purposes affording you the maximum protection under current legislation, unless we inform you in writing of an alternative classification.



## Objectives and Restrictions

Following the issue of this Agreement, any subsequent advice or recommendation offered to you will be based on your stated investment objectives, an agreed acceptable level of risk and any instructions you may wish to make regarding the type of investments or policies you are willing to consider. Details of your stated investment objectives will be included in the suitability report we will issue confirming our recommendations. Under normal circumstances we will assume that you do not wish to place any restrictions on the advice we give you.

## Communication

We will communicate with you in English, both verbally and written in all cases. We consider e-mails to have the same status as written documents on the understanding these are received from a previously confirmed e-mail address. We are unable to provide a guarantee that any e-mail sent will be received, or that the contents of any such messages will remain private during internet transmission. We accept no liability for any damages that you or any others may suffer as a result of the alteration or loss of confidentiality of any e-mailed information.

We virus scan all e-mails but will not be responsible for any damage caused by a virus or alteration by a third party after it is sent. We recommend that you employ virus protection measures when accessing communications from us.

We can also offer secure messaging through end to end encryption solutions on our Client Portal. For more information on this service please ask your adviser.

## Mortgage Advice

We are authorised to conduct mortgage business. As this is an increasingly specialist area we have a dedicated team who can assist you and explain our services and fees in more detail should this be of interest to you.

## Insurance Advice

All advice from Optimum is provided following an assessment of your needs and a fair analysis of the market is undertaken to identify suitable plans including Term Assurance, Critical Illness Cover and Income Protection.

## Paying by commission – (product charges)

If we arrange a non-Retail Investment Product (e.g. a protection policy) for you, we may receive commission from the product provider. Although you pay nothing up front, that does not mean our service is free. You still pay us indirectly through the product charges. We will advise you in writing where any commission is not sufficient to cover our charges and will agree this with you in writing before any fees are due.

## Cancellation Rights

We will always inform you of your statutory right to cancel. You will normally be granted 30 days in which to cancel a life or pension contract, however there may be occasions where this period is 14 days or that no statutory rights are granted. This will be explained before any contract is concluded.

## Material Interest

We will always act honestly, fairly and professionally when dealing with you. Occasionally situations may arise where we or one of our clients have some form of interest in the business being transacted for you. If this happens or we become aware that our interests or those of one of our 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. You can request a copy of our conflict of interest policy at any time.

## Investment Risks

All investments carry a degree of risk that will usually increase in line with the potential return on an investment (i.e. the higher the level of potential return, the higher level of risk one may have to take). You should ensure that you are fully aware of the risks associated with a product and are content to accept the risks involved.

## Who Regulates Us

Optimum Independent Financial Advisers Limited is authorised and regulated by the Financial Conduct Authority (FCA) who are an independent watchdog that regulates financial services. Their FCA firm reference number is 798611. You can check this information by visiting the FCA website at <https://register.fca.org.uk> or by contacting the FCA on 0800 111 6768.



## What to do if you have a complaint?

If you should have any complaint about the advice you receive or a product which you have purchased, please contact us, in writing to – The Compliance Officer, Optimum Independent Financial Advisers Limited, 8-9 St Peters Court, Colchester, Essex, CO1 1WD or telephone – 01206 366700, or email – [gary@optimum-ifa.co.uk](mailto:gary@optimum-ifa.co.uk), giving details of your complaint. We will provide you with a copy of our formal complaints procedure upon request or upon receipt of a complaint. If we are unable to resolve a complaint to your satisfaction you have the right to take your complaint to the Financial Ombudsman Service.

## Are we covered by the Financial Services Compensation Scheme?

We maintain professional indemnity insurance to enable us to meet any liabilities that may arise on us in respect of our obligations to you for services performed on your behalf. We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if for any reason we cannot meet our obligations. This will however depend on the type of business and the circumstances of the claim.

- Investments** – Most types of investment business are covered up to a maximum limit of £85,000.
- Insurance** – Non-compulsory insurance provision for both general and pure protection contracts (such as term assurance, critical illness and most income protection policies) are covered for 90% of the claim with no upper limit. For compulsory classes of insurance, insurance advising and arranging is covered for 100% of the claim, without any upper limit.
- Mortgages** – Mortgage advising and arranging is covered up to a maximum limit of £85,000.

Further information about the compensation scheme arrangements is available from the FSCS.

## Instructions

To avoid disputes we require our clients to give us instructions in writing/email in respect of all investment transactions. We will however, accept oral instructions to commence a life/pension policy provided they are subsequently confirmed in writing. All advice given by Optimum Independent Financial Advisers Limited will be provided in writing, or if given verbally will be confirmed in writing subsequently to ensure clarity of information.

## Further contact and advice

Where we have arranged and implemented any investment for you, we will agree an on-going service level based on your circumstances and needs and the level of charge you are willing to pay. If you do not agree to one of our service plans at the time of implementation, we will not monitor or review the appropriateness of the advice provided nor provide any future advice. We will of course be pleased to advise you again in the future at your request, subject to our normal fee levels applicable at that time.

We will make arrangements for all your investments to be registered in your name unless you first instruct us otherwise in writing. We will forward to you all documents showing ownership of your investments as soon as practical after we receive them. Where a number of documents relating to a series of transactions are involved, we will normally hold each document until the series is complete and then forward them to you.

## 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 sent by recorded delivery and will be deemed to be effective from the date of receipt. Termination will not prejudice the completion of any transactions already initiated on your behalf or any rights or obligations already arising, unless you specifically request us to discontinue processing that transaction. Upon termination we reserve the right to charge a fee in line with the work undertaken but any fee related to an on-going service that will no longer be provided will be cancelled. Any outstanding fees due under this Agreement will be due within 14 days of the termination date.



## Client Records & The Data Protection Act

You have the right to inspect copies of contract notes, vouchers and entries in our books, files or computerised records relating to your transactions. We keep records of our business transactions for at least six years. We reserve the right to only provide copies of your records if giving you direct access to them would allow access to files containing records of other clients.

Personal information provided by you may be maintained on our computer records and will not be shared with other parties, unless you have agreed otherwise. The provisions of the General Data Protection Regulation (GDPR) will apply. In order for us to advise you properly we must obtain certain information about your finances and personal circumstances. This information will be retained and used by us in the future. By signing this document:

- 1 You agree that the information we hold about you can be held on computer and/or paper files.
- 2 You agree that any information, which you give us, may be disclosed to third parties (e.g. credit reference agencies, product providers or data processors) for the purpose of administering and processing your application where we are providing an intermediation service between you and third parties, including the preparation or implementation of a service or the provision of an on-going service, or upon the sale of all or part of our business.

## Marketing

If you **do** wish us to update you with information on products and services that we feel may be of interest to you, please tick here.

You may also select your preferences in relation to how we may contact you in the future. Please tick each box to confirm the media types you are willing to receive.

- Post
- Email and/or secure electronic communications
- Text

We agree that any consent given by you may be withdrawn at any time by contacting us in writing at our main office address.

## Legal Governance

This Client Agreement is governed by and shall be construed in accordance with English Law and the parties shall submit to the exclusive jurisdiction of the English Courts.

## Call recording

Due to changes imposed by our regulator we now record telephone calls into and from our main office number for your additional protection.

## Client Money

**Optimum Independent Financial Advisers Limited does not handle client money. We will never accept a cheque made out to us (unless it is a cheque in settlement of fees, charges or disbursements for which we have sent you a bill) or handle cash.**

## Aggregated Costs Disclosure

It is important that you understand the true costs and impact of receiving advice and the investment solutions put in place for you. The *Cost of our services* section below, outlines the fees payable for our services. Where we recommend a Retail Investment Product, we will also provide you with information about the aggregated costs of any recommendation and will provide this information prior to any application being submitted so that you can be clear on all the costs involved.

We will use information provided to us by the platform providers to meet our obligations. Where this information is not available we will make a manual calculation specific to the recommendations we are making and include this in the suitability report we issue to you.



## Money Laundering Regulations

Working in the financial services industry means we must meet our obligations to verify the identity of all our clients. We do this via an electronic service called *SmartSearch* and we need to inform you this will make a *soft* imprint on your search file. We have been advised this has no impact to an individual's credit score.

For larger investments we will need to establish a *clear source of funds* for any monies to be invested and may therefore need to request additional information to comply with the new money laundering rules.

## Nominee & Safe Custody Services

Optimum Independent Financial Advisers Limited does not safeguard or administer client assets but we may arrange business through platforms, which will provide custody services for your assets. Where this is the case, the legal title of investments will be registered in the name of the third party's nominee.

Transactions will be transmitted to the fund supermarket, investment wrap platform, or similar third party investment institution for them to execute. Money or transferred assets will be placed immediately with that third party for investment; we will never hold the assets for you. We will provide you with the relevant account opening details for the third party such as their Terms & Conditions, Nominee and Safe Custody Service, Best Execution Policy, Execution Venues and Conflicts of Interest Policy (or equivalent documents). The legal title of investments will be in the name of the third party's nominee.

## Cost of Our Services

Not all firms charge 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 for our services.

It is important to understand that our time and advice are not free and so any charges/fees agreed with you will still be payable whether you buy a product or not. We accept cheque or direct credit, but we do not accept payment by cash.

## Settling Your Adviser Charge in a single payment

You can settle your adviser charge for the initial set-up and implementation in a single payment for lump sum investments, pensions, or retirement advice in the following ways:

- 1 **Directly to us** – we will send you an invoice for the work undertaken
- 2 **Payment facilitated through the recommended product(s)** – the provider or platform will pass our agreed remuneration directly to us by reducing the amount of your investment.

As outlined in this Agreement, our advice process consists of:

- Gathering all relevant personal information, including details of your finances, your needs and future financial objectives, including your attitude towards investment risk and your ethical concerns.
- Analysing the information gathered in detail against your stated objectives and research possible solutions.
- Providing a detailed report of your situation to include our product recommendations.
- Working with you and any relevant product providers to ensure the recommendations are implemented.
- Agreeing a review service with you at outset to ensure any plans and investments remain appropriate in the future.



## Optimum Investment Management (OIM) Service

Our charges will include the cost of time spent on the above steps – our fee basis is generally set as a percentage of the investments taken out through our firm in line with the following tiered structure:

Table of Charges*		
On the first £100,000	(Band A)	3%
On the next £150,000	(Band B)	2%
On the next £250,000	(Band C)	1%
Investments over £500,000	(Band D)	0.5%

\*Please note that the actual cost of advice will be dependent on the complexity of each case. If the costs are likely to be higher than those stated, we will agree these in writing with you before undertaking chargeable work. An example of more complex work would be investments into Inheritance Tax Planning products, and we would refer you to our separate process document for this area of business which outlines costs in more detail.

### Examples:

If you were to invest a lump sum of £100,000 we would charge £3,000 for the analysis, research, recommendation and implementation services (i.e. £100,000 @ 3% (Band A) = £3,000).

If you were to invest a lump sum of £300,000 we would charge £6,500 for the analysis, research, recommendation and implementation services (i.e. £100,000 @ 3% (Band A) = £3,000 + £150,000 @ 2% (Band B) = £3,000 + £50,000 @ 1% (Band C) = £500).

When clients engage our services, it is our experience that they wish to receive (and indeed it is our intention to provide) a full service to include liaising between you and any relevant third parties to ensure the products needed to help you reach your objectives are set up appropriately. This is often referred to as *intermediation* and this is considered an exempt service for VAT purposes (see VAT section below).

## Hourly Rates/Fixed Fees

It may be that you wish us only to provide you with generic advice or review certain arrangements without the need for the setting up of a new product. In these circumstances, it is likely that any fee agreed would be subject to VAT at the prevailing rate. We will agree the rate we will charge before undertaking any work for you.

Our typical charges are:

- Director/Chartered Financial Adviser ..... £200.00 Per Hour
- Independent Financial Adviser ..... £175.00 Per Hour
- Paraplanner ..... £125.00 Per Hour
- Senior Administrator ..... £75.00 Per Hour
- Administrator ..... £50.00 Per Hour

You can request an estimate of how much in total we may charge. You can also ask us not to exceed a given amount without firstly gaining your authority to proceed.

Any such agreement shall be confirmed in writing to you before chargeable work is undertaken. As an example, to provide a basic review and report (of one plan) may cost £750, and a more complicated review and report (of four plans) may cost from £1,500. Implementation of advice would then be an additional cost.

Alternatively, we may agree to work on a fixed fee for part or all of any service we provide to you.



## Payment for On-going Services

We offer a Client Service Propositions to ensure the on-going suitability of the products you hold and any underlying investments through periodic reviews along with other ancillary services included in the cost. The cost to you will depend on the amount of monies on which we provide the service and the type of service which is deemed appropriate/agreed.

The Client Service Proposition will detail the exact charge as it pertains to you, but our charges are typically 0.75% per year.

### Example:

If we provide the ongoing OIM service on assets of £300,000 our on-going charge would typically be £2,250 per annum.

The extent to which you make use of the service(s) available is a matter of choice for you but our charges will be payable until cancelled by you (see Termination Clause of Fee Agreement). These fees will often be referred to as an on-going 'Adviser Charge' or ongoing 'Adviser Fee'.

In the majority of cases these payments will be facilitated through the investments / products you hold through our agency once you have agreed to them being deducted.

## Settling your adviser charge by instalments

You have an option to pay your adviser charge by instalments, but this is only available on regular premium products. Payment by instalments does not relate to any on-going charges which we may levy for providing an on-going service.

## Paying by instalments through your product provider

If you buy a financial product, you can choose to have your adviser charge deducted from the product through instalments. Although you pay nothing to us up front, that does not mean our advice is free. You still pay us through deductions from the amount you pay into your product. These deductions will reduce the amount left for investment. For example, if the monthly premium was £500 and the advice charge was £600, an amount of £150 would be taken from each payment for 4 months to meet the charge with only the balance of £350 being invested. At the end of the period the adviser charge would be settled in full.

## Other benefits we may receive

In the course of our business dealings we may be provided with additional services from various providers including the facilitation of the adviser charge so as to avoid the need for you to settle our charges from your own bank account. In addition, we may be provided with training resources from time to time. Further information can be provided upon request.

## Information about other costs and associated charges

There may be other costs, including taxes, that are payable through other parties (such as the product provider) that we may not be party to. Such charges are normally disclosed in the relevant third-party documentation issued to you, for example the Key Features document or personal illustration.



# Client Fee Agreement

## This fee agreement is made between:

1 Optimum Independent Financial Advisers Limited, 8-9 St Peters Court, Colchester, CO1 1WD (the adviser)

and

2 ..... (the client)

This Fee Agreement should be considered as an addendum to our Standard Client Agreement, the general terms of which will apply in all cases.

## Services Provided

### Initial Advice

You have instructed us to act for you and perform the duties outlined in our Client Agreement. In summary we will:

- Gather all relevant personal information, including details of your finances, your needs and financial objectives.
- Analyse the information gathered in detail against your stated objectives and research possible solutions.
- Provide a detailed report of your situation to include our recommendations.
- Work with you and any relevant product providers or lenders to ensure the recommendations are implemented.

### On-going

As part of the initial work we have agreed to provide an on-going service to include:

- Maintenance of your files.
- Reviewing the continuing appropriateness of products in place.
- A periodic review of the underlying investments to assess their continuing appropriateness having regard to your circumstances.
- To provide a written summary of our recommendations at that time (although it will be your decision whether to instruct us to take all or any action proposed).
- To liaise with product providers to implement any changes or switches agreed between us.

Full details of the exact services available and their frequency are contained in the relevant Service Proposition document provided to you separately.

### Remuneration & Charges

For the initial work we have agreed an adviser charge of:

- A fixed fee of £ .....
- In line with the **Table of Charges** in the Cost of our Services. (see recommendation report(s) for full details)
- % of the amount invested.

For the **on-going** service we have agreed an annual charge of:

- % of the value of your funds held through our agency each year. (see recommendation report(s) for full details)

The annual servicing charge is non-refundable, even if you do not choose to use the services that we have offered to you and any remuneration resulting remains the property of Optimum Independent Financial Advisers Limited. This does not affect your rights to terminate this agreement at any time.





## Method of Payment

The fees agreed above will be paid by the following method (please tick relevant boxes):

### Initial Adviser Charge – PLEASE SELECT

- Payment will be made by you to Optimum Independent Financial Advisers Limited by cheque/ direct credit on receipt of an appropriate invoice from us.
- Payment will be taken directly from your investment(s) and will be facilitated by the provider/platform.

(this may involve a reduction in the initial amount invested or deduction from any relevant cash account held and will be confirmed in writing to you within our report)

### On-going service charge – PLEASE SELECT

- Payment will be made by you to Optimum Independent Financial Advisers Limited by direct credit /standing order with these payments being received no later than 5 business days after they become due at the end of each month upon receipt of an appropriate invoice from us.
- Payment will be taken directly from your investment(s) and will be facilitated by the provider/platform.

(this may involve the sale of units within your funds or deduction from any relevant cash account held)

Where it is agreed that initial and/or ongoing charges are to be deducted directly from your investment, this agreement confirms your authority to permit Optimum Independent Financial Advisers Limited to structure the payment of its adviser charges (initial and/or ongoing) from your investment and/or cash account from a provider in the manner it deems as the most appropriate and beneficial to you and also to commence and adjust accordingly as required, a regular 'sell' to the cash account for the payment of the ongoing service charge.

## Changes to the Level of Fees

We reserve the right to amend our fees at our discretion but will notify you in writing in advance of any changes taking effect.

## Capital Gains Tax

Where units are cancelled to meet charges that are held within a Unit Trust or OEIC, the sale of units to meet charges could give rise to a Capital Gains Tax liability if you have fully utilised your annual allowance in the year in question.

## Value Added Tax (VAT)

Where applicable VAT will be added to invoices for services provided. As noted above, intermediation is an exempt service and so our experience is that our services to you are Exempt where intermediation exists and/or where you purchase an on-going service at the point of sale which is ancillary to the Exempt supply. We will notify you in writing where we believe our services are VATable.

## Payment Terms – initial fees

If an invoice has been issued, payment must be made in full within 14 days of issue. Late payment of any fee will result in interest being added at our discretion, at an equivalent rate of 4% per annum above the Bank of England base rate, as amended from time to time.

## Termination

You may terminate this agreement at any time giving notice in writing to our main address via Recorded Delivery. All work undertaken to date on your behalf will be costed in accordance with the terms in this agreement and will become payable immediately upon issuance of a relevant invoice.

Where our annual service is terminated by you, we reserve the right to invoice you for any work concluded for which payment has yet to be received during the year.

In some cases, cancellation or the lapsing of a long-term life assurance plan, protection policy or certain investments may result in reclaimed commission that has been used to enhance your contract terms or to offset the fee that would otherwise be charged. We reserve the right to recover these costs from you if they occur within 24 months of commencement of the policy/plan.



I/We confirm that I/we have received these documents and the contents have been explained.  
I/We understand that the terms contained within these documents will be deemed to be effective from the date they were provided to me/us.

**All signatories to this agreement agree/do not agree to share any information disclosed to Optimum until such time as we send written confirmation that we wish to alter this permission.**

**By agreeing to these terms and conditions you accept that the fees due will become payable on completion of the advice or transaction at the prescribed levels.**

Signed .....

Signed .....

Name .....

Name .....

Date .....

Date .....

**For adviser to complete:**

Signed .....

Name .....

Date .....