



**HBBWealth**

**HBB FINANCIAL LIMITED**

**CLIENT AGREEMENT**

The Financial Conduct Authority (“FCA) is the independent watchdog that regulates financial services. This document has been designed to be given to consumers considering buying certain financial products. Please use this information to decide if our services are right for you.

**Our Services**

**HBB Financial Limited** is able to act on your behalf in advising you on a range of investments, pensions and non-investment insurance contracts. We offer products and services as follows:

- Financial and wealth planning, including cashflow forecasting, income and inheritance tax advice.
- Investments & Pensions - We offer an Independent advice service. We will recommend investments and pensions, based on a comprehensive and fair analysis of the market. We will place no restrictions on the Investment Markets we will consider before providing investment recommendations, unless you instruct us otherwise. We will however only make a recommendation when we know it is suitable for you.
- Non-investment protection contracts - We offer non investment protection products e.g. term assurance, income protection and critical illness from a range of insurers.

We offer you an initial discussion (without charge) at which we will describe our services more fully and explain the payment options. If you decide to go ahead, we will:

- Gather and analyse personal financial information about you and your aims and objectives;
- Recommend and discuss any action we think you should take and, with your agreement, arrange relevant solutions for you.

You should be aware that investments carry varying degrees of risk and as their underlying value can fall as well as rise, you may not get back the full amount invested.

**Your Aims and Objectives**

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.

Any advice or recommendation that we offer to you will only be given, after we have assessed your needs and considered your financial objectives and attitude to any risks that may be involved. We will also 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 recommendations, along with details of any special risks associated with the products recommended.

Full details of the products we recommend to you including, for example, the minimum duration of the product, information on your right to cancel, or whether no right to cancel exists, 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.

We will issue any documentation/recommendations and any other communication to you in English (unless agreed otherwise).

We may also, on occasion, advise on other financial products which are not regulated by the FCA under the Financial Services and Markets Act 2000. The Financial Services Compensation Scheme does not apply to any of these products.

Under the terms of this agreement, we may, if appropriate, advise you on investments which are not readily realisable. We would draw your attention to the risks associated with these investments, as there is a restricted market for them. In some circumstances, it may therefore not be possible to deal in the investment or obtain reliable information about its value.

### **Our Ethical Policy**

We are committed to providing the highest standard of financial advice and service possible. The interest of our clients is paramount to us and to achieve this we have designed our systems and procedures to place you at the heart of our business. In doing so, we will:

- be open, honest and transparent in the way we deal with you;
- not place our interests above yours;
- communicate clearly, promptly and without jargon;
- Seek your views and perception of our dealings with you to ensure it meets your expectations, or to identify any improvements required.

### **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 facts, 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 Letter.

### **Disclaimer – Legal or Accounting Advice**

Neither HBB Financial Limited, nor its employees, are qualified to render legal or accounting advice, or to prepare any legal or accounting documents. It is hereby understood and agreed that the onus is on you, the client, to refer to a solicitor or accountant any point of law or accountancy that may arise during the course of discussions with us.

### **Client Money**

HBB Financial 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.

### **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. In some cases, a policy document may be forwarded to you directly from the insurance/investment company.

## **Cancellation Rights**

In most cases, you can exercise a right to cancel by withdrawing from the contract. 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.

For pure protection policies, the start of the cancellation period will normally begin 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.

**If you cancel a single premium contract, you may be required to pay for any loss you might reasonably incur in cancelling it, which is caused by market movements. This means that, in certain circumstances, you might not get back the full amount you invested if you cancel the policy.**

## **Additional Protection**

HBB Financial Limited is authorised and regulated by the Financial Conduct Authority ('FCA'), 25 The North Colonnade, Canary Wharf, London E14 5HS. Our FCA Financial Services Register number is 505961. Our permitted business is advising on and arranging pensions, savings and investment products, mortgages and non investment insurance contracts. You can check this on the FCA's Register by visiting the FCA's website [www.fca.org.uk/register](http://www.fca.org.uk/register) or by contacting the FCA on 0800 1116768 or 0300 5008082.

In the event that you are dissatisfied with a recommendation we have made, you may be entitled to make a complaint. We have a complaints procedure that is available on request. If you wish to register a complaint, please contact us:

**In writing:** The Compliance Officer, HBB Financial Limited, Ground Floor Office, The Old Church, 48 Verulam Road, St Albans, Herts AL3 4DH.

**By phone:** +44 01727 862477

For your further protection, if you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service ('FOS').

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.

Most types of investment business are covered for up to a maximum of £50,000.

Insurance advising and arranging is covered for 90% of the claim, without any upper limited.

Further information about compensation scheme arrangements is available from the FSCS at [www.fscs.org.uk/consumer](http://www.fscs.org.uk/consumer).

Please be assured we treat complaints very seriously.

## **Conflict of Interest**

We will endeavour always to act in the best interests of our clients. However, circumstances could 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.

From time to time we may attend training events delivered by product providers, fund managers and platforms. This will in no way influence our decision on whether we use the product provider/fund manager or not.

## **Termination**

This agreement will remain in force for a minimum period of two years, **unless both parties agree otherwise**. This agreement may be terminated by either party, giving 30 days notice in writing (or such shorter period as may be agreed in writing between the parties) to the other party, such notice to expire not earlier than the end of the minimum period specified above. You will be able to pay for transactions affected, prior to termination and fees outstanding, if applicable.

## **Data Protection**

Your personal information is very important to us. We will endeavour to take all due care to protect this information. We would like to highlight below a few matters relating to your information that you should be aware of.

Some services are provided to HBB Financial Limited by third parties, such as processing business or obtaining compliance or regulatory advice, which warrant the disclosure of more than just basic contact details. You agree that personal information held by ourselves 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. e-mail, and you agree that we, 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 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.

We will only provide sensitive data relating to the specific investment, pension or protection policy, as required to complete the work on your behalf. Please tick this box if you **do not** consent to us processing any such sensitive data.

## **Anti-Money Laundering**

We are required by 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 up-to-date. For this purpose, we may use electronic identity verification systems and we may conduct these checks from time to time throughout our relationship, not just the beginning.

## **Disclosure of Charges/Fees**

All charges/fees will be fully disclosed to you before any work is undertaken. 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.

## **Our Investment Services and Costs**

We provide you with an initial consultation free of charge. This helps us to understand your financial objectives and will confirm how we can support you in working towards these. We will also discuss the cost, and levels, of our services, both initially and throughout our relationship with you.

We charge our services by way of a fee. These fees are based on a percentage of the amount you invest. You have an option to pay by an hourly rate and we can issue a further client agreement with our terms of business.

## **Financial Review and Recommendation**

This can be a continuation from the initial discussion, where agreed, or a further appointment. This process covers the:

- gathering of information about your existing financial arrangements and full personal circumstances;
- understanding of your investment knowledge and attitude and tolerance towards investment risk;
- recommendation of an asset allocation model that matches your risk profile and the subsequent assessment and suitability of any existing holdings;
- preparation of our recommendations to you;
- arranging a second appointment to explain and discuss our recommendations in detail, where necessary.

Our charge for this service is a fixed fee of £750.00, payable on provision of the report containing our recommendations to you. This fee will be waived wholly, or in part, should you decide to appoint us to implement any of our recommendations.

We use risk questionnaires to assist us with the delivery of our Investment Services. Our questionnaire allows us to analyse our clients' attitude to risk using a range of psychometric questions, and providing clients with a view of the consequences of their decision through the production of expected gains and losses, based upon clients' risk choices.

## **Policy Arrangement & Implementation – Lump Sum Investments or Transfers**

Should you instruct us to proceed with any of our recommendations, we will act for you in the following ways:

- Handle all fund and policy administration on your behalf;
- Provide regular updates to keep you informed of progress;
- Ensure all your documents are issued in line with your expectations;
- Provide confirmation of all actions taken on your behalf in writing.

Our charge for this service is based on a percentage of the amount you invest and/or transfer. These charges are applied as follows:

### **Investments**

Our usual minimum investment **initial** advice and implementation charge is £750

- 1% of total amount invested

### **Pensions / Drawdown**

Our usual minimum pension **initial** advice and implementation charge is £750

- 1% on all lump sums and transfers

### **Annuities**

Our usual minimum charge is £500

- 1% on annuities before tax free cash

We reserve the right to change the above fee structure for more complex cases, such as Trustee investments.

The initial payment can either be taken from your investment, upon receipt by the policy provider, or paid directly by you. Where we receive such a payment, we will waive our Financial Review and Recommendation fee by the same amount.

### **Policy Arrangement & Implementation – Regular Savings or Regular Pension Contributions**

Our minimum fee for a financial review is £750.00 as set out above. Our usual minimum initial advice and implementation charge is £750.

### **Servicing Fees for Existing Investments and Pensions**

We will discuss the full range of our on-going services during our initial consultation. These services include, but are not limited to, providing you with:

<b>Service Type</b>	<b>Service Promise</b>	<b>Servicing Fees</b>	<b>Servicing Hourly Fee</b>
PREMIER SERVICE	<ol style="list-style-type: none"> <li>1. Your own financial plan specifically tailored to your personal and financial goals, reviewed each year.</li> <li>2. Additional reviews may be agreed subject to your requirements. The option of additional telephone calls or meetings to assess whether you are on track in meeting your personal and financial goals.</li> <li>3. Annual risk profile assessment or discussion to identify whether any changes are required to your investment strategy.</li> <li>4. Investment review – a discussion on</li> </ol>	<p>1% of assets, subject to a minimum charge of £500 per annum</p> <p>For instance, on an investment of £200,000, our annual fee would be £2,000</p>	<p>Specific rate per hour: Senior Wealth Adviser/Director: £250 Adviser/Paraplanner: £150 Administrator: £100 Secretarial: £75</p>

Service Type	Service Promise	Servicing Fees	Servicing Hourly Fee
	<p>market conditions and your investment's performance.</p> <p>5. No additional fees for top ups to existing business.</p> <p>6. A valuation schedule of all your investments sent to you twice a year.</p>		
REVIEW SERVICE	<p>1. We will review your portfolio twice a year</p> <p>2. 1% fee for topping up existing plans.</p> <p>3. Annual meeting to discuss and identify whether any changes are required to your investment strategy.</p> <p>4. Investment review – a discussion on market conditions and your investment's performance.</p> <p>5. A valuation schedule of all your investments sent to you twice a year.</p>	<p>0.75% of assets, subject to a minimum charge of £500</p> <p>For instance, on an investment of £200,000 your annual fee would be £1,500</p>	<p>Specific rate per hour:</p> <p>Senior Wealth Adviser/Director: £250</p> <p>Adviser/Para-planner: £150</p> <p>Administrator: £100</p> <p>Secretarial: £75</p>
ANNUAL REVIEW	<p>1. We will review your portfolio once a year</p> <p>2. 1% fee for topping up existing plans.</p> <p>3. Annual risk discussion to identify whether any changes are required to your investment strategy.</p> <p>4. Investment review – a discussion on market conditions and your investment's performance.</p> <p>5. A valuation schedule of all your investments sent to you at least once per year</p>	<p>0.5% of the assets under management, subject to a minimum fee of £500</p> <p>For instance, on £200,000 our annual fee would be £1,000</p>	<p>Specific rate per hour:</p> <p>Senior Wealth Adviser/Director: £250</p> <p>Adviser/Para-planner: £150</p> <p>Administrator: £100</p> <p>Secretarial: £75</p>

**You have a right to cancel the adviser ongoing servicing fees at any time.**

### **Transactional Charging**

This is whereby a one-off fee, depending on the service required, is agreed upon in advance. We often work on this basis, where our chargeable work is undertaken without reference to the time spent. We will quote you an estimate of costs before undertaking any work.

### **Life Insurance and Protection Business Charge**

In relation to non-investment, pure protection contracts, we can work on a fee or commission charging structure. If you wish us to work on a fee basis, the fee will be based on the hourly rate basis, subject to a minimum fee of £500, and any commission will be used to offset this fee. Any surplus commission will be refunded to you. Alternatively, if you choose the commission option, we will take the commission as our fee, subject to a minimum which will be agreed before we begin our work.

If you buy a protection product, we will normally receive commission on the sale from the product provider. Although you pay nothing to us 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.

The amount of commission we receive will vary, depending on the amount you invest and (sometimes) how long you invest, or your age. For example: depending on your age and the term of the policy, if you pay £100 per month towards a whole life policy, then we would receive £1,620 initial commission.

We will tell you how much the commission will be before you complete a proposal, but you may ask for this information earlier.

### **Paying For Our Service**

We will discuss the above options with you to help identify the most appropriate method for you. We will agree the rate we will charge, before beginning work and we will tell you if you have to pay VAT.

You can pay our fee based charges by cheque or bank transfer. We do not accept payments by cash. Our charges will become payable on completion of our work and should be settled within 28 business days. You will be provided with a receipt upon payment.

You may also pay our fee based charges via deductions from the financial product(s) that you might invest in, where the product provider allows this. Please note that if you choose to pay by deduction from a financial product, this will reduce the amount left for investment and may, depending on your circumstances, have other consequences. If you select this option, we will discuss the implications of using this payment method with you, prior to putting it in place.

**Please note a minimum charge will be applied if you choose not to invest in a product, once we have carried out our work on your behalf.**

### **Marketing**

Please note we do not undertake generic marketing or sell/provide your details to third parties. If we need to contact you for any purpose, it will be specific to your needs.

### **DECLARATION**

This is our standard client agreement upon which we intend to rely. For your own benefit and protection, you should read these terms carefully before signing them. If you do not understand any point, please ask for further information.

### **Payment of our Fees**

You should note that if fees are paid from the investment or pension direct, it may reduce your personal tax thresholds and/or exemption levels and the ongoing return on the investment/pension. Where this happens, we will discuss it with you and confirm it in your suitability report.

**Payment of Initial Fees**

I/We are aware of the costs of the Financial Review and Recommendation(s), and where appropriate, the Policy Arrangement and Implementation services and agree to the method and timing of these.

My/Our preferred method of paying these costs is (please tick as appropriate):

(where possible) by deduction from the policy	
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By direct payment (cheque or bank transfer)	
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**Payment of Ongoing Servicing Fees and Service Type**

I/We are aware of the ongoing servicing fees and service type and my/our preferred method of paying these costs is (please tick as appropriate):

(where possible) by deduction from the policy	
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By direct payment (cheque or bank transfer)	
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Client Name .....

Client Signature .....

Dated .....

Client Name .....

Client Signature .....

Dated .....

Date of Issue .....

Signed on behalf of firm .....

NB: In relation to your chosen level of ongoing service, this will be agreed separately within our Suitability Letter, which we will ask you to sign and return to acknowledge receipt of the suitability letter and approval of our fees. The fees will also normally be set out in the provider investment/pension application form.