



**SIMPSON**  
FINANCIAL SERVICES

# Client agreement

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Simpson Financial Services Ltd.  
is authorised and regulated  
by the Financial Conduct  
Authority. Registered in  
England & Wales no: 4830621.

## OUR STANDARD AGREEMENT: ABOUT US AND HOW WE WORK WITH YOU

Simpson Financial Services Limited is authorised and regulated by the Financial Conduct Authority (FCA). Our FCA Number is 472031.

You can check this on the FCA's Register by visiting the website <https://register.fca.org.uk/> or by contacting the FCA on 0800 111 6768.

The Financial Conduct Authority, 12 Endeavour Square, London, E20 1JN.

### Client classification

#### Investment

Simpson Financial Services Limited classifies all clients as 'retail clients' for investment business, which means you are afforded all protections under the rules of the Financial Conduct Authority.

If you wish to be classified differently for investment business, please discuss this with your adviser. Please note that if you wish to be considered as a different category of customer for investment business, like 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.

#### Non - investment and general insurance

Simpson Financial Services Limited classifies all clients as 'consumers' for non-investment insurance business, which means you are afforded all protections under the rules of the Financial Conduct Authority.

If we need to classify you differently we will discuss this with you, however, you should be aware that you may lose a number of regulatory protections which will be outlined in a revised agreement.

#### Mortgages

Simpson Financial Services Limited classifies all mortgage customers as 'clients', which means you are afforded all protections under the rules of the Financial Conduct Authority.

If we need to classify you differently we will discuss this with you, however, you should be aware that you may lose a number of regulatory protections which will be outlined in a revised agreement.

### 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 (where applicable). Any advice provided will be confirmed to you in writing.

Simpson Financial Services Limited takes all our regulatory responsibilities very seriously and we ensure that all our staff are required to demonstrate their competence to undertake their role and our business is structured in a manner that is designed to meet in full all the requirements set by our regulator, the Financial Conduct Authority, and under European Securities and Market Authority rules.

### Methods of communication

Unless you advise us otherwise, we will communicate with you via the following methods: Face to face, e-mail, post, text message, telephone, social media, automated calls, Microsoft Teams and via our Personal Finance Portal.

## Language

Please note that all our communications and documents will be provided to you in English.

## Client money

Simpson Financial Services 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.

## Introductions to a third party

We may receive a fee for making introductions to third party product or service providers. If we receive a fee we will confirm in writing to you what that fee will be.

When acting as an introducer, marketer or promoter of a scheme, no responsibility is accepted for any matters arising from the referral to the scheme product provider. It is your responsibility to ensure that you enter into separate Terms & Conditions with the third-party adviser.

## Data protection

For details of our Data Protection policy, please see our Data Protection Notice, which will be provided separately to you.

## Investment services and permissions

Simpson Financial Services Limited is permitted to advise on and arrange (bring about) deals in investment contracts.

Transactional only:

With regard to investment 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.

With service provision:

We will provide services to you as more fully outlined later in this document under the heading '*Our service levels, initial fees and ongoing payment of services*'.

## Scope of advice

Independent advice

We will only provide advice and make a recommendation to you having fully assessed your financial needs and objectives.

This means that we will spend some time discussing your financial goals with you, to see if the advice and services that we offer are going to be appropriate to address them.

It is important to us that you fully understand how we go about doing this, so please do ask us for more detail if anything is unclear to you.

## Financial products

In respect of the financial products that we use, we do not restrict ourselves to certain types of products. We will look across a range of products called Retail Investment Products, as well as Cash ISAs, National Savings Products and structured products. We use research tools to select these products using criteria set to meet your needs and will not use pre-determined lists or only a small range of preferred providers. We aim to find the right product to meet your needs on each and every occasion.

## Product providers

In respect of the product providers that we use: we do not restrict our advice to certain companies. Instead, we use research tools to help us find the company that provides the right products to meet your needs.

## Non-investment and general insurance permissions and services

Simpson Financial Services Limited is permitted to advise on and arrange (bring about) deals in non-investment and general insurance contracts.

We are an insurance intermediary and act on behalf of clients and not insurers.

We offer a personal recommendation on the basis of a fair and personal analysis of the market.

## Mortgage and equity release services and permissions

We offer a comprehensive range of mortgages and equity release products from across the market, but not deals that you can only obtain by going direct to a lender.

We will advise and make a recommendation for you after we have assessed your needs.

## Alternative finance options

We offer the following alternative finance options:

- A further advance from an existing lender
- Consumer buy to let mortgage
- A second charge mortgage
- A re-mortgage
- Bridging finance
- Lifetime mortgage
- Home reversion plan

You may request an illustration from your adviser whenever our firm provides you with information specific to the amount you want to borrow following assessment of your needs and circumstances.

## Consumer credit

We make no charge for any advice in relation to consumer credit activities.

## Conflicts of interest

We have a legal and regulatory obligation to take all appropriate steps to identify and to prevent or manage conflicts of interest from arising. In the event of any of our business interests or activities creating a potential conflict of interest we will ensure that we take all appropriate steps to manage the potential conflict by maintaining robust systems, controls and staff training. In the unlikely event that we are unable to prevent the potential conflict, we will fully disclose to you, the general nature and/or sources of conflicts of interest and the steps taken to mitigate those risks. Further details of our conflict of interest policy are available upon request.

## Best execution

It is our policy to transact your business in order to achieve the best possible results in terms of the:

- Price of products, providers and services
- Cost of advice
- Speed
- Size and nature of the transaction
- Effectiveness of the platform/provider/service provider

## Other benefits we may receive

We will not receive any financial inducement or gift that will in any way compromise our ability to provide you with suitable advice.

## IMPORTANT INFORMATION

### Accounting to you

We will forward to you any documents we receive in relation to business transacted as soon as practicable; 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.

### Complaints

If you wish to register a complaint, please contact us in writing at the address at the front of this agreement or telephone us on 0800 6342 111.

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service. <http://www.financial-ombudsman.org.uk>.

### Compensation arrangements

We have briefly set out some information about the Financial Services Compensation Scheme (FSCS) below. If you would like further information about compensation scheme arrangements, details are available at [www.fscs.org.uk](http://www.fscs.org.uk) or call 0800 678 1100.

Most of the products we advise on are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if product providers or we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

The actual level of compensation you receive will depend on the basis of your claim. The FSCS only pays compensation for financial loss. Compensation limits are per person per firm, and per claim category (listed below).

#### Investment

Most types of investment business are covered for 100% of the first £85,000 per person per firm, so the maximum compensation is £85,000 per person per firm.

## Deposits

Money in accounts like current and savings accounts, including cash Individual Savings Accounts (ISAs) are covered up to £85,000 per authorised firm (£170,000 for a joint account). It should be noted that 'authorised firms' may have different brands. The FSCS will provide a £1million protection limit for temporary high balances held with your bank, building society or credit union if it fails. A temporary high balance would apply when payments have been received in respect of specified life events, details of which can be obtained from FSCS.

## Protection and non-investment insurance mediation

Protection is at 100% without limit, where the claim is in relation to a long-term care insurance contract that is a pure protection contract, or the claim is in respect of a liability subject to compulsory insurance.

In all other cases: 90% of the claim without limit.

## Mortgages

Mortgage advising and arranging is covered for 100% of the first £85,000, so the maximum compensation is £85,000 per person per firm. (Please note that the FSCS does not cover buy to let mortgages)

## OUR SERVICE LEVELS, INITIAL FEES AND ONGOING PAYMENT OF SERVICES

### Introduction

Before recommending a product, we will make suitability checks to ascertain your relevant knowledge, experience, objectives, financial situation and your ability to bear losses.

Prior to any transaction we will provide you with a suitability report outlining any recommendations we have made including the selling, holding or buying of investments.

To ensure that you are always fully aware of our advice costs and how and when you are going to be asked to pay for this, we will always confirm this verbally and in writing, asking for your consent by signing our client engagement letter, in which we will confirm the exact amount and your preferred payment method.

### Our investment services and costs

We provide you with an initial consultation at our expense. 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.

## Financial planning report and recommendations

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

- Gathering of information about your existing financial arrangements and full personal circumstances
- Establishing your financial objectives
- Assessment and suitability of any existing holdings
- Understanding of your investment knowledge and attitude and tolerance towards investment risk
- Recommendation of an asset allocation model that matches your risk profile
- Research of the marketplace to ensure the most appropriate provider is recommended
- Preparation of our recommendations to you, all our advice will be confirmed in writing
- Arranging a second appointment to explain and discuss our recommendations in detail

Our typical charge for this service is a fixed fee of £2,000 with a minimum charge of £999. This will be invoiced to you and payable on provision of the report containing our recommendations.

## Policy arrangement & implementation – lump sum investments or transfers

If 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 our advice and 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 but are subject to a minimum of £300.

For sums up to £250,000 we charge 2% of the investment amount.

For sums £250,001 and above we charge 1% of the investment amount over £250,000.

Example 1: If you are investing £100,000 then the advice and implementation fee would be £2,000.

Example 2: If you are investing £500,000 then the advice and implementation fee would be £7,500 as this is 2% of your first £250,000 and 1% of the remaining £250,000.

This payment can either be taken from your investment upon receipt by the policy provider or paid directly by you. Please note if you pay our fee by way of a separate cheque 100% of the investment amount will be invested. An example of our fee being paid by the policy provider is shown below:

Example 1: If we recommend that you invest £100,000 then the advice and implementation fee would be £2,000. So the amount invested would be £98,000.

## Defined benefit pension or pension with a guaranteed income – advice and transfer implementation

If 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 our advice and all actions taken on your behalf in writing

Our charges for this service are as follows:

Triage service – complimentary

The triage service consists of a complimentary initial telephone conversation with your adviser to discuss our process and explain the fees involved. You will be invited to watch a series of short, impartial, jargon free, educational videos which will help you understand more about the pros and cons of staying in, or transferring out of, your final salary pension before proceeding to the below.

Abridged advice service – £999.

We will review your personal circumstances and retirement objectives to assess whether a transfer may be potentially suitable for you. An abridged advice service provides one or two outcomes:

1. A personal recommendation not to transfer.
2. Confirmation that more detailed analysis is required and that you will require our full advice service below.

Following abridged advice, if you proceed to full advice, the cost of the abridged advice will be offset against the cost of the full advice.

Full advice service – our charge for this service is based on a percentage of your transfer value. These charges are applied as follows but are subject to a minimum of £4,500.

For transfer values up to £250,000 we charge 2% of the investment amount.  
For transfer values over £250,001 we charge 2% for the first £250,000 and 1% of the remaining balance.

Example 1: If your transfer value is £500,000 and you initially require our abridged advice service and our advice is not to transfer, we will send you an invoice for payment of £999.

Example 2: If your transfer value is £500,000 and you initially require our abridged advice service and our advice is that it is not clear a transfer is suitable, we will offer to escalate you to our full advice service. If you choose to receive full advice and we advise you that you should not transfer, we will send you our invoice for payment of £7,500.

Example 3: If your transfer value is £500,000 and you initially require our abridged advice service and our advice is that it is not clear a transfer is suitable, we will offer to escalate you to our full advice service. If you choose to receive full advice and we advise you that you should transfer, we will implement this transfer and our total fee would be invoiced to you of £7,500.



Example 4: If your transfer value is £200,000 and you initially require our abridged advice service and our advice is that it is not clear a transfer is suitable, we will offer to escalate you to our full advice service. If you choose to receive full advice and we advise you that you should not transfer, we will send you our invoice for payment of £4,500.

In example 3 only, this payment can either be taken from your investment upon receipt by the policy provider or paid directly by you. Please note if you pay our fee directly, 100% of the transferred amount will be invested. An example of our fee being paid by the policy provider is shown below:

Example 1: If we recommend that you should transfer £500,000 then the total advice fee would be £7,500 so the amount invested would be £492,500.

#### Policy arrangement & implementation – regular premium savings or investments

Our charge for implementing a regular premium savings or investment plan is £750.

This payment can either be taken in 24 equal instalments from your savings plan or you can pay this directly to us on commencement of the policy.

Example of our regular premium investment fee:

Monthly premium:	£100	£150
Monthly fee would be:	£31.25	£31.25
Total fee paid (24 months):	£750	£750

#### Hourly rates

Our hourly rate is £275 per hour. We will give you an indication of the hours involved before commencing any work for you. Fees payable will be calculated by taking into account the number of hours required to undertake the work and the hourly rate of the individual carrying out the work.

If work is undertaken purely on an hourly rate basis you may also ask us not to exceed a given amount without checking with you first or we may agree a fixed fee for work undertaken.

Example: To produce a basic financial planning report and recommendations only, requiring a one-hour discovery meeting, three hours preparing the report and one hour presenting the report to you would total £1,375.

All figures quoted are purely for example, the actual fee paid will depend on the complexity of the work undertaken and will be confirmed to you in our client engagement letter prior to any work being undertaken.

#### Termination of our services (initial advice)

You or we may terminate our authority to act on your behalf at any time. You will be liable to pay for any advice or services that you have received prior to the date of termination. This means that where we have agreed the advice and services that we will provide for you and we have agreed to receive payment for these, either by means of a fee for investment business or by receiving commission from a provider for non-investment business you will have to pay us for any work we have completed up to the date of termination.

## Ongoing service option

We have three levels of ongoing service and will discuss the details and flexibilities during our initial consultation. What these services include (but are not limited to) is listed below:

### Ongoing service levels

The service you'll receive...	Essential	Core	Comprehensive
Free financial portal (desktop or app) to track your portfolio value 24/7, share documents and communicate with us in a safe and secure environment.	✓	✓	✓
Our professional expertise and governance embedded into your individual investment portfolio.	✓	✓	✓
Regular portfolio rebalancing to manage risks.	✓	✓	✓
Monthly updates on global factors that may influence your investment portfolio.	✓	✓	✓
Our ongoing advice and recommendations for specific changes to the make up of your individual portfolio.	✓	✓	✓
Admin support from our dedicated customer service team.	✓	✓	✓
Formal annual review with your personally appointed financial adviser to discuss your circumstances, any changes to your goals and to ensure your financial products and investment strategy are benefitting you.	✓ online only	✓ .	✓ .
Tax planning advice for the beginning and end of the tax year.	✗	✓	✓
Working directly with your other professional service providers such as your accountant or solicitor.	✗	✓	✓
Direct telephone access to your financial adviser.	✗	✓	✓
Updates to your financial plan as part of your annual review.	✗	✗	✓
Unlimited meetings with your adviser to discuss and plan for changing circumstances, including mapping 'what if' scenarios.	✗	✗	✓
<b>Annual cost expressed as a percentage of your portfolio value and normally taken as 1/12th of the total annual fee on a monthly basis.</b>	<b>0.5%</b>	<b>0.75%</b>	<b>1%</b>

\*These can be conducted face to face at our office, at your home, or online.

Our ongoing service options incorporate a periodic suitability review of the investments we have recommended, to ensure the original recommendation remains suitable. This periodic assessment will be completed at least annually, however, the frequency may be increased when considering your risk profile and the types of financial products that have been recommended.

Our cost is either 0.5%, 0.75% or 1% per annum and is based on the level of ongoing service you receive as well as the value of your investment(s) at each 12-month anniversary. It is paid pro-rata in arrears.

It should be noted that if you choose our ongoing management services you are subject to the following minimum fees:

- Essential service: £300 per annum
- Core service: £1125 per annum
- Comprehensive service: £1500 per annum

Example investment amount	Annual service charge			Example annual service fee		
	Essential	Core	Comprehensive	Essential	Core	Comprehensive
£50,000	0.50%	0.75%	1%	£300	£1,125	£1,500
£100,000	0.50%	0.75%	1%	£500	£1,125	£1,500
£150,000	0.50%	0.75%	1%	£750	£1,125	£1,500
£250,000	0.50%	0.75%	1%	£1,250	£1,875	£2,500
£500,000	0.50%	0.75%	1%	£2,500	£3,750	£5,000

The actual fee charged will vary depending on how the investment performs and it will increase as the fund grows. If your investment falls in value, the amount you pay us will reduce.

The charges listed above can be deducted from your investments or paid directly by you. You should note that when paid through the investments it may reduce your personal tax thresholds and/or exemption levels. Where this happens we will discuss it with you and confirm it in your personal recommendation report.

If you wish to pay directly you can spread the payment over a 12 month period and we can arrange for a standing order to be set up on a monthly basis at 1/12th of the fee agreed.

The amount you pay will fluctuate with the value of your investment; if your investment increases in value the amount you pay us will also increase and if your investment falls in value the amount you pay us will reduce.

We will provide you with information regarding the costs at least annually to help you understand the overall cost and the cumulative effect on the return of the investment.

### Fund management

There are two ways that we can manage your investment funds. When you have your consultation, we'll talk through the options with you, answer any questions you have, and give you the choice of how you'd like your funds managed.

### **Discretionary fund management**

This is an agile service whereby an appointed investment manager makes changes to your investment portfolio as they see fit with the aim of generating the best possible return in line with your individual financial aspirations. Whilst we continue to advise and agree with you on the most suitable level of investment risk to take and continue to be responsible for your financial planning, the actual day-to-day management of your portfolio regarding any changes to asset allocation, funds, fund managers used and portfolio rebalances would be undertaken by the discretionary investment manager directly, without the need for your consent for each change.

## **Who is the Appointed Investment Manager for the discretionary managed portfolios?**

The discretionary managed portfolios are managed on a day to day basis by the Appointed Investment Manager, Elston Portfolio Management\*.

\*Note: Elston Portfolio Management is a trading style of P1 Investment Services Limited (FCA FRN: 752005)

They specialise in managing customised investment strategies designed with and for adviser firms like ours to fit the needs and characteristics of our clients. The portfolios are overseen by the Investment Committee but only the Appointed Investment Manager has the regulatory permissions to make changes to your portfolio. This does not require your consent for each change which can save time and create efficiencies and is the nature of discretionary management.

The discretionary managed portfolios are managed on an agent as client basis. This means there is no direct contractual relationship between you and the Appointed Investment Manager. Under this contractual arrangement, Simpson Financial Services are the 'client' of Elston Portfolio Management. The models are managed on a generic, not bespoke, basis and are made available on your existing recommended platform.

### **Advisory fund management**

This service means we'll contact you to advise of our recommended changes to your portfolio but will not implement them until we have your approval to proceed.

Our Investment Committee meets quarterly to review your portfolio and makes decisions around any investment changes to recommend to you such as the change of a fund, fund manager, the mix of assets and the rebalancing of your portfolio to maintain the correct level of investment risk.

We must then obtain your consent before any change can take place. Some clients respond quickly, others take more time. Sometimes that delay can be costly, particularly if the proposed change is urgent.

To support the work that our Investment Committee carries out on your advisory investment portfolio we employ the services of Elston Consulting who sit on our Investment Committee and provide research, analytics and insights to support our decision making process.

## Termination of our services (ongoing advice)

You, or we, have the right to cancel payment for our ongoing services.

- You are asked to give 28 business days' notice and we will terminate any on-going payments to be received from product or service providers.
- You will remain liable for any fees or charges due up to the date of termination.

Where you hold assets within a WRAP, you need to be aware that there will be terms and conditions applicable, such as your agreement with the WRAP provider in respect to facilitating our fees, which means you may need to instruct the wrap provider directly and arrange for the removal of assets from the WRAP or appoint another adviser who will be able to access your assets and provide further ongoing advice to you. We will be pleased to assist you at this time in cancelling our service to you, making sure that any WRAP provider is informed of this cancellation.

## Our non-investment and general insurance services and costs

We do not charge a fee directly to you for advice and arrangement of non-investment insurance.

We will be paid commission by the product provider.

We will provide details of the total remuneration payable, including any fees, commissions, charges, expenses and benefits, in our client engagement letter / fee agreement.

## Mortgage and equity release services and costs

We charge an administration fee for our mortgage and equity release advice and services. We will also be paid a procurement fee or commission from the lender.

Our mortgage and equity release fees are as follows:

- Product transfer - £199
- Remortgage - £499
- New purchase - £499
- Buy to let - £599
- Commercial lending & self build – from £799 to £999
- Shared ownership £999
- Help to buy equity loan schemes £999
- Equity release – £750
- Additional borrowing – £199

Product transfer fees and remortgage fees are subject to a 50% discount for existing clients.

You will receive an illustration when considering a particular mortgage or equity release product which will tell you about any fees relating to it.

## Refund of mortgage and equity release fees

If we charge you a fee, and your mortgage does not go ahead, you will receive:

No refund of our fee if you decide not to proceed, this will cover our administrative costs.

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.

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.

I/We would like a personal financial plan/portfolio construction/policy arrangements/at retirement advice/mortgage, insurance and protection advice/care fees advice/other..... and I understand the fee for the initial research & reporting is £

I/We confirm that we agree to the adviser being remunerated for this on the basis selected below;

I/We wish for the cost of the initial service to be paid by the product provider from the investments we make.

I/We wish for the cost of the initial service to be charged directly to me/us.

**In addition,**

I/We would like to subscribe to the **essential** ongoing service and I/we understand that the fee for this service is 0.5% of the value of the relevant investments each year, subject to a minimum of £300 per annum.

I/We would like to subscribe to the **core** ongoing service and I/we understand that the fee for this service is 0.75% of the value of the relevant investments each year, subject to a minimum of £1125 per annum.

I/We would like to subscribe to the **comprehensive** ongoing service and I/we understand that the fee for this service is 1% of the value of the relevant investments each year, subject to a minimum of £1500 per annum.

I/We wish for the cost of the ongoing service to be paid by deduction from the investments we hold

I/We wish for the cost of the ongoing service to be charged directly to me

Client 1 name .....

Client 1 address .....

Client 1 signature .....

Client 2 address .....

Client 2 name .....

Client 2 signature .....

Date of signing .....