

## **Retail Client Agreement document for Sterling Independent Advisers LLP**

### **INVESTMENT SERVICES**

Sterling Independent Advisers LLP of Hamilton House, 111 Marlowes, Hemel Hempstead, Herts HP1 1BB, is permitted to advise on and arrange (bring about) deals in investments.

With regard to investments which we have arranged for you, these will not be kept under review, but we will advise you upon your request. However, we may contact you in the future by means of an unsolicited promotion (i.e. where you had not expressly requested it) should we wish to contact you to discuss the relative merits of an investment or service which we feel may be of interest to you.

Sterling Independent Advisers LLP **does not handle clients' money**. We never accept a cheque made payable to us or handle cash (unless it is payment in settlement of charges or disbursements for which we have sent you an invoice). If you do send us money, this may delay your transaction as we may have to return this money to you.

### **REGULATORY STATUS**

Sterling Independent Advisers LLP of Hamilton House, 111 Marlowes, Hemel Hempstead, Herts HP1 1BB, is authorised and regulated by the Financial Conduct Authority (FCA). Our Financial Services Register number is 469508.

You can check this on the Financial Services Register by visiting the FCA's website [www.fca.org.uk](http://www.fca.org.uk) or by contacting the FCA on 0800 111 6768.

### **CLIENT CATEGORISATION**

Unless you receive confirmation in writing to the contrary, in all our dealings on investment matters you will be treated as a Retail Client. 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).

Where we have categorised you other than as a 'retail client' you may request re-categorisation under a client category which benefits from a higher degree of protection. However, we reserve the right to agree to such a re-categorisation on a case-by-case basis, and where we agree to do so it does not necessarily mean that you will have a right of access to the Financial Ombudsman Service.

Further information in respect of the Financial Ombudsman Service is available on their website at the address below

<http://www.financial-ombudsman.org.uk/>

### **WHICH SERVICE(S) WILL WE PROVIDE YOU WITH?**



Independent advice – We will advise and make a recommendation for you after we have assessed your needs. Our recommendation will be based on a comprehensive and fair analysis of the market.

- Restricted advice – We will advise and make a recommendation for you after we have assessed your needs, but we only offer advice on limited types of products, or products from one company or a limited number of companies.
- No advice – You will not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.

## **CONFLICTS OF INTEREST**

Sterling Independent Advisers LLP offers advice in accordance with that disclosed to you in our Initial Disclosure Document. Occasions may arise where we or one of our other clients have some form of interest in business being transacted for you. If this happens or we become aware that our interests or those of one of our other clients conflicts 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.

## **TERMINATION OF AUTHORITY**

You or we may terminate our authority to act on your behalf at any time, without penalty. Notice of this termination must be given in writing and will take effect from the date of receipt. Termination is without prejudice to any transactions already initiated, which will be completed according to the Client Agreement unless otherwise agreed in writing. You will be liable to pay for any transactions made or carried out prior to termination and any fees which may be outstanding.

## **RIGHT TO WITHDRAW**

In the case of many retail investment products – such as life assurance contracts, personal pension schemes, investment bonds, and collective investment arrangements (e.g. unit trusts), a right to withdraw or cancel the contract within a specified period is normally provided. Details of such rights are ordinarily contained in the product literature (e.g. Key Features document) and/or we may provide details of such rights in a separate communication.

In the case of a non-retail investment product e.g. an ISA wrapper, we will inform you in writing of any right to withdraw or cancel you may have or, if it is the case, we will inform you in writing that no such rights will apply.

## **CLIENTS RISK**

You are advised that because investments can fall as well as rise, you may not get back the full amount invested. Past performance is not a guide to future performance.

## **WHAT WILL YOU HAVE TO PAY US FOR OUR SERVICES?**

You will pay for our services on the basis of an adviser charge or a fee or commission.

We will discuss your payment options with you and answer any questions you have. We will not charge you until we have agreed with you how we are to be paid.

We will discuss with you when you have to pay our fees, both initial and ongoing.

All fee amounts quoted below are exclusive of expenses and disbursements; these will be added to the invoice if applicable.

All fee amounts quoted below are exclusive of VAT. We are not currently registered for VAT and consequently VAT is not currently added to our invoices.

### **Advised services**

For our advised services, you will pay us via an adviser charge or fee.

#### **Initial advice service**

Our initial advice will be appropriate for you, based on your requirements and circumstances at that time. We will not ensure that any initial advice remains suitable for you at a later date, unless you select to receive ongoing services from us.

#### **Ongoing services**

In addition to our initial advice services, you could ask us to undertake further services on an ongoing basis. Details of any ongoing services that we offer are detailed later within this document.

You may at any time cancel an Ongoing Service by serving your notification of cancellation to us in writing. Upon receipt of your cancellation notice for an Ongoing Advice Service we will arrange for any future payment of any associated charges to cease.

Our typical adviser charges are noted below. The exact amount may be more or less than this, but will be specifically agreed with you based on the work you ask us to do for you.

We will confirm the actual adviser charges in writing within our separate 'Services & Payment Agreement', before providing our services to you.

If we do not agree a fixed adviser charge with you at outset, you may ask us for an estimate of how much in total we might charge for any service(s) provided. You may also ask us not to exceed a given amount without checking with you first.

### **The cost of our services**

#### **Payment for initial advice services**

Before we provide any services to you, we will gather information about your circumstances and needs.

We may or may not make a charge for this. If we do make a charge for this it would typically be between £350 and £950.

### **AND (if relevant):**

After this we will charge you:

An adviser charge based on the amount of time spent, as per the following hourly rates:

Financial Adviser	£155
Administrator	£58

Example:

If the amount of time taken to advise and arrange a suitable product for you is 20 hours financial planner time plus 2 hours for administration time, this would mean a total initial 'adviser charge' of £3,216 would be payable (£155 x 20 hours plus £58 x 2 hours).

**OR**

A one-off adviser charge as a percentage of the initial investment amount as follows:

For the first £25,000	4.0%
For the next £25,000	3.0%
For the next £50,000	2.5%
Amounts above £100,000	1.0%

Example:

If you invest a lump sum of £100,000, we would charge an initial 'adviser charge' of £3,000 (£25,000 x 4.0% + £25,000 x 3.0% + £50,000 x 2.5%).

We will tell you how much the initial adviser charge will be before you complete an investment, but you may ask for this information earlier.

**OR**

A one-off fixed adviser charge based on your specific needs and circumstances. The following examples are calculated based on our time, the complexity of the advice and the potential added value to you. Once agreed, the adviser charge amount will not change, except where your needs or circumstances differ from our original expectations.

£850 for setting up a pension plan
£2,500 for transferring a pension plan
£2,500 for investment advice

We will tell you how much the initial adviser charge will be before you complete an investment, but you may ask for this information earlier.

**OR**

A one-off total fixed adviser charge of £2,500 split as follows:

- Researching the market to establish a suitable investment option £1,000
- Recommend any suitable investment products £1,000
- Act between you and the relevant product provider with the view of arranging the agreed investment product £500

We will tell you how much the initial adviser charge will be before you complete an investment, but you may ask for this information earlier.

#### Payment for ongoing services

There will be an additional charge for any ongoing work, such as periodic or ongoing reviews we carry out on your behalf. We will confirm the rate, frequency and length of any ongoing service(s) before commencing that ongoing service.

The ongoing services offered are:

1: The Basic Review Programme (reactive) – minimum investment £1

This programme is entirely reactive. It is for clients who do not require a regular ongoing service and do not wish to pay a regular fee, but still want to know we are available should they need us.

The main features of this programme are:

- There are no monthly or other regular fees.
- Work will only be undertaken at your request.
- A fee will need to be charged for a fact-find review exercise before any work is commenced.  
This will also be agreed with you in advance.
- Fees will be agreed with you for each service prior to work commencing.

2: The Standard Review Programme (telephone based review programme) – minimum investment £50,000

This programme is for clients who require an ongoing service.

The main features of this programme are:

- There is a monthly fee payable by standing order. Where applicable and by mutual agreement this fee can be covered by ongoing adviser charges included in your investments.
- Your file will be kept updated so that we can respond in a timely manner to your requests for service.
- There will be no additional fees for a fact-find review exercise.
- You will receive an annual review by telephone which includes:
  - Fact-find review
  - Attitude to risk review
  - Pension review
  - Investment review
- A Newsletter posted to you three times per year.
- Access to our Client Portal, which includes on-line plan information and valuations.

3: The Standard Plus Review Programme (face to face review programme) – minimum investment £100,000

This programme is also for clients who require an ongoing service but would benefit from face to face meetings.

The main features of this programme are:

- There is a monthly fee payable by standing order. Where applicable and by mutual agreement this fee can be covered by ongoing adviser charges included in your investments.
- Your file will be kept updated so that we can respond in a timely manner to your requests for service.
- There will be no additional fees for a fact-find review exercise.
- You will receive an annual review at a face to face meeting which includes:
  - Fact-find review
  - Attitude to risk review
  - Pension review
  - Investment review

- A Newsletter posted to you three times per year.
- Access to our Client Portal, which includes on-line plan information and valuations.

Example:

Type of service: The Standard or Standard Plus Review Programme

How much our ongoing charges might cost if based on a percentage of fund value:

- Based on a fund value of £50,000, an ongoing charge of 0.5% of this amount would mean that it would cost £250 per annum to provide an ongoing service (£50,000 x 0.5% = £250). If the fund value increases over time, the ongoing charge then increases accordingly. Conversely, if the fund value decreases over time, then the ongoing charge will reduce.
- Based on a fund value of £150,000, an ongoing charge of 0.5% of this amount would mean that it would cost £750 per annum to provide an ongoing service (£150,000 x 0.5% = £750). If the fund value increases over time, the ongoing charge then increases accordingly. Conversely, if the fund value decreases over time, then the ongoing charge will reduce.

The frequency of the ongoing charge will depend on the service(s) you choose and is usually made by standing order on the 1st of every month.

We will agree what will be charged before any service(s) is provided and the amount will be confirmed within our 'Service & Payment Agreement'.

## **Your payment options**

### Independent advice service

#### **Settling your adviser charge in a single payment**

Following on from our non-chargeable initial meeting, if you request additional services or accept any recommendations we have made then you will pay us an adviser charge which will become payable on completion of our work.

You will be required to settle the payment of your adviser charge on completion of our work within 14 days. We accept cheques. We do not accept payment by cash. You will be provided with a receipt upon payment.

**OR**

#### **Settling your adviser charge by instalments**

The option to pay by instalments is only available for the payment of the adviser charge on regular premium products. Payment by instalments does not relate to any ongoing charges payment, which we may charge for providing an ongoing service.

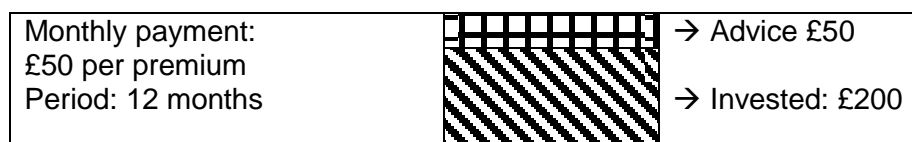
### Paying by instalments through your recommended product

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 that our service is free. You still pay us indirectly through deductions from the amount

you pay into your product. These deductions will pay towards settling the adviser charge. These deductions could reduce the amount left for investment.

Example of how a payment plan works:

Total monthly premium payable	£250
Total cost of advice	£600
Monthly payment for advice	£50
Length of repayment period	12 months



If you choose to pay for the advice you receive through instalments, these instalments will be deducted from the premium you pay each month and allocated towards settling the adviser charge. For example, the total cost of advice is £600. You have been recommended a regular premium product of which £250 will be paid each month. £50 will be taken from this amount to pay off your adviser charge over 12 months. The remaining £200 will be invested during this time. At the end of this period the adviser charge would have been settled in full. From month 13 the full £250 will be invested.

#### Keeping up with your payments

If you choose to pay for the advice you receive via instalments, the full amount of the adviser charge will need to be paid irrespective of whether:

- the recommended product(s) is /are cancelled before the full amount is paid; and/or
- you subsequently decide to transfer your business to another firm / financial adviser.

Any outstanding amounts, as at the date of cancelling the recommended product / transferring to another firm or adviser, will be due to be paid in full within 14 days of the termination / transfer date. An invoice will be raised for the full outstanding amount.

#### **'Non advised' services**

##### **The cost of our services**

We will tell you how we get paid and the amount before we carry out any business for you.

##### **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 relevant third party documentation, for example a Key Features Document.

##### **ACCOUNTING TO YOU**

We will confirm to you in writing the basis or our reason for recommending the transaction executed on your behalf.

We will also 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 practicable after we receive them; where a number of documents relating to a series of transactions is involved, we will normally hold each document until the series is complete and then forward them to you.

## **INVESTMENT OBJECTIVES & RESTRICTIONS**

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 suitability report that we will issue to you to confirm our recommendation. 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.

## **BEST EXECUTION POLICY**

It is in the interests of our clients and Sterling Independent Advisers LLP that we obtain the best possible result when placing orders with other firms (e.g. third party brokers) for the execution of client orders or when transmitting orders on behalf of clients for particular investments – e.g. shares. We are required under the Rules of the Financial Services Authority to take all reasonable steps to provide 'best execution' when carrying out such transactions.

Where we place or transmit orders for such investments on behalf of our clients, we may utilise the services of a third party broker and base our decision to place or transmit an order on the price and cost of execution of the order. For orders in collective investment schemes (e.g. unit trust), however, the price of units or shares in the scheme is normally set by the scheme operator or manager and as such we have little influence over the price available.

Full details of our best execution arrangements are provided in our Best Execution Policy, a copy of which can be provided on request.

## **MODE OF COMMUNICATION**

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.

## **WHAT TO DO IF YOU HAVE A COMPLAINT**

If you wish to register a complaint, please contact us:

- In writing: Write to Mr K Hayes, Sterling Independent Advisers LLP, Hamilton House, 111 Marlowes, Hemel Hempstead, Herts HP1 1BB.
- By phone: Telephone 01442 233210.

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.

## **ARE WE COVERED BY THE FINANCIAL SERVICES COMPENSATION SCHEME (FSCS)?**

We are covered by the 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 up to a maximum of £50,000. Further information about compensation scheme arrangements is available from the FSCS



**COMPANIES ACT DISCLOSURE**

Sterling Independent Advisers LLP is a limited liability partnership registered in England & Wales number OC328827. The registered office is Hamilton House, 111 Marlowes, Hemel Hempstead, Herts HP1 1BB.

**DATA PROTECTION STATEMENT**

Please refer to the separate Data Protection Statement that we have issued to you that sets out how we collect and use data about you.

**CLIENTS CONSENT**

This is our standard client agreement upon which we intend to rely. For your own benefit and protection you should read the terms carefully before signing, as by signing you consent to the terms contained within, including the authorisation to transfer information between parties as described above. If there are any terms within this agreement that you do not understand, please ask for further information. The Client Agreement will come into effect from the date of acceptance of this agreement, which will be confirmed by the date provided in the 'date of signature box' below, unless otherwise stated.

Client Name(s) \_\_\_\_\_

Client signature(s) \_\_\_\_\_

Date of signature(s) \_\_\_\_\_

Date of issue \_\_\_\_\_