Client Agreement

Herbert Scott IFA Ltd is authorised and regulated by the Financial Services Authority. You can check this on the FSA's Register by visiting the FSA's website www.fsa.gov.uk/register or by contacting the FSA on 0845 6061234. Our FSA Register number is 179810.

Scope of Authorisation

Herbert Scott IFA Ltd is permitted to advise on and implement deals in investments, non-investment insurance and regulated mortgage contracts. Please also read our Keyfacts about our mortgage and insurance services for more information about these services.

Scope of Advice

Investment: We offer products from the whole market.

Non-investment Insurance: We offer products from a range of insurers for life assurance, critical illness insurance and income protection insurance.

Mortgages: We offer mortgages from the whole market.

Conflict of Interest

Occasions may arise where we or one of our other clients have some form of interest in business being transacted for you. If we become aware that our interests or those of one of our other clients conflict with your interests, we will write to you to detail the steps we will take to ensure fair treatment and obtain your consent before carrying out your instructions.

Client Money

Herbert Scott IFA Limited 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.

Methods of Communication

Unless you advise us otherwise, we will communicate with you via the following methods of communication: Face to Face, E-mail, Telephone, Letter and Fax.

Confidentiality

All information supplied by you shall be treated as confidential. We shall only disclose it to third parties (e.g. your other advisers, bankers, investment managers, life offices or other organisations with whom we are dealing on your behalf) with your authority, or to the extent that we in our absolute discretion consider it necessary to comply with our regulatory duties or as required by law.

Client Classification

Herbert Scott IFA Ltd classifies all clients as 'retail clients' for investment business and 'consumers' for non-investment insurance business, which means you are afforded all the protections under the rules of the Financial Services Authority (FSA). If you wish to be classified differently for investment business, you should raise this with your adviser. In relation to non-investment insurance business, your adviser will inform you should your circumstances dictate that we would need to classify you differently.

Please note that should you wish to be considered as a different category of customer for investment business, such as 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 that will be outlined in that new agreement.

Objectives, Restrictions & Accounting to You

Unless confirmed in writing to the contrary, we will assume that you do not wish to place any restrictions on the advice we give you.

Details of your stated objectives will be included in a letter or report that we will issue to you to confirm why our recommended course of action is suitable for you.

Any advice or recommendation offered to you will be based on your needs and objectives, the level of risk you are prepared to take and any restrictions you wish to place on the type of investments, policies or mortgages you are willing to consider.

All your investments will be registered in your name unless you instruct us otherwise in writing.

We will forward all documents showing ownership of your investments or policies to you 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.

Data Protection Act

For details of our Data Protection statement and policy, please see our separate Data Protection Policy.

Best Execution Policy

It is our policy to transact your business in order to achieve the best possible results in terms of the nature and price of the products selected, transaction charges, administration and service excellence. Please see our separate Best Execution Policy for further details.

Paying for Our Services - Investments

We charge a fee for the provision of investment and pension advice which is calculated on a time taken basis. We give due consideration to the level of expertise needed to carry out work required and this is reflected in our rates as follows: -

Chartered Financial Planner:	£195.00 per hour
Financial Planner:	£125.00 per hour
Administrator:	£75.00 per hour

You may request an estimate of how much we might expect to charge in total. You are also welcome to nominate an upper limit that we cannot exceed without alerting you first.

You can choose whether to pay us directly or, if we recommend new investment or pension products, we may be able to arrange for this fee to be paid by adding it to the provider's charges.

Where appropriate, we may also charge for out-of-pocket expenses such as travel, subsistence, couriers, etc.

We charge a fee for product recommendations and handling investment and pension transactions. This is simply 1% of the amount invested and you can choose whether to pay us directly or you can instruct the provider of the investment to deduct this fee from the amount invested.

We may agree an ongoing review service. If this is the case, the nature of the ongoing work will carry out for you will be covered in your Letter of Engagement or a separate Service Agreement.

The charge for our ongoing work together will typically be levied at a rate between 0.5% and 1.0% per annum of the total value of assets under management.

On some occasions providers of investment and pension contracts may pay ongoing trail commission to us on a regular basis for the duration of your investment. If we receive trail commission it does not mean we are obliged to carry out regular investment reviews, however, where we are charging you for ongoing service, we will deduct any ongoing or trail commission received when calculating our fee.

Paying for Our Services - Mortgages and Non-investment Insurance

When advising on Mortgage or Non-Investment Insurance we shall issue you with a KeyFacts about our mortgage and insurance services that includes the basis on which we shall be paid for this work.

Payment of Fees

Interest at 4% may be charged on all sums not paid by the due date stated on your invoice.

Currently VAT is not chargeable on our fees. VAT rules and regulations are subject to change from time to time.

Additional Commission or Payments Receivable

If we receive a commission or other form of benefit from the issuer of a security or from another intermediary, we will inform you. We will not disclose the amount unless you specifically ask us to do so.

We do not account for small payments of commission (including trail commission and renewals) as the burden of the administration would be disproportionate to the amount received. By small amounts, we mean any single payments under £50.00.

For certain transactions that we recommend to you, Herbert Scott IFA Ltd will accrue a notional entitlement under a discretionary settlement. The value of this entitlement does not impact on the overall charges applied to your investment, and the actual cost to you will be disclosed as required by the Financial Services Authority.

In addition to the above, for certain transactions that we recommend to you, we will also receive a royalty payment from the provider as part of the annual management charge. This payment will be made on an annual basis and again will not affect the charges applied to your contract as disclosed to you at the point of application. We will be happy to provide you with details of the payments as they relate to your investment should you request these.

Initial Discussion

We offer an initial discussion without charge during which we shall describe our services more fully and explain the payment options.

Not all firms charge for advice 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 get paid.

Letter of Engagement

Prior to the commencement of any investment work you will be issued with a Letter of Engagement. This will confirm our understanding of your needs and objectives and outline the work we propose to carry out for you. The Letter of Engagement will also stipulate the agreed basis on which we will charge for our services.

You will not necessarily receive a letter of engagement for our mortgage and insurance services.

Review Processes

Investments, non-investment insurance and regulated mortgage contracts that we have arranged for you will not be kept under review unless specified in your Letter of Engagement. We shall, however, be happy to review these upon request at any time in the future. There may be a fee chargeable that will be agreed with you before the review is conducted.

Complaints

If you should have any complaint about the advice you receive or a product you have bought please write to the Compliance Director at Herbert Scott IFA Ltd, St Anne's House, 111 High Street, Lewes, BN7 1XY. If following our subsequent investigation and response you are still not satisfied you may contact the Financial Ombudsman Service. Full details are contained within our internal complaints procedure, which is available to you on request at any time.

We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. If we have given you a less than satisfactory service, we undertake to do everything reasonable to put it right. If you are still not satisfied, you may refer the matter to the Financial Ombudsman Service in respect of financial and investment services by writing to South Quay Plaza, 183 Marsh Wall, London, E14 9SR.

Client's 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 necessarily a guide to future performance. If there are other risks associated with any product we recommend they will be explained within the documentation provided as part of the advice process.

Financial Service Compensation Scheme

We are covered by the Financial Services Compensation Scheme. 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 100% of the first £50,000, so the maximum compensation is £50,000.

Non-investment insurance products are covered for 90% of the claim, without an upper limit.

For advising on and arranging mortgages the cover extends to 100% of the first £30,000 and 90% of the next £20,000 so the maximum compensation is £48,000

Further information about the compensation arrangements is available from the Financial Services Compensation Scheme.

Termination of our Services

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, you will have to pay us for any work we have completed up to the date of termination.

We shall be entitled to retain any commission received following notice of termination.

Third Party Rights

For the purposes of section 1 (2) of the Contract (Rights of Third Parties) Act 1999, it is agreed that no term of our agreement with you shall be enforceable by a third party.

You shall not be entitled to assign or transfer the benefit of this agreement.

Applicable Law

These terms of business are governed by and construed in accordance with English law.

Client's Consent

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.