



Terms of Business

Herbert Scott Ltd is authorised and regulated by the Financial Conduct Authority. You can check this on the FCA's Register by visiting their website www.fca.org.uk/register or by contacting the FCA on 0800 111 6768. Our FCA Register number is 179810.

Scope of Authorisation

We are permitted to give advice on and implement deals, on an advisory basis, in investments and non-investment insurance contracts.

Scope of Advice – Independent Advice

Prior to providing you with any advice we will take time to understand your current circumstances and attitude to risk. We will provide you with our advice and recommendations after we have assessed your needs. Any advice provided will be confirmed to you in writing.

Investment: Our recommendations will be based on a comprehensive and fair analysis of the market.

Non-investment Insurance: We will offer products from a range of insurers for life assurance, critical illness insurance and income protection insurance based on a fair analysis of the market.

Unless advised to the contrary, we will assume that you do not wish to place restrictions on the types of investment we may recommend or the markets in which transactions are to be executed.

Methods of Communication

Unless you advise us otherwise, we will communicate with you via the following methods: Face to Face, email, Telephone, Letter and Fax.

For the sake of clarity and to avoid misunderstandings, we prefer our clients to give us instructions in writing by letter, fax or email. On some occasions we may accept oral instructions provided they are confirmed in writing. We may, at our discretion, refuse to accept instructions although such discretion shall not be exercised unreasonably.

Client Classification

We classify 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 Conduct Authority (FCA). 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.

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 recommended. Please see our Best Execution Policy for further details. This will be provided separately whenever we recommend new policies or investments for you.

Handling Your Money

We do not handle clients' money. We never accept a cheque made out to us (unless it is a cheque in settlement of fees or disbursements for which we have sent you an invoice) or handle cash.

Investments will be registered in your own 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.

Conflict of Interest

Occasions can 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.

Our Services and How We Charge

We provide a range of services including the provision of strategic financial planning advice and investment management as well as advice and recommendations relating to regulated investments, pensions and life insurance contracts.

To ensure that you are fully aware of the cost of our services and how and when you will be asked to pay, we will always confirm this verbally and in writing by issuing you with an Engagement Letter and/or setting out the details in a Suitability Report.

Fees for our services are usually not subject to VAT. If VAT were to apply, we will tell you before we carry out any chargeable work and confirm the amount in your Engagement Letter.

Our fees can be payable by way of a separate cheque or online payment, payable to Herbert Scott Ltd. You may prefer to pay our fees by way of a deduction from amounts invested by requesting the provider of the investment to make a deduction for initial charges prior to investing your funds or by withdrawal from your funds from time to time to pay for ongoing service. For example; if you invest a lump sum of £100,000 and our fee is £2,000, that amount will be deducted before the remaining £98,000 is invested. To facilitate this, the provider will need to see evidence that you have agreed to this method of payment and we shall ask you to confirm this in writing by way of the provider's pro-forma or separate letter.

In all cases where our fees will be paid by the product provider, full details will be included within your client specific illustration.

Strategic Financial Plan – Our financial planning service focuses on your bigger picture to establish your needs and objectives and create a plan for your future. This includes the gathering of all your financial information, evaluation and analysis of that data and the construction of a lifetime cash flow forecast. We will agree a fixed fee based on the complexity of the work to be undertaken and our estimate of the time it will take.

Typically this fee will be between £2,000 and £4,000 and the exact amount will be confirmed in your Letter of Engagement. We will not commence any chargeable work until you have accepted our terms by signing a copy of this letter.

Implementation Fee – When we set up new investments for our clients or accept additional lump sum contributions, we charge a fee calculated as a percentage of the amount invested depending on the total amount we manage for you as follows:-

- 🔗 Investments up to £1,500,000 -1%
- 🔗 Then from £1,500,001 to £3,500,000 - 0.8%
- 🔗 Then from £3,500,001 - 0.5%

For example, if you invest £250,000 our implementation fee will be £2,500. For an investment of £3million, the first £1,500,000 would be charged at 1% and the second £1,500,000 at 0.8%, making a total charge of £27,000.

Implementation Fee for Regular premium investments – Our policy is to treat regular premium investment in the same way we treat single and ad-hoc investments (shown above).

For example, if you invest £500 per month our charge at 1% would equate to £5.00 per month. The total amount collected over a period of 24 months, for example, would therefore amount to £120.

It is our policy to arrange for the Implementation Fee on a regular premium investment to be deducted from the total amount collected by the product provider and full details will be included within your client specific illustration.

Ongoing Financial Advice – Creating a financial plan is just the first step but, as with all plans, it will need regular monitoring for you to be sure of success. Full details of our ongoing service are published in our Service Charter. The fee for ongoing service is calculated as a percentage of the amount of your investible wealth we keep under review as follows:-

- 🔗 Investments up to £1,500,000 - 0.5% p.a.
- 🔗 Then from £1,500,001 to £3,000,000 - 0.4% p.a.
- 🔗 Then from £3,000,001 - 0.25% p.a.

For example, if the value of assets we monitor for you is £200,000 we will charge £1,000 per annum for this service and for a portfolio of assets of £2million, we will charge £9,500 per annum.

The actual fee charged will vary depending on how the value of investments we manage changes over time and it will increase should the value of your investment grow.

Investment Management – Our Centralised Investment Proposition may be recommended as appropriate for some or all of your invested wealth. Implementation fees are no different to those shown above but there is an additional ongoing fee calculated as a percentage of the amount of your wealth we manage under this service as follows:-

- 🔗 Investments up to £1,500,000 - 0.5% p.a.
- 🔗 Then from £1,500,001 to £3,000,000 - 0.4% p.a.
- 🔗 Then from £3,000,001 - 0.25% p.a.

For example, if the value of assets we manage for you is £200,000 we will charge £1,000 per annum for this service and for a portfolio of £2million, we will charge £9,500 per annum.

The actual fee charged will vary depending on how the value of investments we manage changes over time and it will increase should the value of your investments grow.

Non-Investment Insurance – Typically we receive commission from the provider of life assurance and other regular premium insurance contracts. Full details will be included within your client specific illustration. If we agree a fee instead of commission we will arrange for the premium to be reduced to reflect this.

Other Fees – Occasions may arise when we will need to agree a separate fee for a specific piece of work, e.g. sourcing an annuity on the open market or providing advice and recommendations about a complex pension or offshore arrangement. Under these circumstances we will agree a fixed fee based on the complexity of the work to be undertaken our estimate of the time it will take.

Investments and non-investment insurance contracts that we have arranged for you will not be kept under review unless you have opted for our ongoing service and received a separate Service Agreement. We shall, however, be happy to review your business with us 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.

Loans and Ownership

You should be made aware that the directors of Herbert Scott have an interest in Amber IFACo Limited, a company that has an interest in the Amber platform (“Amber Financial Investments Limited”). The directors, between them, hold 2% of the total share capital of Amber IFACo but have no voting rights and will receive no dividends or income in relation to the interest in the Amber platform. The capital value of the shareholding in Amber IFACo will be dependent on the value of the proceeds arising from any capital event involving the Amber platform.

Data Protection

The information you have provided is subject to the Data Protection Act 1998 (the "Act"). By signing this document you consent to us or any company associated with us processing, both manually and by electronic means, your personal data for the purposes of providing advice, administration and management.

"Processing" includes obtaining, recording or holding information or data, transferring it to other companies associated with us, product providers, the Financial Services Authority or any other statutory, governmental or regulatory body for legitimate purposes including, where relevant, to solicitors and/or other debt collection agencies for debt collection purposes and carrying out operations on the information or data.

In order to provide services to you we may be required to pass your personal information to parties located outside of the European Economic Area (EEA) in countries that do not have Data Protection Laws equivalent to those in the UK. Where this is the case we will take responsible steps to ensure the privacy of your information.

We may also contact you or pass your details to other companies associated with us to contact you (including by telephone) with details of any other similar products, promotions, or for related marketing purposes in which we think you may be interested.

The information provided may also contain sensitive personal data for the purposes of the Act, being information as to your physical or mental health or condition; the committing or alleged committing of any offence by you; any proceedings for an offence committed or alleged to have been committed by you, including the outcome or sentence in such proceedings; your political opinions, religious or similar beliefs, sexual life; or your membership of a Trade Union.

If at any time you wish us or any company associated with us to cease processing your personal data or sensitive personal data, or contacting you for marketing purposes, please contact The Data Protection Officer on 01273 407 500 or in writing at St Anne's House, 111 High Street, Lewes, BN7 1XY.

You may be assured that we and any company associated with us will treat all personal data and sensitive personal data as confidential and will not process it other than for a legitimate purpose. Steps will be taken to ensure that the information is accurate, kept up to date and not kept for longer than is necessary. Measures will also be taken to safeguard against unauthorised or unlawful processing and accidental loss or destruction or damage to the data.

Subject to certain exceptions, you are entitled to have access to your personal and sensitive personal data held by us. You may be charged a fee (subject to the statutory maximum) for supplying you with such data.

Electronic Identity Verification

As part of our advice process we are obliged to prove the identity of our clients. This involves cross-checking your details with a third party company. The use of electronic identity verification is given approval by the Joint Money Laundering Steering Group (JMLSG) Guidance and is an accepted tool in the fight against financial crime.

Complaints

If you wish to register a complaint, please contact us in writing or telephone us. Our contact details are shown at the foot of this agreement. 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>

A summary of our procedure for the reasonable and prompt handling of complaints is available upon request.

Compensation Arrangements

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.

Investment

Most types of investment business are covered for 100% of the first £50,000 per person per firm, so the maximum compensation is £50,000 per person per firm.

Insurance

Protection is at 100%, where:

The claim is in respect of a liability subject to compulsory insurance (for example car insurance).

The claim is in respect of:

- A relevant omission* in respect of a relevant general insurance contract which arises from the death or incapacity of the policyholder owing to injury, sickness or infirmity:

The claim is in respect of:

- A relevant omission* in respect of a pure protection contract (for example, life insurance)

In all other cases, 90% of the claim will apply

* Relevant omission meaning: where the insurance intermediary has failed to:

- a) Pay monies to an insurer; or
- b) Pay monies that it has received from an insurer; or
- c) Take steps to cause a contract of insurance to be effected by an insurer

Deposits

Money in accounts like current and savings accounts, including cash Individual Savings Accounts are covered up to £85,000 per authorised firm, reducing to £75,000 from 1st January 2016. It should be noted that 'authorised firms' may have several 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 the FSCS.

If you would like further information about the compensation arrangements, details are available at www.fscs.org.uk or by telephone at 0800 678 1100.

Termination of our Services

You or we may terminate this agreement at any time. Where the provider of an investment or policy recognises us as your agent, you or we may terminate our authority to act on your behalf at any time by communicating directly with the provider.

The effect of termination and the amount of fees or commission due to us shall be determined as follows: -

- Termination whilst we are building your strategic plan – We will abandon this work and the fee set out in your Letter of Engagement will become payable in full.
- Termination after you have agreed to make an investment or commence a policy – if your investment or policy commences after termination, we shall be due to receive the implementation fee or commission for setting this up.
- Termination of ongoing service (including Investment Management) – ongoing services detailed in your Service Agreement shall cease and we shall be due to receive our fee for the period up to the date of termination.

If you have chosen to instruct the provider of a product or investment to pay our ongoing fees, it will be necessary to cancel this arrangement directly with the provider. We shall be happy to assist you with this.

Where you hold assets on a wrap platform it may be necessary for you to remove these assets from the platform unless you appoint a new adviser to provide further ongoing advice to you. We will be pleased to assist you and ensure that the wrap platform is informed of your decision to terminate our relationship.

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 or have any questions or concerns, please do not hesitate to ask for help.

Please sign below to indicate your consent to the following:

1. I / We consent to Herbert Scott Ltd or any associated company processing any sensitive personal data.
2. I am / We are happy for Herbert Scott Ltd or any associated company to contact me / us for marketing purposes by email, telephone, post or SMS.
3. I / We agree that these terms of business will take effect from the date of issue.

Signature

Full Name

Date

Signature

Full Name

Date