

# 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](http://www.fca.org.uk/register). 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

**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.

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.

We take our regulatory responsibilities very seriously and we ensure that all our staff are required to demonstrate their competence to undertake their role. 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 which includes European Securities and Market Authority rules.

We do not restrict our advice to certain companies. Instead, we use research tools to help us find a product and provider most suited to your needs.

Unless advised to the contrary, we will assume that you do not wish to place restrictions on the types of products or solutions 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. You may lose a number of protections and, if that is the case, we will confirm this in writing.

## Best Execution Policy

It is our policy to transact your business in order to achieve the best possible results. 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.

## Conflicts of Interest

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

We have a legal and regulatory obligation to take all appropriate steps to identify potential conflicts of interest. Should any of our business interests or activities create a potential conflict of interest, we will ensure that we take all appropriate steps to ensure there is no detriment to you, by maintaining robust systems and controls. In the unlikely event that we are unable to prevent a potential conflict from arising, we will bring it to your attention and detail the steps we propose to take to ensure you are not disadvantaged in any way.

Kevin Scott and David Herbert each own 2,200 of the 76,600 shares issued by Amber IFA Company Limited. This is considered to be a minority shareholding. Amber IFA Company Limited is an investor in Amber Financial Investments Limited which operates the Amber Platform. The value of the shares depends, at least in part, on how profitable the companies are, and how profitable they are expected to be. There are no voting or dividend rights attached to the shares.

We recognise that the ownership of these shares could create a conflict of interest and consequently we have systems and controls in place to make sure that you will not be disadvantaged in any way.

If we think that it would be in your interests, we will recommend that you invest, in products held on the Amber Platform.

Amber Financial Investments Limited is registered in England and Wales Company no: 7630847 and is authorised and regulated by the Financial Conduct Authority. FCA Register Number 557354.

## How We Charge

There are broadly three types of charge we make for the provision of advice and ongoing services:

- We charge new clients for building a strategic financial plan
- We charge an implementation fee for arranging investments
- We charge a monthly fee for ongoing service

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.

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 writing.

Our strategic financial planning fee can be payable by cheque or online payment, payable to Herbert Scott Ltd. You may prefer to pay implementation and ongoing fees by way of a deduction from amounts invested. You can request 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 £300,000 and our implementation fee is £3,000, that amount will be deducted before the remaining £297,000 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.

All of our fees are calculated per household rather than by individual which means spouses and partners are treated as one client in this regard.

**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 £2,500 and the exact amount will be confirmed in a Client Agreement. We will not commence any chargeable work until you have accepted our terms by signing a copy of the Client Agreement.

**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 million - 1%
- Investments over £1 million - 0%

For example, if you invest £250,000 our implementation fee will be £2,500. For an investment of £3 million, the implementation fee will be capped at £10,000.

**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 £2,000 per month our charge at 1% would equate to £20.00 per month. The total amount collected over a period of 24 months, for example, would therefore amount to £480.

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 Services** – Creating a financial plan is just the first step and, 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, Proficient Progress. 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 £3,000,000 - 1% p.a.
- Then from £3,000,000 and above - 0% p.a.

For example, if the value of assets we monitor for you is £500,000 we will charge £5,000 per annum for this service and for a portfolio of assets of £4 million, your annual fee will be capped at £30,000 per annum.

A minimum annual fee of £3,000 applies which means an additional charge may be levied if the value of the invested wealth we keep under review is less than £300,000.

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.

## 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 we or product providers cannot meet certain contractual 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:

- Pay monies to an insurer; or
- Pay monies that it has received from an insurer; or
- 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 (£170,000 for a joint account). 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](http://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 – the agreed strategy fee will become payable in full or in part, depending on the work we have done to date.

- 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 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 ongoing advice and services. 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 terms of business 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.

I / We agree that these terms of business will take effect from the date of issue.

Signature .....

Full Name .....

Date .....

Signature .....

Full Name .....

Date .....