

# CLIENT AGREEMENT

1. This document sets out the basis on which we will conduct business with you and on your behalf. It is an important document and we would ask you to read it carefully and if you are unsure of the meaning of any of its terms please ask for an explanation.
2. The terms of this Client Agreement come into force immediately on acceptance (implied or actual) of its terms and remain in force until further notice.
3. Magna Wealth Management Limited (hereon referred to as 'the firm') is authorised and regulated by the Financial Conduct Authority (FCA) FCA number is 600163. You can check this on the Financial Services Register by visiting the website; [www.fca.org.uk/firms/systems-reporting/register](http://www.fca.org.uk/firms/systems-reporting/register) or by contacting the FCA at 25 the North Colonnade, Canary Wharf, London.E14 5HS or telephone 0845 606 1234.

## THE RANGE OF OUR ADVICE AND FINANCIAL PLANNING OBJECTIVES

4 Magna Wealth Management Limited and your adviser are restricted and act on your behalf as your agent. Your adviser is therefore permitted to advise you on a limited range of products which will be researched from the whole of the available market or a representative sample of it. We do not advise on UCIS, VCT, EIS & mortgages. We are permitted to advise on and arrange transactions in Investments, Pensions and Protection Products.

5 In order to provide you with personal advice and recommendations suitable for your particular circumstances we will undertake a Fact Find to gather the appropriate information to assess your needs. We will then be able to set out clearly your financial planning objectives based on your stated objectives, acceptable level of risk and any restrictions you wish to place on the type of policies you are willing to consider. Details of your stated objectives will be set out in a Suitability Report 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.

6 You hereby acknowledge that in the event of the firm assisting you in the completion of any investment application or policy proposal forms that you will in any event continue to bear full responsibility for the accuracy and completeness of the information entered on such forms. Therefore you understand that inclusion of incorrect information or omission of any material facts may result in the investment or policy to which the application or proposal relates to being adversely adjusted, made void and/or any claim(s) made against it being refused. The advice we give you will be based on the information you have given us and your stated investment objectives including the degree of risk you will accept. It is your responsibility to advise us on any changes.

7 We will forward to you all documents showing ownership of your investments/contracts as soon as practicable after we receive them. All such documents may be sent by post and this would be at the client's risk.

8 We will outline from the outset whether our advice will cover your entire financial planning needs or whether it will focus on a specific area giving consideration to any restriction you place on what advice you want.

9 We require our clients to give us instructions in writing, to avoid possible disputes. This will usually be in the form of a proposal or application form. We will, however, accept oral instructions in certain instances provided they are subsequently confirmed in writing.

## CUSTOMER CLASSIFICATION

10 The type of client category will determine the levels of protection afforded to you under the Financial Services and Market Act 2000. The firm proposes to classify you in accordance with FCA rules as a Retail Client and the regulatory protection available to you will be the highest available. This agreement is personal to you and not assignable. We may accept instructions from and give information to third parties or your other advisers on your behalf where you have confirmed in writing we may do so. We cannot accept any responsibility for errors in information supplied by such persons. Where you are a trustee, director or officer of any trust, corporation or LLP requiring advice you warrant to us that you have full authority to act on behalf of the same and there are no restrictions on the limits of our advice of which we have not been made aware. We will not be responsible for advising on compliance with your trust, trustee, director or officer obligations.

## THE COST OF OUR SERVICES

11 You will pay for our services by either fee or a combination of fee and/or or fee by payment facilitation through product charging. We will discuss your payment options with you and answer any questions you have.

11.1 We will not charge you until we have agreed with you how we are to be paid. For payment options relating to investment advice, please read paragraph 11, for payments regarding pure protection products please see paragraph 11.3.

### Investment advice

11.2 When paying by fee, you will pay us for our advice and services (whether you buy a product or not) at an amount or a rate agreed before we commence any work. Our fees may be liable to VAT. Where this is the case you will be informed and invoiced accordingly.

Our hourly rates, which may be subject to VAT, are:

Director	£200 per hour
Financial adviser	£200 per hour
Paraplanner	£75- £100 per hour
Administration	£25 - £50 per hour

Sample timescales for researching and advising on timescales:

**Basic Protection Policy** - Adviser 2 hours plus Administrator 2 hours = £500

**Regular Savings Pension Plan** - Adviser 3 hours plus Administrator 3 hours = £750

**More complex Tax Planning** - Adviser 5 hours plus administrator 5 hours = £1250

We will provide an expected timescale of our services and cost for your needs at outset.

As an alternative and provided you proceed to establish a product or investment, you may wish to pay our fees as a percentage of the funds invested as shown below

Initial Meeting:	Free
Initial financial review:	Maximum 4% of the investment amount
Financial Planning Report	Maximum 4% of the investment amount
Initial Pension Review:	Maximum 4% of the investment amount
Ongoing Reviews:	from 0.5% per annum not exceeding 1% per annum

You may wish to set a fixed amount of fees that cannot be exceeded without further reference to you, in which case please speak with your Adviser. Where charging a fixed fee we will provide you with a fee agreement showing the actual fee that will be payable for the agreed service being provided. Where charging an hourly rate we will provide a letter of engagement to indicate how much we might charge in total. Our fixed fees will not exceed £15,000.

### Your Payment Options

Settling your adviser charge through a single payment

You will be required to settle the payment of our fees on completion of our work within 14 days. We accept cheque or direct credit transfer. We do not accept payment by cash. You will be provided with a receipt upon payment.

Settling your adviser charge by instalments

. 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.

As an example this is how such a payment plan might work:

Total monthly premium payable	£250
Total cost of advice	£600
Monthly payment for advice	£50
Length of repayment period	12 months
	Advice: £50
	Invested : £200

Should you choose to pay for the advice you receive today 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.

### Paying through other arrangements

You can choose to pay your adviser charge by standing order on a monthly, quarterly, annually basis. The adviser charge can be paid up to a maximum of 12 instalments on the 1st day of the month from your bank account. The adviser charge will be taken in equal instalments.

## Keeping up with your payments

If you fail to keep up repayments of the adviser charge we will terminate our relationship.

11.2 You may elect that we are remunerated by fees and offset fees (paid by a product provider). The actual amounts will depend on the service provided to you but will be in line with the arrangements set out above in section 11 headed "Investment Advice".

The fee will not exceed the rates shown in this document. We will agree the rate we will charge before beginning work and we will tell you if you have to pay VAT. The fee will become payable on completion of our work. You may ask us for an estimate of how much in total we might charge. You may also ask us not to exceed a given amount without checking with you first.

## Pure Protection Products

11.3 If you buy a protection product you may elect that we are remunerated by commission. The commission is paid directly by the provider. Although you pay nothing up front that does not mean our service is free. The commission paid to us forms part of a 'product charge' which you pay when you purchase the product. Product charges pay for the product provider's own costs and any commission payable to third parties

You may elect that we arrange for the protection premium to be discounted by the commission that otherwise might have been payable under the policy recommended. In this instance you will need to pay a fee appropriate to cover our advice and work, in accordance with paragraph 11 above.

The amount of commission we receive will vary depending on the type of policy and (sometimes) the term of the policy or your age. All commissions will be disclosed to you before proceeding and highlighted in the Suitability Report and on accompanying illustrations.

As an example, a term assurance with a sum insured of £100,000 over a term of 16 years would cost £12.45 per month. The commission payable is based on the premium size and the term of the plan (subject to a maximum of 25 years) and in this example would be £239.04 immediately and then, from month 49, £0.31 per month renewal commission until the end of the plan term. As an alternative the commission could be paid to us in monthly instalments for the first 48 months, at which point the renewal commission would commence as shown above.

In percentage terms this equates to 40% of each monthly premium for the first 48 months and 2.5% thereafter. The commission is paid for out of the policy premiums and not in addition to them. (Figures courtesy of Legal & General)

## Payment for Ongoing Services

11.4 We offer an ongoing service where we review your account every 12 months or more frequently if requested by you (there may be an additional fee for ad-hoc reviews) and inform you of new recommendations or changes that may be relevant to your circumstances. This service is provided at a charge on the fund value to a maximum of 1%, (based on a fund of £100,000 this would amount to £1000 per annum) and can be either deducted from your investment or paid by direct debit. This service can be cancelled at any time. Future annual servicing payments will be subject to an increase or decrease dependant on the value of the funds held. Please ask your adviser for more details

11.5 In respect of any regular premium policy which we may recommend, should you subsequently cease to pay premiums on the policy and as a result of your cancellation we are obliged to refund product charges or other commission that has been paid to us we reserve the right to charge you a fee representing the amount we have to repay, for a period of up to four years after commencement of the policy. We will not charge such fee if you exercise your right to cancel in accordance with the cancellation notice sent to you by the product provider.

## CLIENT MONEY

12 For your additional security we do not handle client's 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. Cheques for payment will be required to be paid direct to the product provider.

## ACCOUNTING TO YOU

13 We will make arrangements for all your investments/contracts 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 policies 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.

## FINANCIAL SERVICES COMPENSATION SCHEME

14 We subscribe to 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.

### Investment

Most types of investment business are covered for 100% of the first £50,000.

### Insurance

Insurance advising and arranging is covered for 90% of the claim with no upper limit.

Further information about compensation scheme arrangements is available from the FSCS at <http://www.fscs.org.uk/what-we-cover/eligibility-rules/compensation-limits/> or by telephoning 0800 678 1100

## COMPLAINTS

15 If you should have any complaint about the advice you receive or a product you have bought please write to the Complaints Officer at Magna Wealth Management Limited, 2 Croft Court, Croft Lane, Temple Grafton, Warwickshire, B49 6PW. Telephone Number 01789 490920.

If following our subsequent investigation and response you are still not satisfied you may contact The Financial Ombudsman Service, Exchange Tower, London E14 9SR Tel:0800 023 4 567 Full details are contained within our internal complaints procedure, which is available to you on request at any time.

## CANCELLATION RIGHTS

16 The cancellation rights for each individual policy you have been advised on will be explained to you in your suitability report. Where the provider is already in receipt of the investment proceeds and cancellation is requested with the cancellation period we will instruct the provider to refund the proceeds net/gross of the adviser charging agreed.

## CONFLICTS OF INTEREST

17 We offer restricted financial advice, but occasions can arise where we, or one of our other customers, will have some form of interest in business, which we are transacting for you. If this happens, or we become aware that our interests or those of one of our other customers conflict with your interests, we will inform you in writing and obtain your consent before we carry out your instructions. There may be occasions when we will be unable to act for one of the parties.

18 As a consequence of such potential conflicts arising, we have put arrangements in place to ensure our clients are treated fairly. We have also implemented a conflicts of interest policy to help us manage such risks, which you may access on request.

## RISK WARNINGS

19 Relevant risk warnings will be advised to you throughout the financial planning process and in your Suitability Report.

The value of investments may go down as well as up, and you may not get back the amount invested. Levels of income from investments may fluctuate. We cannot be held liable for any depreciation in the value of investments arranged for you. Non-readily realisable investments will generally have a restricted market, and therefore it may be difficult to deal in that investment or to obtain reliable information about its value.

For insurance products such as term assurances or whole of life plans, your policy will lapse without value if you do not keep up to date with regular premium payments and you will not be covered if a claim is made. Reinstatement of such a policy would then be subject to new medical evidence.

## TERMINATION OF AUTHORITY

20 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 this client agreement unless otherwise agreed in writing. You will be liable to pay for any transactions made prior to termination and any fees which may be outstanding.

## **DATA PROTECTION & ANTI MONEY LAUNDERING**

21 We are registered under the Data Protection Act 1998. It is understood that we keep personal and financial information with regard to your circumstances on file (electronic and/or paper based) as required to be able to advise you as to your financial planning needs. We confirm that this information will not be used, or transferred by us, to any other firm or company with the exception of the product provider to make an application or enquiry. We may also provide information to the FCA upon request for regulatory reasons.

22 We cannot be held responsible for the information held on your file becoming inaccurate due to your change of circumstances if you fail to inform us of those changes. We want to make sure your personal information is accurate and up to date. You may ask us to correct or remove information you think is inaccurate.

23 Where business services are provided to the firm by third parties then circumstances may arise which warrant the disclosure of more than just your basic contact details. On these occasions such as processing business and obtaining compliance and regulatory advice you agree that personal information held by the firm may be disclosed on a confidential basis, and in accordance with the Data Protection Act 1998, to such third parties. You agree that this information may be transferred electronically, e.g. e-mail. You also agree that we or any such company may contact you in future by any means of communication which we consider appropriate at the time.

24 We keep records of our business transactions for at least six years - pension transactions are kept indefinitely.

25 We are required to verify your identity in accordance with the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007. We reserve the right to approach third parties and to delay any applications until adequate verification of identity has been obtained.

26 You agree to us recording telephone calls for your security and to avoid misunderstanding.

## **GOVERNING LAW & JURISDICTION**

### **LIABILITY**

27 You agree to indemnify us in relation to any acts, proceedings or claims which we incur directly or indirectly as a result of our acting under this agreement and that this indemnity shall not apply to the extent it arises out of our negligence, fraud, breach of this agreement or our regulatory responsibilities.

28 We reserve the right to amend this agreement at our discretion where changes in regulation or law necessitate by giving you notice in writing. You will also be given the option to accept our new agreements or terminate our authority. This agreement shall be governed by and construed according to English law. Any disputes shall be determined in the jurisdiction of the English Courts.

29 Where a formal written notice is required by this agreement then it shall be in writing (not email unless agreed in advance by the parties) and sent by first class post and deemed effective two business days after posting.

**CLIENT'S CONSENT**

30 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 understand and consent to the terms of this client agreement and I/We hereby authorise the transfer of information, as described above, on a confidential basis when warranted between such third parties.

I/We authorise you to liaise with My/Our other professional advisers in exchanging relevant personal information pertinent to my/our financial planning requirements and to rely on any such information provided.

I/We agree that this Client Agreement will come into effect from the date of acceptance.

Please tick this box if you do not wish us or any company associated with us to contact you for marketing purposes by e-mail, telephone, post or SMS.

FEE OPTIONS	TICK TO CONFIRM	DETAILS OF AGREED FEE
PORTFOLIO/FUND BASIS		
FIXED FEE BASIS		
HOURLY RATE BASIS		

COMMISSION OPTIONS		
Investment and pensions business - agreed for firm to be paid by commission in lieu of fee		

Client Name(s) .....

Client signature(s) .....

Date of acceptance .....

Signed for and on behalf of the firm:

Adviser .....

Signature .....

Date of issue .....