



## PRIVATE CLIENT TERMS OF BUSINESS

“ Our role is to help you identify, achieve and maintain your desired lifestyle, without the fear of running out of money. ”

📍 Tubwell Farm, Tubwell Lane, Crowborough, East Sussex, TN6 3RQ

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Prosperity IFA believes that professional advice can add significant value to individuals and businesses. Therefore, choosing your Financial Planner is one of the most important decisions you will ever make. Take your time, choose wisely, and we hope that we can earn the right to work with you into the future.

Welcome to Prosperity IFA, the home of holistic financial planning across Sussex, Surrey, Kent and beyond.

Our aim is to help you achieve your long term financial circumstances by using both our expertise and the technology available, we always work hard to make sure that we understand your wishes and work closely with you to try seek the right outcome for all of our clients.

We cover all aspects of your financial circumstances and understand the implication of having a full financial plan that is reviewed regularly to measure the progress to your goals. Everyone is different, and everybody's circumstances are different. We will be with you every step of the way to make sure that your requirements are the focus of our service. We are unique in our approach and believe that our service is one that will not disappoint. We want to work with you for many years to come and guide you as circumstances change. We look forward to welcoming you as a valued client of Prosperity IFA and to a long future together.



*At Prosperity IFA we keep your financial goals as our main focus, our team is committed to providing you with the best advice to suit you and your wishes*

*We look forward to working for you and to you becoming part of the 'Prosperity family', our friendly and approachable team are ready to guide you through all the options available and will provide the best advice at all times.*

**Simon Munday Dip PFS, Cert SMP - Managing Director**



# PRIVATE CLIENT TERMS OF BUSINESS

These Terms of Business take effect immediately and continue until cancelled or replaced.

## Authorisation and Regulation

Prosperity IFA is authorised and regulated by the Financial Conduct Authority (FCA), the independent watchdog that regulates financial services.

The company's Financial Services Register number is 772483. You can check this by visiting the FCA's website [www.fca.org.uk/firms/systems-reporting/register](http://www.fca.org.uk/firms/systems-reporting/register); or by contacting the FCA on 0800 111 6768; or by post writing to 25 The North Colonnade, Canary Wharf, London, E14 5HS. You can also obtain further information from the FCA at [www.fca.org.uk/consumer](http://www.fca.org.uk/consumer).

We will act on your behalf for the purposes of advising on, and arranging, the following:

- Investments; and
- Pensions.

We are authorised to carry out such activities. This can be verified on the FCA website. We may also advise on products and services which are not regulated by the FCA, and will tell you where this is the case.

## Client Classification

We have categorised you as a 'retail client', which provides the highest level of protection under the regulatory system with the right to take any complaint about our service to the Financial Ombudsman Service.

## Investment Products

We offer an unbiased, independent advice service, based on a comprehensive and fair analysis of the full range of possible investments available, taking into account any restrictions you wish to impose. We will place no restrictions on the investment we will consider before providing investment recommendations, unless you instruct us otherwise. We only make a recommendation when we know it is suitable for you.



## Our Services

Our service is advising on and arranging Retail Investment Products, as defined by the FCA (see [fshandbook.info/FS/glossaryhtml/handbook/Glossary](https://fshandbook.info/FS/glossaryhtml/handbook/Glossary)).

Detailed information about each of the products we recommend will be included in the product disclosure information we send before contract confirmation. This may include the minimum duration of the product, information on your right to cancel and any other early termination rights and penalties.

Prosperity IFA guarantees the suitability of the advice given by Financial Planners, licensed by Prosperity IFA, but does not accept responsibility for advice given to you by other advisers or firms. It is not part of our service to review the suitability of any advice given previously, unless we have specifically agreed to do this.

The services we provide are set out in our Client Agreement, which you should read in conjunction with these Terms of Business.

We provide bespoke advice based on your needs and requirements, and an ongoing review service to ensure certainty that your Financial Plan remains suitable for your longer-term needs.

Our service includes the following key stages:







## Initial Discovery Meeting

We offer an initial meeting at our expense at our offices to discuss your situation and how we might work together. At the meeting, we start gathering information about you including articulating your financial aspirations, confirming your attitude to risk and capacity for loss, and appreciating any existing financial products you may have. We may ask for your authority to contact product providers for more details about these investments and policies.

If you wish the initial meeting to be at another venue, there may be a modest charge for travel and meeting room hire. If a fee for the initial meeting applies it will be disclosed before the meeting takes place.

You are not obliged after this meeting to proceed to any of the further steps below.





## Researching Suitable Investment Options

Following the “Discovery” meeting, we begin researching the market to identify solutions that address your aims and objectives, within your stated and agreed tolerance for risk. This research takes into consideration your personal situation, your existing arrangements, your tax status and any other relevant issues.

We consider all types of retail investment products that are capable of meeting your needs and objectives. The FCA defines a retail investment product as:

- A life policy (includes personal pensions).
- A unit in a collective investment scheme.
- A Stakeholder Pension Scheme (including a Group Stakeholder Pension Scheme).
- A security in an investment trust.
- Any other designated investment, with exposure to underlying financial assets, in a packaged form which modifies that exposure when compared with a direct holding in the financial asset.
- A structured capital at risk product.
- We will also consider relevant financial products, other than retail investment products, which may be appropriate for your investment needs and objectives, such as National Savings and Investments (NS&I) and cash deposits.



### **Providing Reports, Financial Health Checks and Forecasts**

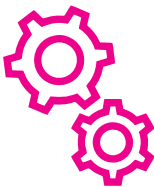
For most clients, we prepare a financial report that provides an overview of your current financial situation. It identifies how likely you are to realise your financial goals, and illustrates how our recommendations could improve your position. It might be necessary to prepare additional specific reports providing detailed advice about areas such as pensions, inheritance tax planning, asset protection and investments. The cost(s) of any additional specialist reports will be outlined and agreed with you in advance.



### **Recommending Specific Investment Products and Cost(s)**

We identify specific products that meet your individual needs, making recommendations for both investment products and providers. We may also recommend an appropriate platform service for arranging, safeguarding and administering your investments. We provide detailed illustrations explaining the cost(s) of these products as part of our Recommendations Report.

The Recommendations Report is the culmination of key stages 2, 3 and 4.



### **Implementation**

Once you have agreed our recommendations, we arrange and register your chosen investments, services and policies.



## Ongoing Planning

We provide periodic reviews as an integral part of our ongoing planning service. Planning meetings are held annually to ensure that both the underlying investment strategy and the recommended products continue to meet your requirements. We will contact you to arrange these meetings.

Our ongoing planning service will normally be charged as a percentage of portfolio value. The fee will be based on all cash and investments that are being used to satisfy your capital and income requirements. This excludes cash held in your day-to-day current bank account.

A key component of our ongoing review service is continued analysis to ensure that both the underlying investment strategy and product wrappers continue to be the most appropriate and cost effective in assisting you to meet your objectives. Where appropriate, we may make recommendations to change or identify further products or services, but such recommendations will only be acted upon with your prior approval.

You may cancel the ongoing planning service at any time without penalty. The notice period is one month from the date of receiving the request in writing. This will provide us with sufficient time to carry out your instructions and deal with any outstanding actions.







### **Levels of Service**

We provide two different levels of service as follows:

- The Wealth Management Service – Stages 1-6 above form a single service that includes our ongoing planning service. This is a bespoke Wealth Planning service designed for clients with complex financial arrangements, working in partnership with other professional advisers to create, protect and distribute wealth to future generations. Lifetime cashflow modelling is provided as part of this service.
- Transactional Only – This service was created specifically for those who would like a financial plan put together but who would not like any ongoing service or maintenance of those plans.

Further details of each level of service are provided in our Client Agreement.



### **Chargeable Services**

We charge a fee for our services and confirm our charges in writing before any charges are incurred. The fees set out in our Client Agreement relate only to investment based products and life insurance.

We quote separate fees or commission for advice on and the arrangement of insurance policies.

The fees listed in our Client Agreement can be deducted from your investments (where the provider allows), or paid directly by you. When the fee is paid through the investments, it may result in a reduction of your personal tax thresholds and/or exemption levels and will also reduce the amount used for investment. Where this happens, we will discuss it with you, and confirm it in your personal Recommendations Report.





Where you have agreed for a platform or product provider to pay our fees, either by deduction from the amount you invest with them or by other means, we reserve the right to invoice you if for any reason, they fail to make the required payments. Regardless of any arrangements made with providers, the agreement to pay our fees is between you and us.

#### **Additional Chargeable Services**

Should your circumstances change to the point that a significant amount of work is required, those additional services are likely to be subject to a new agreement.

We will discuss your payment options with you, confirm whether VAT will be applicable to our fees, and answer any questions you may have. The additional services will be provided, once we have agreed how we will be remunerated for these additional services.

## Payment of Fees

- **Our Fee** – Our fees become payable once we have started to work on your plan, following your instruction to do so. We do not get paid until the plan is implemented and started. Our fee covers the advice process and becomes due once the recommendation is presented to you, the fee remains due whether you decide to follow our advice or not as by this time we have completed our analysis and research. Our implementation fee applies from the date you instruct us to carry out the agreed actions. The implementation fee is based on a percentage of the total investment amount covered by our service, and excludes cash held in your day to day current account. If you add further funds to your portfolio at a later date then further fees may be applicable. With regards to mortgages our fee of £395 is payable at the outset and covers the research and application stage to get you to your mortgage offer. We charge a fee of 1% of the value of your loan and this is payable on completion less the £395 initial payment.
- **Ongoing Service Fee** – This fee becomes due once all plans are setup and you have opted to take our ongoing service. The ongoing service fee will be calculated as a percentage of the value of your portfolio. Your portfolio value will be based on all cash and investments that are being used to satisfy your capital and income requirements. This excludes any cash held in your bank accounts.









As our implementation fees are based on a banding structure, the banding will be applied to the known values at the time of our Recommendations Report. This provides you with a monetary amount which will be applied once the implementation of your recommended plan is complete. When transferring existing invested assets, the



final monetary amounts received will reflect the market value at the time of transfer. Therefore, the final monetary amount of our fee could differ from that confirmed within the Recommendation Report. Where you have a combination of pension and non-pension assets, our fees will be deducted from your pension on a proportionate basis. Should your investments be held on a platform, you may elect to pay our implementation and ongoing fees from the funds held within the platform cash account, (where this facility is available). It is important that sufficient funds are maintained in the account to cover our Implementation and Ongoing Fees, as and when they become payable. Where our Ongoing Fees are met by payments from investments held on a nominee platform, these will be paid monthly. We will discuss the implications of using this payment option with you prior to putting it in place.

Where you choose to pay our fees direct, our invoices are issued monthly and are due for payment within 7 days. Should payment not be received within this timeframe, we reserve the right to charge interest on the outstanding balance at a rate equivalent to the base rate set by the Bank of England plus four per cent.



## **Treating Customers Fairly**

We are committed to providing the highest possible levels of service to our clients and have embraced the Financial Conduct Authority 'Treating Customers Fairly' principle. To this end, we welcome your feedback on any element of our service to help us provide the right services and make improvements.

Although we have a complaints procedure, we would prefer that you raise any areas of concern before it becomes a problem. Please feel free to speak to your Financial Planner at any time.

## **Client Money**

Prosperity IFA is not permitted to handle client money and we cannot accept a cheque made out to us (unless it is in respect of an invoice from us) or handle cash.





## Best Execution

In carrying out your requests or delivering instructions on your behalf to third parties, we will take all reasonable steps to obtain the best possible result for you in terms of best execution.

## Risk Warnings

The value of investments can fall as well as rise, and you may not get back the full amount invested. The price of investments we recommend may depend on fluctuations in the financial markets, or other economic factors, which are outside our control. Past performance is not necessarily a guide to future performance. Specific warnings relevant to the investments, or investment strategies, we recommend will be confirmed to you in our Recommendations Report.



## **Cancellation Rights**

In most cases, you can exercise your right to cancel an investment product, by withdrawing from the contract recommended to you. In general terms, you will normally have a 30-day cancellation period for a pension policy and a 14-day cancellation period for all other policies.

The cancellation period will begin on the day the contract is concluded or, if later, the day on which you receive the contractual terms and conditions. Instructions for exercising the right to cancel will be detailed, if applicable, in the relevant product disclosure documents we provide.

If you cancel a lump sum investment, the value of your lump sum may have reduced as a result of market movements. This means you might not get back the full amount you invested, if you cancel the policy.

### **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. Advice on investments is subject to a maximum level of compensation of £85,000.

Further information about compensation scheme arrangements is available from the FSCS. The FSCS can be contacted by visiting their website [www.fscs.org.uk](http://www.fscs.org.uk). Or at the following address: Financial Services Compensation Scheme, 10th Floor, Beaufort House, 15, St Botolph Street, London, EC3A 7QU.





## **Documentation**

Your investments will be registered in your name unless you instruct us otherwise in writing. Where a platform service is used, your investments may be held in the nominee name of the platform service provider for your beneficial ownership under its terms of service. All Policy Documents will be forwarded to you as soon as practicable after we receive them. If there are a number of documents relating to a series of transactions, we will normally hold each document until the series is complete and then forward them to you.

We will issue any documentation, recommendations and any other communication to you in English (unless agreed otherwise).

## **VAT**

In most cases our services are exempt from VAT.

The following services carry VAT at the standard rate:

- If you agree at the outset of our instruction that you wish to receive an advice-only service that does not require your Financial Planner to arrange or implement any investment products. This includes the provision of general financial advice, tax planning, financial health checks, reviews and reports.
- If we introduce you to a discretionary fund manager for a bespoke investment management service, the discretionary fund manager's charges will carry VAT.

## Instructions

We prefer our clients to give us instructions in writing, to aid clarification and avoid misunderstandings.

## What to do if you have a Complaint

Our clients value the service we provide and often recommend us to others. In the unlikely event that you are not satisfied and wish to register a complaint, please contact the Compliance Officer on 01892 300303 or in writing at Tubwell Farm, Tubwell Lane, Crowborough, East Sussex, TN6 3RQ. Our written complaints procedure is available upon request. If we cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service (FOS). Further information about the FOS is available from their website: <http://www.financial-ombudsman.org.uk>

## Conflicts of Interest

We always act in the best interests of our clients. We recognise that circumstances could arise where we, or one of our other customers, may 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 customer's conflict with your interests, we will write to you and obtain your consent before we carry out your instructions, detailing the steps we will take to ensure fair treatment. A copy of our conflicts of interest policy is available on request.

## Anti-Money Laundering

We are legally obliged to verify the identity of our clients and retain these records. We may verify your identity by carrying out an electronic check with an independent agency. This will involve an electronic search of information, including access to databases and credit data. By accepting these terms, you consent to us undertaking this check of your identity. We may well need to verify your identity on an ongoing basis.

## Amendment

We reserve the right to make material changes to this agreement with 30 days written notice. If you are unhappy with any change, you will be permitted to terminate this agreement in accordance with the 'Termination of this Agreement' section below.

## Rights of Third Parties

This agreement excludes any rights which may be conferred upon third parties by the Contracts (Rights of Third Parties) Act 1999.







## Termination of this Agreement

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 one calendar month from the date of receipt of the written instruction.

Termination is without prejudice to any transactions already initiated. These will be completed according to these terms of business, unless otherwise agreed in writing. You will be liable to pay for any transactions made prior to termination and any fees outstanding as outlined in any fee agreement in place, if applicable.

## Law

These Terms of Business are governed and shall be construed in accordance with English Law and the parties shall submit to the exclusive jurisdiction of the English Courts.