

# Client Agreement

## Introduction

This document forms your Client Agreement with EA Financial Solutions Limited and is designed to come into force upon receipt.

This is an important document, which aims to confirm the details about our services, the cost of those services and the way in which we will provide these. Therefore please ensure that you read it carefully and if you do not understand any point or have any questions in relation to the information contained herein, then please do not hesitate to contact us and seek further explanation.

## Regulation

EA Financial Solutions Limited is authorised and regulated by the Financial Services Authority, our FSA Register number is 219600.

The FSA contact details are 25 The North Colonnade, Canary Wharf, London, E14 5HS, United Kingdom.

## Our Services

We offer independent financial advice and can arrange savings and investments products, pensions, mortgages and insurance protection policies. We operate independently and therefore provide investment products and funds from the whole market. We will advise and make a recommendation for you after we have assessed the background to your personal/financial circumstances, including your needs. In some situations, we shall only be providing you with information rather than advice – and this will be made clear to you on those occasions.

Details of our mortgage services and how we are paid for these are contained in our separate Mortgage Initial Disclosure Document which will be automatically be provided if applicable or on request.

We provide protection products from a range of insurers for critical illness cover, life assurance, permanent health insurance, private medical insurance and death in service cover.

We will obtain sufficient information from you in order to outline your objectives and recommendations will be confirmed in writing.

With regard to investments which we have arranged for you, these will not be kept under review, unless this has been agreed in writing with you.

Where we arrange a life policy, pension or investment for you, the provider will produce documentation as evidence of the transaction. All investments will be registered in your name, unless you first instruct us otherwise in writing. In the case of investments these will be arranged in line with our Order Execution Policy found (see Appendix).

We will forward to you all documents showing ownership of your investments as soon as practicable after we receive them. Where a number of documents relating to a series of transactions are involved, we will normally hold each document until the series is complete and then forward them to you. We cannot retain such title documents for whatever reason including holding them as security.

## Client Categorisation

It is our intention to categorise you as a retail client from outset and provide our services on this basis, as it offers the highest level of regulatory protection to you. Should you wish, and following our discussion and agreement, you may request to be reclassified as an elective professional client. This means that you will lose certain protections under the Financial Services and Markets Act 2000 enforced by the Financial Services Authority. In addition, we will not have to adhere to all of the rules as set out by the Regulator in respect of financial promotions and we will not have to ensure that you understand all the risks associated with the transactions and services we provide.

## Communications

We will normally communicate with you and expect to receive communications from you in English. If you wish to communicate with us in another language, please contact us.

In most cases, communications that you receive from us will either be presented in or confirmed in writing. We may also meet with you face to face or communicate verbally with you by telephone. We request that our clients give us instructions in writing to avoid possible disputes. Therefore, any verbal instruction you make should be confirmed in writing thereafter.

### **Our Remuneration**

You can pay for our services on the basis of fee, commission and/or a combination of fee and commission. We will discuss your payment options with you and answer any questions you have. We will not charge you until we have agreed with you how we are to be paid.

#### ***Paying by fee***

Whether you buy a product or not, you will pay us a fee for our advice and services, which will become payable on completion of the work. If we also receive commission from the product provider when you buy a product, we will pass on the full value of that commission to you in one or more ways. For examples, we could reduce our fee, or reduce your product charges, or increase your investment amount, or refund the commission to you.

We will agree the rate we will charge you before beginning work and confirm this in writing. We will tell you if you have to pay VAT.

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.

#### ***Paying by commission (through product charges)***

If you buy a financial product, we will normally receive commission on the sale from the product provider. Although you pay us nothing up front, that does not mean our service is free as you still pay us indirectly through product charges. Product charges pay for the product provider's own costs and any commission. These charges reduce the amount left for investment. If you buy direct, the product charges could be the same as when buying through an adviser, or they could be higher or lower.

The amount of commission we receive will vary depending on the amount you invest and (sometimes) how long you invest for and/or your age. For example:

- If you invest £10,000 in a unit trust we could receive commission of up to 5% of the amount invested (£500) and 0.5% per annum of the value of the fund (for example based on a £10,000 fund this would be £50 every year);
- If you pay £100 a month into a personal pension with a term of 25 years we could receive commission of up to £705.60 initially and £777.60 spread evenly over the first 27 months;
- If you pay £100 a month towards a whole of life policy then we could receive £1,629.60 initially plus £19.20 spread evenly over the first 48 months(s) plus £30 each year from month 49.
- If you invest £10,000 in an Investment Bond we could receive commission of up to 7% of the amount invested (£700) and up to 0.7% per annum of the value of the fund (for example based on a £10,000 fund this would be £70 every year);
- If you invest £10,000 in an annuity we could receive commission of up to 3.5% of the amount invested (£350);
- If you invest £100,000 in Income Drawdown or a Self Invested Personal Pension we could receive commission of up to 5% of the amount invested (£5,000) plus 1% of the value of the fund (for example based on a £100,000 fund this would be £1,000 every year).

Please note, that if you agree to pay for our services using commission from a company, you also agree that if we have to pay all or part of this amount back to the product provider because you have cancelled or otherwise ended the policy, we reserve the right to request that you reimburse any money we have had to repay.

Due to the range of products available not all types are included in the information above about commissions. When providing advice or services on other products, we will inform you of how much we could be paid if we do recommend one of these products to you before giving you any advice or commencing work in this regard.

If you cancel, surrender or switch a plan sold by us which results in us having to refund commission to the provider you will be required to recompense the firm for the amount in question.

### ***Paying by a combination of fee and commission***

We will charge you a combination of fees and commission. The actual amounts will depend on the service provided to you, but will be in line with the arrangements set out above headed "Paying by fee" and "Paying by commission (through product charges)".

### **Data Protection**

Information that we hold about you will be held on computer and/or in paper files under the Data Protection Act 1998. This information will be used to administer your application, to deal with queries and to bring to your attention additional services and products that may be of benefit to you. You may ask us not to contact you about additional services and products by writing to us at the address shown in this letter.

The information that you give us may be disclosed to third parties, such as product providers and credit reference agencies for the purpose of processing your application, successors, our regulator, and to our compliance advisers. It will also enable further services to be provided to you, so that your details can be best matched with the services available.

We keep records of all business transactions for at least five years. You have the right to inspect copies of any papers or computer records relating to your transactions. We do, however, reserve the right not to provide you with copies of records, if information relating to other parties would be disclosed.

To assist us in providing you with a comprehensive service and to keep our records as up-to-date as possible, please notify us of any changes to your personal circumstances, e.g. name change, change of address, etc., as soon as possible.

In addition to making calls at your express invitation, we may contact you at intervals to review your investment requirements. This may involve writing or telephoning you to outline possible changes in legislation or to advise you on services or investments that might be of particular interest.

### **Client Money**

We do not handle clients' money and we never own the investments that you buy through us. Therefore, we never accept a cheque made out to us, unless it is in settlement of charges or costs for which we have sent you an invoice, nor do we handle cash.

### **Conflicts of Interest**

In the course of our dealings with you, we consider it unlikely that we will have a conflict of interest, or material interest in the transaction, other than the receipt of fees or commission described above. Where however, we have a conflict of interest, or a material interest, or where we are aware that one of our other customers has such an interest, we will disclose full details to you in writing or orally before we advise you about the transaction and give you the opportunity to object to this interest.

If we make a recommendation that is likely to involve a transaction with or through another person with whom we have an agreement to receive non-monetary benefits, we will let you know at the time of the recommendation of any such agreement and our policy regarding such agreements. At present, we have no such agreements in place.

### **Complaints**

It is our intention to always provide the highest quality level of advice and service. However, if you become dissatisfied with our provision of, or the failure of us to provide a financial service and want to register a complaint, please write to us at the address given at the beginning of this document or telephone us on 0208 446 3231. Please also note that a summary of our procedures for handling complaints is available on request.

If we are unable to settle your complaint to your satisfaction, you may be entitled to refer it to the Financial Ombudsman Service.

### **Financial Services Compensation Scheme**

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.

#### ***For Investments***

Most types of investment business are covered up to a maximum limit of £50,000.

#### ***For Mortgages***

Mortgage advising and arranging is covered up to a maximum limit of £50,000.

#### ***For Insurance***

Insurance advising and arranging is covered for 90% of the claim, without any upper limit.

Further information about compensation scheme arrangements is available from the FSCS.

### **Amendments**

It may on occasion be necessary to amend our Client Agreement with you. Unless we obtain your consent, we will give you at least fourteen days notice of our intention to do so, before conducting investment business with or for you, unless it is impractical in the circumstances to do so.

This Client Agreement may be terminated at any time without penalty by either party, giving seven days notice in writing to that effect to the other, but without prejudice to the completion of transactions already initiated. A due proportion of any charges for services provided shall be settled to that date.

### **Legal**

It is your responsibility to provide complete and accurate information to us and insurers when you effect your policy, throughout the life of your policy, and when you renew your insurance. It is important that you ensure that all statements you make on proposal forms, claim forms and other documents are full and accurate. We cannot be held responsible for incorrect data held in the event of non-disclosure.

If you fail to disclose any material information to us or your insurers, this could invalidate your insurance cover and could mean that part or all of a claim may not be paid.

This Client Agreement excludes any rights which may be conferred upon third parties by the Contracts (Third Party Rights) Act 1999 and is governed by & shall be construed in accordance with English Law and the parties shall submit to the exclusive jurisdiction of the English Courts.

## Order Execution Policy

### Introduction

FSA rules require us to give you these details on our Best Execution Policy and we shall consider that you have consented to this Policy unless you object.

We will notify you of any material changes to our order execution arrangements or execution policy.

**If you provide us with specific instructions regarding an order we will act in accordance with those instructions. Please note this may prevent us from taking the steps set out in this Policy to obtain the best possible result in respect of the elements covered by those instructions.**

### Our Policy

The general rule is that we must take all reasonable steps to obtain, when executing orders, the best possible result for clients.

In order of priority we consider price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order when placing an order. We will only override the price and cost factors mentioned if this is likely to be in your interests.

In practice this means that we will place agreed orders with the agreed provider as soon as possible.

In addition, we will also take into consideration;

- Your client categorisation and how this affects you
- The nature and characteristics of your transaction
- Where your transaction can be directed and
- Any specific instructions you give us, whether received on an individual basis or as a general instruction to be applied to all your transactions

### Where we place your business

The specific providers will always be described in our letters to you. When you complete your application or we receive your instruction to invest this will be considered as express consent to undertake the order.

Orders will be placed with:

- Fund managers, Insurers, WRAP providers and other product providers including firms regulated by the Financial Services Authority
- Outside of a regulated market, such as specialist unregulated investments

Please note that this is not an exhaustive list but comprises those execution venues on which we place significant reliance.