

Terms of Business

These Terms are issued on behalf of **Ermin Fosse Financial Management LLP** of **55 Dyer Street, Cirencester, Gloucestershire GL7 2PP**. We can be contacted on **01285 649200** or **info@erminfosse.co.uk**.

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1. How you are protected when working with us

Ermin Fosse Financial Management LLP is Authorised and Regulated by the Financial Conduct Authority "FCA". The FCA regulates the financial services industry in the UK and their address is 25 The North Colonnade, Canary Wharf, London, E14 5HS. You can check this on the FCA's Register by visiting their website www.fsa.gov.uk/register/firmSearchForm.do or by contacting the FCA on 0845 606 1234.

2. How do we assess the level of protection you need

Each client with whom the firm does business is categorised to identify the level of regulatory protection to be applied.

Our default is to categorise you as a 'Retail client', which imposes a higher level of care on us and provides you with full regulatory protection. This assumes that, although you may have investment, economic and tax experience, it may not be sufficiently comprehensive to manage your financial affairs alone, and consequently you require our financial planning support.

If you believe you do have the investment knowledge and experience to run your financial affairs independently, you should tell us. We will then assess your case and if it is justified, will classify you as an 'Elective Professional' client. The financial independence and freedom you gain as a professional investor is balanced by the regulatory protections you are likely to lose.

3. How we communicate with you

We will communicate with you in English both verbally and in writing for the sending and reception of orders. To avoid any doubt instructions should be issued in writing.

4. The services we provide you with - how we work

We offer an independent service. On this basis we will advise and make a recommendation to you after we have assessed your needs. Our recommendation will be based on a comprehensive and fair analysis of the market.

Our services aim to match your financial, investment, tax and risk-based needs with suitable products that we source from the whole market. Where we consider it necessary we will replace existing investments that are not working effectively for you.

We offer an ongoing service and, should you choose to accept it, then we will undertake to regularly review our recommendations to ensure the products and assets are performing as expected, taking into account your latest needs and risk profile. We will make changes along the way as necessary.

Should you decline our ongoing service, then those investments that we have arranged for you will not be kept under review by us unless you specifically instruct us to do so. If you do we will let you know the cost before we undertake a review. Please refer to our fee structure for an indication of the likely costs.

In the future we may contact you by means of an unsolicited promotion should we wish to discuss the relative merits of another investment or service which we feel may be of interest to you. You may opt out by telling us you don't want this service.

Any subsequent advice or recommendation offered to you will be based upon your stated financial objectives, acceptable level of risk and any restrictions you wish to place on the type of investments or policies you are willing to consider.

All our recommendations are justified and confirmed in writing. Unless confirmed we will not place any restrictions on our recommendations.

5. Handling your money

Ermin Fosse Financial Management LLP does not handle clients' money. We never handle cash or accept a cheque made out to us, unless the cheque is in settlement of charges or disbursements for which we have sent you an invoice.

We will also make arrangements for all your investments to be registered in your name unless you first instruct us otherwise in writing. We will forward you all documents showing ownership of your investments as soon as practicable after we receive them, where a number of documents are due involving a series of transactions, we normally hold each document until the series is complete, then forward them to you.

6. Payment of fees

We will discuss your payment options with you and answer any questions you have. We will not charge you anything until you have agreed how we are to be paid. We will set out our charges separately and we will tell you if you have to pay VAT when you engage us. The “Engagement Letter” and these Terms will together form your contractual relationship with us.

Our charging structure is flexible, so as to best suit the work you have asked us to carry out. It is not possible to set out the many and various circumstances and services that may attach to different charging structures here, but we will agree that specifically with you, in writing, before we start work.

Where an invoice for work is necessary, we require payment within 14 days of issue.

Indicative rates are however set out below.

7. Typical charges

7.1 Initial or discrete work

Fixed Project Fee

The cost to undertake initial financial planning and advice is determined by the work involved. It does not include the cost of implementation. Typical examples of project type work include:

- Existing investment portfolio analysis and review	£200
- Existing investment portfolio analysis, review and recommendation	£750
- Existing pension analysis and review	£250
- Existing pension analysis, review and recommendation	£950
- ISA top up (regular or initial)	£150
- Full financial plan and recommendation	£1,500 to £3,000
- Final salary pension analysis, full financial plan and recommendation	£2,500

Should the project result in a product/investment recommendation the fixed project fee will be replaced by the implementation fee, as detailed below. The implementation fee will not be lower than the project fee.

You should also note that these fees are applicable where you are, or intend to be, an ongoing client of Ermin Fosse Financial Management. If the work is transitional only, with no ongoing service required, the initial fee is likely to be higher. The exact cost will be detailed in your engagement letter.

Implementation Fee

- ✓ Investments up to £100,000 – Fee for initial work and implementation is 3%
- ✓ From £100,001 to £250,000 - Fee for initial work and implementation is 2%
- ✓ From £250,001 to £500,000 - Fee for initial work and implementation is 1.5%
- ✓ From £500,001 to £999,999 - Fee for initial work and implementation is 1%
- ✓ Beyond £1mil - by negotiation

Thus someone investing £200,000 would typically pay an initial fee of £4,000.

Additional fees will apply where more complex products are concerned e.g. VCT, EIS, final salary transfers, etc. This is to reflect the higher regulatory risk involved.

7.2 Ongoing services

Where we agree with clients to provide an agreed service for an indefinite period, we will agree the extent, frequency and level of that service with you. Typically, the service will entail keeping the investments and products you have under review and replacing / updating them where necessary to ensure your financial objectives continue to be met. We will meet with you periodically to do this work.

Our typical charges for an ongoing service, when invested in our primary investment proposition, are:

- ✓ Investments up to £100,000 – Ongoing advice charge is 1% p.a.
- ✓ From £100,001 to £750,000 – Ongoing advice charge is 0.75% p.a.
- ✓ From £750,001 to £1.5m – Ongoing advice charge is 0.65% p.a.
- ✓ Beyond £1.5m - by negotiation

Thus someone investing £400,000 would typically pay an annual ongoing fee of £3,000, where payments are taken monthly on a pro rata basis. The actual fee will rise and fall in line with fund values i.e. if the invested value increases to £800,000 the annual fee rises to £5,200.

The reductions to ongoing charges stated above are only provided when money is invested on a single wrap platform within our primary investment proposition e.g. if investments on one wrap platform amount to £500,000 and a further £300,000 investments elsewhere (i.e. £800,000 in total) the ongoing charge on your investments will be 0.75% p.a.

Decreases / increases to the ongoing fee percentage are based on the value of the investments on June 30th each year. Where an ongoing fee decrease / increase applies we will inform you in August and adjust accordingly. Fee discounts will not be applied retrospectively.

Our minimum ongoing fee is £750 a year. We reserve the right to charge higher ongoing fees where bespoke investment solutions are required.

Should you, as a new client, agree to an ongoing service but terminate our relationship within the first year, we reserve the right to charge you the outstanding balance of fees for the rest of the year (based on the value of your investments at that time).

7.3 Non-investment products

If you buy a non-investment product, we will normally receive commission on the sale from the product provider. Although you pay nothing up front, that does not mean our service is free. You still pay us indirectly through product charges. Product charges pay for the product provider's own costs and any commission.

If you subsequently cease to pay premiums on the policy, and in consequence we are obliged to refund all or part of the commission that has been paid to us we reserve the right to charge you a fee to recover those unexpected costs.

8. The limits of the work we do for you

Unless advised to the contrary, we will assume that you wish to place no restrictions on the types of investment we may recommend and in which you may subsequently invest. We will assume that you wish to place no restrictions on the markets in which transactions are to be executed.

9. How we take instructions and give advice

Any recommendations given to you by us shall be in writing. We prefer our clients to give us instructions in writing, to aid clarification and avoid future misunderstandings. We will, however, 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. We will record all transactions on our files which, along with copies of relevant documentation, will be retained by us for a period of not less than six years. You have a right to inspect copies of contract notes, vouchers and entries in our books or computerised records relating to your transactions. We reserve the right to withhold copies of these records if information to other parties would be disclosed.

10. Do we have any conflicts of interest you should know about?

We will act honestly, fairly and professionally, known as conducting business in 'Client's best interest' regulations. Occasionally situations may arise where we, or one of our other clients, have some form of interest in business transacted for you. If this happens or we become aware that our interests or those of one of our other clients' conflict with your interest, we will write to you and obtain your consent before we carry out your instructions, and detail the steps we will take to ensure fair treatment.

In accordance with the rules of our regulator, The Financial Conduct Authority, we are prohibited from accepting any payment (commission or other non-monetary benefits) which is likely to conflict with the duty of the firm to its clients.

11. Your right to cancel

We will inform you of your statutory right to cancel. The Distance Marketing Directive normally grants you 30 days in which you may cancel a life or pension contract. However, there will be occasions where no statutory rights are granted, however this will be explained before any contract is concluded.

Additionally

- 1.1. You may end your contract with us at any time.
- 1.2. We may terminate the contract:
 - 1.2.1. where we are unable to obtain your instructions/key information;
 - 1.2.2. where for whatever reason the relationship between us has broken down or
 - 1.2.3. as an alternative we reserve the right to suspend work in these circumstances until such time as the problem has been resolved.
- 1.3. Where agreed, you will be responsible for payment of all fees and disbursements for work undertaken or expenditure incurred up to the date of termination.
- 1.4. We are entitled by law to retain any documents or other property belonging to you until such time as all fees and disbursements that you owe to us have been paid.
- 1.5. Should any work we have undertaken be incomplete, and fees in respect of it have been paid, we will complete that work.

12. How we protect the information you give us

The information you have provided is subject to the Data Protection Act 1998 (the “Act”). By signing the engagement letter, 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 **01285 649200** or in writing at **55 Dyer Street, Cirencester GL7 2PP**.

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.

13. What if you need to complain?

Clients are at the heart of our business and delivering an outstanding service is what we strive to do. However, we recognise that from time to time our clients may have cause to make a complaint.

We are committed to dealing with complaints effectively and fairly in accordance with the Financial Conduct Authority's complaint handling rules and guidance. If clients have a cause to complain, a dedicated complaints handler, focused on ensuring that the clients are treated fairly during the process, will deal with the complaints.

If our clients are not satisfied with the outcome of their complaint, they will have the right to refer it to the Financial Ombudsman Service, free of charge, at The Financial Ombudsman Service Exchange Tower, London E14 9SR, or by going to their website www.financial-ombudsman.org.uk.

A summary of our internal complaints handling procedures for the reasonable and prompt handling of complaints is available on request.

14. What if we go out of business

We are covered by the Financial Services Compensation Scheme ('FSCS'). You may be entitled to compensation from the scheme if we cannot meet our obligations and the extent of it depends on the type of business and the circumstances of the claim:

- Investments: most types of investment business are covered for 100% of a claim up to a maximum of £50,000.
- Long term Insurance (e.g. Pensions, Life Assurance & Investment Bonds): advising and arranging is covered for 90% of the claim, without any upper limit.

Further information about these compensation scheme arrangements is available from the FSCS at www.fscs.org.uk/consumer.

We may also, on occasion, advise on other financial products which are not regulated by the FCA under the Financial Services and Markets Act 2000. The Financial Services Compensation Scheme does not apply to any of these products so, if we do recommend an unregulated product, we will confirm the lack of protection to you in writing at the time and before you act on the advice.

15. The law we work under

This Client Agreement is governed and shall be construed in accordance with English Law and the parties shall submit to the exclusive jurisdiction of the English Courts.

16. What happens if something goes wrong beyond our reasonable control?

Ermin Fosse Financial Management LLP shall not be in breach of this Agreement and shall not incur any liability to you if there is any failure to perform its duties due to any circumstances reasonably beyond its control.

17. Money Laundering and how it affects you

The Money Laundering Regulations 2007 require us to obtain and verify the identity of our Clients and, sometimes, people related to them (e.g. trustees, employers & other family members). We also need to monitor the transaction and keep identity information up to date. We may carry out an electronic verification of your identity. This involves checking the details you supply against those held on any databases which may be accessed by the reputable third party company which carries out our checks. This includes information from the Electoral Register and fraud prevention agencies. You agree that we may use personal information provided by you in order to conduct appropriate anti-fraud checks. Personal Information that you provide may be disclosed to a credit reference or fraud prevention agency, which may keep a record of that information.

18. Terminating our relationship

The authority to act on your behalf 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. Any transactions effected before termination and a due proportion of any period charges for services shall be settled to that date.