

# **Important Information**

## General Terms and Conditions

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This document sets out the General Terms under which we’ll provide our services to you, so it’s important that you read it fully and in conjunction with our Client Agreement. If there’s something you don’t understand please ask us to explain it.

We are conscious that not everybody is familiar with terms used in Financial Services, and so to help you navigate your way around this document and in an effort to provide ever greater transparency and understanding we have set out a Definitions page on this inside back cover of this document for easy reference.

If you have a question or concern about any aspect of our services, please contact us at:

t: +44 207 400 4700

e: [mail@hfmwealth.com](mailto:mail@hfmwealth.com)

w: [hfmwealth.com](http://hfmwealth.com)

a: Legal & Compliance Director, HFMC Wealth, 29 St John’s Lane, London, EC1M 4NA

## 1. Who we are and who authorises us

- 1.1 HFMC Wealth Limited (hereinafter “HFMC Wealth/we/us/our”) is authorised and regulated by the Financial Conduct Authority (“FCA”), 12 Endeavour Square, Stratford, London, E20 1JN. [www.fca.org.uk](http://www.fca.org.uk). Our FCA firm reference number is 192999.
- 1.2 We are registered as a company in England and Wales. Our company registration number is 01911493 and our registered office is at Russell House, 140 High Street, Edgware, Middlesex, HA8 7LW.
- 1.3 Our FCA permitted activities are advising on and arranging pensions, savings and investment products, investment and non-investment insurance contracts. Our permitted activities allow us to manage investments on an advisory but not on a discretionary basis. This means we can agree with you to regularly review the suitability of your account or portfolio, based on an assessment of your requirements, consult and make recommendations to you in relation proposed investment decisions, and implement your decisions following consultation. This is known as “investment advisory” or “non-discretionary investment management”. We are also able to advise on and arrange mortgages and home reversion plans.
- 1.4 In addition, we are part of a group of companies, a number of which are FCA authorised and regulated firms and one of them whose FCA permitted activities include discretionary investment management, more commonly known as discretionary fund management (“DFM”). In particular, our group includes:
  - 1.4.1 HFMC Asset Management Limited (“HFMC AM”), FCA firm reference number 194722, whose FCA permitted activities include DFM; and
  - 1.4.2 HFMC Private Client Services Limited (“HFMC PCS”), company registration number 05993367, whose activities include preparation of self-assessment tax returns, business accounts, and other taxation ad hoc and advisory services. This is not regulated by the FCA.
- 1.5 You can check our details on the Financial Services Register 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.
- 1.6 Please note that cash flow modelling, tax and estate planning are not regulated by the FCA.

## 2. General – our Agreement with you

- 2.1 Our agreement with you (“the Agreement”) is contained in the following documents:
  - 2.1.1 Your Client Agreement (“Specific Terms”);
  - 2.1.2 The terms and conditions in this document (“General Terms”).
- 2.2 You may also have a client agreement and terms and conditions with other of our group firms.
- 2.3 To help you read and understand these General Terms we have included a table of definitions at the end of this document.
- 2.4 Our General Terms relate to and are intended for both private individual and corporate or business clients and will apply to the relationship between you and us from the date you receive them from us. However, this will not commit either of us into the provision of specific services, or the payment for those services, until you have signed a Client Agreement setting out your Specific Terms as per paragraphs 2.6 and 2.7 below. The General Terms have been provided in advance of your Client Agreement so that you may better understand how we work with you.
- 2.5 We may use the services of other people or firms to help us fulfil our obligations under these General Terms. This does not affect our responsibility to fulfil our obligations to you.
- 2.6 This version of our General Terms supersedes any earlier versions of our Terms & Conditions.
- 2.7 If the General Terms conflict with any of the Specific Terms set out within your Client Agreement, then it is the Specific Terms of your Client Agreement that will apply. These General Terms and the Specific Terms of your Client Agreement affect your legal position. Please read them carefully to ensure you understand them and ask us if you are unsure about anything.

2.8 Once you have read, understood and had a proper opportunity to consider these General Terms and the personalised Specific Terms within your Client Agreement, we would ask that you sign the Client Agreement and return this to HFMC Wealth. This will confirm acceptance of both these General Terms and the Specific Terms of the Client Agreement.

### **3. Our categorisation of you as a client/customer**

3.1 We are permitted to carry on our FCA permitted activities with “retail clients” and “professional clients” (for investment business) and “consumer” and “commercial clients” (for insurance mediation business).

3.2 We are therefore required to categorise you as either a “retail client” or “professional client” when we carry on investment business for you, and we are required to treat you as a “consumer” or “commercial customer” when we carry on insurance mediation business for you.

3.3 We will separately notify you of our categorisation as a “retail client” or “professional client” and our treatment of you as a “consumer” or “commercial customer”.

### **4. Retail clients – highest level of protection**

4.1 We will categorise all private clients who are individuals as “retail clients” for investment business purposes (and treat them as “consumers” for insurance mediation purposes) unless we have formally agreed to treat you as a “professional client” for investment business purposes (see paragraph 5 below).

4.2 Being categorised as a “retail client” means you receive the highest level of consumer protection under the system that regulates us for investment business. However, this does not necessarily mean that you will automatically be eligible to refer a complaint to the Financial Ombudsman Service (“FOS”) under the dispute resolution regime. Please refer to section 35 “If things go wrong” for further details.

### **5. Professional clients – less protection and more flexibility when appropriate**

5.1 In certain cases, we will agree to categorise private clients who are individuals as “professional clients”, who are able to assess the suitability of their own decisions. We will also be entitled to categorise corporate or business clients meeting certain threshold conditions as prescribed by the FCA as “professional clients”. We will also treat those clients as commercial customers for insurance mediation purposes.

5.2 Where you engage with us as a “professional client”, we may take into account your investment expertise when complying with the requirements to provide you with a general description of the nature and risks of particular transactions.

5.3 We are also entitled to assume that in relation to the products, transactions and services for which you are categorised as a “professional client”, you have the necessary level of experience and knowledge to understand the risks involved, for the purposes of assessing suitability.

5.4 We are also entitled to assume that you are able to financially bear any investment risks consistent with your investment objectives.

5.5 If you are a “professional client” you retain the right to request that you be treated as a “retail client” offering higher protection.

5.6 Please note that if you have been categorised as a professional client and you are not a consumer you may lose your right to refer a complaint to the Financial Ombudsman Scheme (“FOS”).

5.7 At our discretion, we may nevertheless provide you with reports and notes akin to those provided to retail clients, but solely on the basis that these do not in any way dilute your status as a professional client in your dealings with us, for example, paragraphs 5.2 to 5.6 would continue to apply.

### **6. Treating clients fairly**

6.1 We recognise the importance of treating our clients fairly. We want you to be confident that we put our clients at the heart of our business. So, we are fully committed to providing you with services, products and advice that meet your circumstances, needs and objectives. We will also seek to ensure that all information we give you is fair, clear and easy to understand.

## 7. About you

- 7.1 In order for us to provide you with suitable advice, it is important that the information you give us about your circumstances, objectives and attitudes is accurate, comprehensive and up to date. If you limit the information you disclose, or provide inaccurate details, this could impact the suitability of our advice and recommendations. Should we not be able to obtain sufficient information to be able to assess suitability then we may not be able to make a personal recommendation to you as it could be to your disadvantage if we did so.

## 8. What we do

- 8.1 As a Group we provide a comprehensive, independent, wealth planning and asset management service that is focussed on our clients. Our starting point is to understand how you are distinct: our sensitivity to your needs combines with the flexibility of our approach to determine the best strategy to achieve your ambitions for your wealth. From tailored investments to insurance solutions, mortgage services to tax and estate planning, our highly qualified, private client teams are here to help you achieve your financial objectives. We are planning led and are able to advise on, and implement, our client's investment decisions and investment strategies.
- 8.2 Our advice is classed as "independent" under FCA rules because we offer advice on a wide range of financial strategies and products rather than a restricted range of product types. Products that we do advise on are selected on a whole-of-market basis, which means we research providers' products across the market in that area to see which are the most suitable for us to recommend to you. We regularly review the market to ensure that the services and products we offer are appropriate for our clients.
- 8.3 Whatever financial decisions you have to make, the first step towards making the right decisions is to establish a clear understanding of your financial needs.
- 8.4 People seek financial advice for many different reasons so it's important that we understand exactly who you are, what your circumstances are, and what you want to achieve. At the beginning of our relationship, we will gather information about you to help define your needs and priorities.
- 8.5 We provide our advice and implementation services on an on-going "Wealth Planning" or one-off "Stand Alone Advice and Implementation" basis as described in paragraph 8.6 below. Our services include:

**Financial planning:** It is important to identify what you might want to achieve and how you can do this. We can help you to identify your goals and create a plan for your finances to help you achieve them.

**Retirement planning:** It is important to know whether the money you are saving towards retirement will provide you with sufficient funds to meet your retirement objectives. We can work with you to proactively plan for your retirement and help you decide on the options available once at retirement.

**Protection planning:** Most of us want to protect the things that are important to us, our family, business and quality of life. Protection planning can help to provide peace of mind for example, in the event of your income changing due to unexpected events. We can help you plan how to protect you, your family or your business.

**Cash flow forecasting & planning:** Creating a lifetime cash flow plan helps you see the big picture and set long and short-term life goals, a crucial step in mapping out your financial future and challenging assumptions. It allows you to understand your choices and inform your decisions.

**Investment management and advice:** Having been advised and having decided on how you should structure your financial affairs to give yourself the greatest ability to achieve your objectives, you will need to manage the funds that will ultimately enable you to realise your goals. We can provide investment management to suit your requirements, providing in-house investment management services, available both on a discretionary basis (through a recommendation to use HFMC AM) and on an advisory basis (through HFMC Wealth), as well as through external DFMs as appropriate.

- 8.6 As indicated, our work is broadly divided into two areas: "Wealth Planning" and "Stand Alone Advice and Implementation" services.

For both, we undertake:

1. Advice, planning and analysis

## 2. Implementation of our advice

Additionally, for the “Wealth Planning” service we can provide:

### 3. Continuing oversight, monitoring and review

- 8.7 Our “Wealth Planning” services can include investment advisory investment management services. Should it be appropriate for us to recommend the use of HFMC AM or an external DFM to meet your investment management needs (i.e. to provide discretionary investment management services) then we are able to provide financial planning advice with oversight of HFMC AM or the external DFM.
- 8.8 To assist you in the ongoing management of your wealth our “Wealth Planning” service may include the following:
- Confirming your financial goals and objectives
  - Establishing your attitude to, and understanding, of risks
  - Reviewing your current plans, investment and assets
  - Undertaking research to identify appropriate plans and solutions
  - Providing personalised reports and recommendations as appropriate
  - Holding meetings to discuss our recommendations as appropriate
  - Implementation of agreed recommendations
  - Access to the investment management services and the expertise of HFMC AM as a DFM
  - Undertaking appropriate due diligence and recommending external DFM services (if appropriate) that we believe best meets your needs and objectives
  - Attending meetings with you and the DFM (where appropriate) and ensuring that your relationship with the DFM is established and maintained correctly
  - Access to your HFMC Wealth Private Client Director/Adviser and their team to deal with any queries or advice issues arising outside of the formal review process.
  - Regular asset allocation reviews of our model portfolios by our Investment Committee ensuring that the strategy employed remains appropriate.
- 8.9 Our “Stand Alone Advice and Implementation” service may be suitable if you’re looking for a specific piece of one-off advice, limited to a particular area. For products normally requiring Annual Reviews, where we set up such a financial product on your behalf, acting as your intermediary under our “Stand Alone Advice and Implementation” service, we will resign as intermediary to the product once it has been established as we will not be responsible for the ongoing review of the product.
- 8.10 However, under our “Stand Alone Advice and Implementation” service, we will not typically resign as an intermediary for life assurance, income protection and critical illness insurance plans as the remuneration for these plans is usually structured with higher initial commission paid in year one of a contract, part of which may be subject to clawback in later years should the plan be cancelled or lapse (typically up to a maximum of 2-4 years). Should such a clawback arise we will notify you of the sum clawed back and invoice you for this sum unless otherwise agreed. The smaller commission payments in subsequent years help cover ongoing administration costs. Under our “Stand Alone Advice and Implementation” service we will not in any event be responsible for the ongoing review of any such plan i.e. we will not review its ongoing suitability to meet your needs.

## 9. The scope of our advice

- 9.1 Whether we are providing ongoing “Wealth Planning” or “Stand Alone Advice and Implementation” services,

we offer independent investment advice. As already explained in paragraph 8.2 above, this means that we consider a wide range of financial strategies and products. We regularly review the market to ensure that the services and products we offer are appropriate for our clients.

9.2 Where we recommend particular investment strategies and products to you, these will be selected based on your personal circumstances, financial goals and objectives (i.e. our recommendation will be a “personal recommendation” to you). We will consider a number of factors, including the services you need, the cost of investing, tax considerations, how much risk you are prepared to accept in an investment product and how much of a drop in its value you could withstand. Insurance products may have different assessment criteria such as policy terms, premium, financial strength of insurer, underwriting capability etc. We will take those criteria into account when giving our advice.

9.3 The products we can advise on currently include, but are not necessarily limited to the following:

- |                                   |  |   |
|-----------------------------------|--|---|
| • Open ended Investment companies | • Enterprise investment scheme (EIS)                 | • Phased retirement and income drawdown |
| • Unit trusts                     | • Structured products, including structured deposits | • Term Assurance                        |
| • ISAs                            | • Venture Capital Trusts (VCT)                       | • Critical Illness                      |
| • Investment Bonds                | • Pensions   | • Income Protection                     |
| • Exchange Traded funds           | • Annuities  | • Long Term Care                        |
| • Investment Trusts               |  |   |

9.4 We do not provide advice in relation to individual share holdings. If this is something you need assistance with, we can refer you to an appropriate institution.

9.5 We do not provide advice on options, futures and other derivative contracts.

9.6 We do provide advice on pension transfers, except for transfers from a defined benefit scheme in which case we will refer you to a suitably authorised strategic partner.

9.7 We are able to act on your behalf in advising and arranging residential, commercial, overseas and holiday home mortgages. We can also advise on consumer, business and/or portfolio landlord buy-to-let mortgages. We will introduce you to our in-house specialist team of independent mortgage advisers. We offer advice on and arrangement of mortgages in the non-business and business markets and first charge and second charge loans in both markets.

9.8 We will provide you with further mortgage-specific terms and conditions for your consideration and acceptance should you be introduced to our mortgage specialists.

9.9 We may also agree to advise on or arrange products for other types of business that are not investments under the Financial Services and Markets Act 2000.

9.10 We may provide services that are not regulated by the FCA, such as cash flow modelling, estate planning and some aspects of taxation and trust guidance. We are not tax or legal advisers. We do not provide such advice except as specifically stated in our recommendations and service descriptions. We recommend you take your own tax and legal advice as needed. We can also refer you to tax professionals as required for the completion of tax returns, tax enquiries, self-employed and company accounts and other tax services.

## 10. Our recommendations when giving advice

10.1 Before providing advice, we will assess your needs, consider your financial objectives and assess your attitude to any risks that may be involved. If you do not want to discuss a particular area of financial planning and consider that area should not form part of the advice given, we can exclude it, if you instruct us to do so. However, excluding a particular area of planning could result in advice being given to you that is different to the advice that would otherwise have been provided having carried out a more wide-ranging assessment of your financial affairs and objectives.

10.2 Before making any recommendations, we will carry out a suitability assessment so that we are able to act in your best interests.

- 10.3 We will confirm any recommendations we make in writing (our suitability report) along with details of any special risks that may be associated with the products or investment strategies we've recommended.
- 10.4 Where we agree to provide you with our Wealth Planning services and these include an ongoing review of the suitability of the investments or oversight of the DFM we have recommended, we will carry out this review at least annually ("Annual Review"). To do this we will need to make contact with you to assess whether the information we hold about you remains accurate and up to date. We will issue you with a report setting out the results of our assessment and, if relevant, any updated recommendations.
- 10.5 We do not provide an active review for any VCTs and EIS investments that are not held on an investment reporting Platform. This is because once invested into these types of products there are very few changes we can recommend until an exit strategy becomes available. As such we do not include these when calculating your ongoing fees payable to HFMC Wealth (please see paragraph 10.6 below).
- 10.6 Where any such products are recommended and arranged by us and are not held on an investment Platform we will, without cost to you, provide you with factual information about your VCTs and EIS investments when we provide an annual valuation of the rest of your portfolio. In addition to this we will take into consideration any VCT and EIS investments when we provide holistic financial planning advice under our "Wealth Planning" or "Stand Alone Advice and Implementation" services.
- 10.7 Where you have signed up to our Wealth Planning services you agree to notify us as soon as possible of significant changes in your circumstances during the year because this may affect our performance of these services under these General Terms. We are entitled to rely on the information you give us.
- 10.8 If you are utilising our "Stand Alone Advice and Implementation" services, then our responsibility for ensuring that the advice provided remains suitable will end once the advice has been provided and any recommended product or solution has been arranged or implemented (if appropriate). We will therefore not be responsible for ensuring that the advice provided remains suitable for you on an ongoing basis. As already mentioned, we will typically resign as intermediary to any product that we have established on your behalf once implementation has been completed as we will not have ongoing responsibility for the product, though we will retain liability for the advice that we provided at the point at which it was given.
- 10.9 Please be aware that investments can fall, as well as rise, and that you may not get back the full amount invested. The price of investments we may 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.
- 10.10 Specific warnings relevant to the investments, investment strategies or other products we arrange are provided in the relevant product literature provided by us to you.
- 10.11 We may, where appropriate, recommend holding some, or all, of your investments with a DFM. In such cases we will explain the respective responsibilities of ourselves and the DFM in relation to your investments.
- 10.12 In some circumstances we may need to act as your 'agent' in relation to the part of your portfolio held with a DFM. This means that you won't have a direct contractual relationship with the DFM and the DFM will instead treat our firm as its client. Before setting up this type of arrangement we will explain the implications to you.
- 10.13 We may occasionally recommend investments that are not readily realisable. We will only do this where appropriate but if we do, we will draw your attention to the risks associated with the investments in our suitability report. There is a restricted market for such investments and in some circumstances, it may not be possible to deal in the investment or obtain reliable information about its value.
- 10.14 When providing any recommendations for insurance business, HFMC Wealth acts as an insurance intermediary. We will then provide personal recommendations (advice), on the basis of a fair and personal analysis of the market.
- 10.15 Our services may include advice on investments relating to holdings or transactions in non-mainstream pooled investments (NMPI), including unregulated collective investment schemes (UCIS). Due to their typically high risk and complex nature, there are very specific regulations concerning the marketing of such products. We will only discuss these with clients who we have assessed as being eligible. Separate fees will apply to such products and be agreed on a case by case basis.

## 11. Our implementation and best execution after giving advice

- 11.1 We will issue you with a written suitability report prior to a transaction being concluded. We consider the conclusion of a transaction to be the funding of a contract, by means of the transfer of cash or assets to facilitate your instructions.
- 11.2 Where we send investment applications on your behalf to third parties (e.g. to put an investment into force), we will take all sufficient steps to ensure that we obtain the best possible result for you. This is referred to as 'best execution'. We have a best execution policy. If you would like to see a copy of it, please ask us.
- 11.3 We may provide you with application forms to make investment applications we recommend either with our suitability reports or separately.
- 11.4 In the event that we provide you with an application form supported by a suitability report, and in the event that you complete and return the application form, we will accept this as your instruction to implement the advice in accordance with our recommendations.
- 11.5 In the event that we do not provide you with a suitability report when we provide you with the application form, we aim to prepare and send you either a suitability report or confirmation note within 5 working days following the completion of the application form. We require that you read and consider the written advice in our suitability report or confirmation note prior to the conclusion of any contract, which (as already mentioned) we consider to be the funding of a contract.
- 11.6 Where, as in paragraph 11.5, an application form has been completed in advance of the funding of a contract then your instruction to fund the contract will be considered to be your acceptance of our advice. Should the advice be in relation to the reinvestment of cash already under our advice and management, then we will consider that you are happy to proceed 24 hours after having received our advice in writing, after which we will instruct the investment of cash. We will seek to confirm this with you as best practice.
- 11.7 We understand that it may not always be practicable or convenient for you to have to wait to receive a suitability report in advance of completing an application form having received our advice verbally. For your convenience, but also for your protection, we can assist you with the completion of an application form whilst with you, but we will not implement or transact an investment or put a policy into effect until you are either in receipt of our advice in writing or have received a confirmation letter from us in relation to the advice. As set out in paragraph 12.5, we will issue you with a suitability report prior to a transaction being concluded.
- 11.8 Should we advise you not to buy or sell an investment we will seek to issue you a suitability report as soon as possible after our meeting with you and aim for this to be no later than ten business days following this meeting.

## 12. Our charges for our services

- 12.1 Our approach to charging is simple – we aim to ensure that clients are clear about the services being provided, and the charges that they pay for those services. We are keen to ensure that we agree charges that represent fair value, both to you as a client and to ourselves, providing a solid foundation for a successful long-term relationship.
- 12.2 Transparency is central, particularly where charges are concerned. Fees will be explicitly detailed in monetary terms and agreed with you in advance. You will also be notified of any additional costs which might be incurred, prior to such work proceeding.
- 12.3 Our charges fall into the following categories:
- Initial or One-off Charges: these are for the upfront costs of our planning and implementation services. They include planning fees and implementation fees. They can apply to both our ongoing Wealth Planning and Stand Alone Advice and Implementation services (as described in paragraphs 8.6 to 8.10 above) and will depend on whether the service relates to:
    - Financial planning (please see paragraph 13 below)
    - Protection business (please see paragraph 14 below)
    - Cash flow forecasting and planning (please see paragraph 15 below)

- **Ongoing Charges:** these apply to our on-going Wealth Planning service and include payment for our initial planning and implementation services (as above) and our continuing oversight, monitoring and review services: once your financial plan is in place it is important keep it under review so it can be adapted, where necessary, as your circumstances change. Our ongoing services are designed to do this. (Please see paragraph 16 below).

12.4 Our agreed charges will be set out clearly with you before we do any work and we will also explain your payment options (please see paragraphs 12.5 and 12.11 below). We will also let you know where any fees are subject to VAT based upon our understanding of HMRC practice.

12.5 Initial or One-off Charges can be paid in a number of ways:

- Cheque, card or electronic transfer. Planning fees and implementation fees can always be paid directly from your bank account. You may pay us by cheque, BACS transfer, or by debit card for the amount stated in our Client Agreement. We do not accept payment by cash.
- Paying your Fees from a new or existing investment product (including pensions). Any implementation fees can usually be deducted from your investment. In the event that we do not recommend the implementation of a new product your adviser can confirm if it is an option to pay the planning fees from an existing product that you hold.
- To facilitate this, you will need to give written authorisation to the product or Platform provider to deduct the agreed fees from the product or Platform to pay us on your behalf. This way of paying will depend upon the process adopted by the relevant product provider. Please note that if you cancel a product you may still be liable for fees that you have agreed to pay us.
- Payment may be met via deductions from the financial product(s) you invest in or (if relevant) deductions from the amount invested with a DFM. Most product providers/DFMs offer this facility using it will reduce the amount you have left to invest may, depending on your circumstances, have other consequences (we will discuss this with you beforehand).
- For investments held on a Platform you may choose to pay our fees out of the funds held in the Platform cash account.

12.6 If, as a result of our recommendations, you take out a regular contribution product where investments are made on a monthly, quarterly or annual basis, it may be possible to have our initial fees deducted from the product in instalments where the provider is able to offer this facility. Here is an example to show how this could work based on a £25,000 per quarter policy assuming a 1% initial fee on a total investment of £100,000 over 12 months:

12.7 The total initial fee would amount to £1,000.

12.8 Each quarter during the 12 months that you invest your premium of £25,000 your product provider will deduct and pay us £250.

12.9 We will discuss your preferences in relation to how fees are calculated and means of making payment and select the method which best suits your needs. Where possible, fees will normally be paid by deduction from your investments and other financial products.

12.10 Some of our services are liable to VAT, and you will be informed when this applies. Generally, where we are providing advice, implementation and an ongoing service (referred to as 'financial intermediation', then no VAT is payable. Where we are providing advice only and no intermediation, then VAT applies. This is based on our current understanding of HMRC practice which could change.

12.11 If you wish to take up our ongoing Wealth Planning service, the related Ongoing Charges can also be paid in a number of ways:

- A regular retainer fee, paid by standing order
- By deduction from your investment(s) on a monthly, quarterly, six-monthly or annual basis, where the product / Platform provider or DFM is able to offer this facility

- For investments held on a Platform you may choose to pay our fees from the funds held in the Platform cash account. Therefore, it is important to maintain sufficient funds in the account to cover our charges as they become payable. It is your responsibility to ensure that sufficient funds are held to meet Platform charges. We seek to address your cash holdings as part of our advice following an Annual Review so that this is not a concern.

### 13. How we charge for financial planning and implementation – Our Initial or One-off Charges

- 13.1 As already explained in paragraph 8.2 above, we provide a financial planning service that is by its very nature independent. This means that you will receive a personalised recommendation based on a comprehensive, fair and unbiased analysis of the relevant market. Following an initial discussion to understand your outline financial position and requirements, which is a non-chargeable meeting, we use our experience to assess the complexity and the time involved in preparing our advice for you to prepare a fee estimate.
- 13.2 Value can be added by us in a variety of ways, for example, achieving competitive long-term investment returns, reducing risk, mitigating tax, removing or reducing complexity, simplifying administration and above all, providing lasting peace of mind for you and your family. These potential outcomes are achieved by drawing upon our extensive due diligence processes and utilising the expertise of our highly qualified staff, and upon tools we have developed and acquired to help develop value added outcomes for our clients.
- 13.3 We will charge a fair fee for the work we do, and to make this as clear as possible, we generally separate our service and associated fees into initial and ongoing work (as explained in paragraph 12.3 above). The key for us is to develop lasting, ongoing relationships with clients, and initial advice is generally provided with the intention of HFMC Wealth being engaged to provide an appropriate level of ongoing service.
- 13.4 Our Initial and One-off Charges for initial advice take into account the time costs of planning and implementation: data gathering, obtaining a clear understanding of your objectives, research, preparation work and administration, advice and implementation. They will reflect the expertise and experience of those involved, the value provided by our various technical and due diligence departments, including where appropriate, our investment management and research, tax mitigation and personal and corporate finance departments.
- 13.5 We will agree with you either a “fixed estimate” Project Fee or a fixed “Percentage Execution Fee” for this work to give you greater certainty over your costs. Many of our clients welcome the simplicity and clarity of this approach without the fear of clock watching.
- 13.6 We reserve the right to increase Initial or One-off Charges if additional services are requested, if the scope of the engagement is to change, or if it becomes clear that the matter is significantly more time consuming or complicated than expected. We will let you know as soon as it becomes clear that a fee increase would have to be agreed but would not proceed without such agreement.
- 13.7 The rates used to calculate our Project Fees will vary periodically and you should expect increases as and when our costs increase.

#### Summary of our Initial or One-off Charges

Initial consultation (1st meeting)	The first meeting is at our expense.
Subsequent fees for planning and analysis and implementing our advice	<p>One of the following:</p> <ol style="list-style-type: none"> <li>1. For planning and analysis we typically charge a Project Fee, based on the time we anticipate spending and the level of expertise required to carry out the work involved (or we can agree a fixed percentage fee). That will not change unless the brief changes fundamentally and we will then agree a revised fee.</li> <li>2. For implementation of an agreed investment or product strategy, we charge a Percentage Execution Fee of 1% of the assets to be managed, subject to minimums fees as set out in 14.8 and 14.9 below (e.g. an execution of £10,000 would be payable on an investment of £1m of assets if 1% is agreed). For less liquid investments, to be established on a buy and hold basis we charge a percentage execution fee of up to 3% as set out in 14.10.</li> <li>3 Where we are appointed in respect of Wealth Planning and/or HFMC AM is appointed as DFM in respect of asset management the fees quoted in (1) and (2) above are offset such that only the greater of the two applies, unless specifically stated within your Client Agreement.</li> </ol>

13.8 We reserve the right to charge a minimum fee of £1,000 as a Project Fee or Percentage Execution Fee for a new product where the sum to be invested is below £100,000. This is to ensure that at least the majority of our costs of providing straightforward advice are covered. The minimum charge will not apply to additional contributions being made to otherwise unchanged existing contracts.

**Example 1** – a client being charged using a Percentage Execution Fee basis and being recommended an investment of £20,000 to a new ISA would pay a 1% initial charge for planning, analysis and implementation, subject to a minimum fee of £1,000.

As  $£20,000 \times 1\% = £200$ , we would reserve the right to charge our minimum fee of currently £1,000 to cover our costs. This allows for meeting time with an adviser, plus time researching and drafting advice, plus administrator time establishing the ISA account and liaising with the provider recommended.

**Example 2** – a client has an existing ISA for which we have previously assessed suitability and wishes to make a top up investment of £20,000. Where the recommendation is to top up the existing ISA the fee would be  $£20,000 \times 1\%$  initial charge = £200, but the minimum fee would not apply as this is a contribution to an existing product.

13.9 The same principle applies for advice relating to the advantages and disadvantages of transferring an existing personal pension or (occupational money purchase pension) to a new provider. For pension transfer advice we reserve the right to charge our minimum fee which is currently £2,250, again reflecting the level of meeting, research, advice and implementation time involved. This work is more time intensive as the costs, features and benefits of an existing product need to be considered against the costs, features and benefits of a new plan.

13.10 Limited capacity products or ones of a particularly complex nature requiring a higher level of due diligence may attract a higher Percentage Execution Fee, such as structured products, Venture Capital Trust ('VCT'), Enterprise Investment Scheme ('EIS') and private equity funds. Any such fee will be capped at 3% of the initial amount invested for implementation. Some non-retail products are commission based. These will be discussed, agreed and signed off with you on a fully transparent basis as and when applicable.

13.11 Our suitability report will state the precise charges regarding any recommendations we make. Any costs charged by a product provider or investment manager are payable by you in addition to our charges.

13.12 Before we provide you with our advice, we will add together all the costs and charges payable so that you are able to understand the overall costs of our services and the costs charged by the relevant service providers. This is referred to as Aggregated Costs and Charges Information.

13.13 By instructing us to commence work (by signing a Client Agreement confirming the scope of the work), you are agreeing to pay the charges for our services, which will be set out and approved by you in advance. We will also confirm the method by which you would prefer to settle your fees (generally facilitated via the products we recommend or charged by invoice), and whether any VAT applies.

13.14 Our Initial or One-off Charges become payable once we have completed the agreed work, and we would ask that these are settled within 28 days where they are not met through a product that has been recommended.

13.15 If we make recommendations and you choose not to implement them, you may still need to pay any fees agreed for the advice as set out previously (in paragraph 13.7 (1) above).

13.16 There are several options and restrictions for different product types and tax treatments that may or may not allow fees to be settled from a product or investment. We will confirm whether this applies to any of your investments in our suitability report.

## **14. How we charge for protection business – Our Initial or One-off Charges (Commission offset and on regular premium policies (non-investment insurance business only))**

14.1 The arrangement of insurances falling within our protection business is outside of our Wealth Planning service charge. You can pay for our advised protection services by fee, commission or a combination of these. However, the life assurance market still operates using a commission-based system. Our minimum fee for the provision and implementation of protection advice is £1,000.

14.2 The amount of commission varies both by product type, provider, and level of cover required. As such we will

not know how much commission is due until we have assessed your needs and determined an appropriate solution. If the initial commission provided by the solution recommended is less than the minimum protection planning fee of £1,000 you may be required to pay a top up fee directly to us.

- 14.3 Where initial commission is received in respect of a life policy or other protection plan, we will retain the commission generated as part payment of your fee. You will be informed of the amount of the expected amount of that commission at the time of applying for the policy. We will additionally be informing you of any shortfall to our minimum advice fee of £1,000.
- 14.4 In relation to non-investment protection contracts, if you wish us to work on a fee basis and rebate all commission due back into the plan to potentially make it more cost effective then the fee will be based on the ordinary commission which would otherwise apply, on an indemnity basis (indemnity commission is where the provider advances commission to HFMC as a lump sum).
- 14.5 We will not rebate commission back to you directly in lieu of reducing premiums as doing so results in potentially adverse tax consequences to you and financial risk to HFMC in the event of premiums ceasing within 48 months.
- 14.6 If the commission payment relates to a regular contribution policy and you stop paying premiums on that policy, we may be obliged to refund the commission back to the policy provider. In such cases, we reserve the right to request that you pay us the full refund we have had to pay to the provider, to ensure that you cover the cost of our services. Such payment to be made by you within 14 working days of our request.
- 14.7 The solutions or products we arrange for you will only be kept under review where you have subscribed to, and agreed to pay for, an ongoing service from us. Our ongoing service is optional, but where agreed, all applicable charges will be presented to you for approval, and the service provided as a follow up to the initial advice.
- 14.8 If we agree with you to accept commission as part payment, you will need to pay any additional money needed to complete the payment.

## **15. How we charge for cash flow forecasting and planning – Our Initial or One-off Charges**

- 15.1 Where it would be helpful to obtain a clearer picture of potential financial planning requirements, we may recommend that we undertake shorter term and/or lifetime cash flow forecasting utilising our HFMC MoneyMap™ planning service either as an ad hoc service or alongside an ongoing Annual Review. Many of our clients find this is a valuable ‘sense check’ of their position, establishing how on track or otherwise they are to meet their goals, and what compromises (if any) may be required. It can also be used to inform the next steps in formulating a structured financial plan to achieve your goals.
- 15.2 Whilst a proven and useful tool for most, cash flow forecasting may not be appropriate for all clients; some prefer to move straight into dealing with more specific objectives and planning matters.
- 15.3 This service is typically charged separately to the Wealth Planning services and is also available within the “Stand Alone Advice and Implementation” service.
- 15.4 We would expect cash flow planning costs to currently range from £2,000 for a simple cash flow to £10,000 for a complex cash flow. If applicable, cash flow planning can be incorporated into an initial overall agreed planning fee with subsequent updating incorporated into our ongoing agreed service fee. We would always confirm in writing how much the adviser fees would be before any work is initiated.

## **16. How we charge for our ongoing Wealth Planning services – Our Ongoing Charges**

- 16.1 The Ongoing Charges for our Wealth Planning services can be summarised as:

## Summary of our Ongoing Charges

SERVICE	WEALTH PLANNING SERVICE
Cost	<p>1.00% per annum of assets under management or advice, typically based on the average value of the Portfolio(s) to which you are linked, based on a 30-day month. This may vary from provider to provider where facilitated from a product and is inclusive of in-house investment management services (including HFMC AM), subject to a minimum fee.</p> <p>Where it is not appropriate to utilise our in-house investment services then our fee will be 0.8% per annum on assets under advice/influence. We may charge up to 1% p.a. for complex clients, such as overseas clients with complicated tax affairs.</p>
Minimum Cost p.a.	Currently £3,000, reviewed each April for the year ahead.

16.2 The above **Wealth Planning** Ongoing Charge excludes the costs of our initial planning and implementation service but includes our ongoing investment services where provided by HFMC Wealth or by HFMC AM (excluding VAT). Further examples of how this works in practice can be found below.

16.3 Our Ongoing Charges are paid monthly. Any percentage charges quoted are on a per annum basis.

**Wealth Planning Example 1** - A **Wealth Planning** client receiving planning and implementation services from HFMC Wealth and investment management services from HFMC AM:

- If you invested £1m, our total fee would be 1% of £1m = £10,000 per annum. This represents our financial planning fee of 0.7% p.a. plus HFMC AM's fee of 0.3% for DFM services on which VAT would additionally be chargeable (0.06%)
- If you invested £1.75m, our fee would be 1% p.a. of £1.75m. Where the fee is collected through an investment this is usually paid monthly. If the value of your fund is £1,750,000 and we have agreed a 1% p.a. charge, at the end of a month you will pay £1,458 for that month's services (which is one twelfth of £17,500 – 1% of £1,750,000). VAT currently of 0.04% would additionally be payable and this equates to £58.33 per month (£700 per annum). In addition to the above you would be responsible for paying the underlying costs of the investments and any third-party custody or Platform costs. These are not received by HFMC Wealth.

**Wealth Planning Example 2** - A **Wealth Planning** client receiving planning, implementation and investment advisory services from HFMC Wealth:

- If you invested £1m, our total fee would be 1% of £1m = £10,000 per annum. This represents our financial planning fee of 0.7% p.a. plus our investment advisory fee of 0.3% p.a.. We would not expect VAT to be chargeable in addition, making the total charge 1.0% p.a.
- If you invested £1.75m, our fee would be 1% p.a. of £1.75m. Where the fee is collected through an investment this is usually paid monthly. If the value of your fund is £1,750,000 and we have agreed a total 1% p.a. charge, at the end of a month you will pay £1,458 for that month's services (which is one twelfth of £17,500 – 1% of £1,750,000). VAT currently of 0.04% would additionally be payable and this equates to £58.33 per month (£700 per annum). In addition to the above you would be responsible for paying the underlying costs of the investments and any third-party custody or Platform costs. These are not received by HFMC Wealth.

**Wealth Planning example 3** - A **Wealth Planning** client receiving financial planning, strategic oversight, periodic suitability reviews, investment monitoring and ongoing oversight of third party DFM from HFMC Wealth:

- If you invested £1m, our fee would be 0.80% of £1m = £8,000 plus VAT at current rates = £9,600 per annum
- In addition to the above you would be responsible for paying the costs of the external DFM, the underlying costs of the investments and any third-party custody or investment Platform costs. These are not received by HFMC Wealth.

- 16.4 Ongoing services and Ongoing Charges will begin in accordance with your individual agreement and can be cancelled at any time by informing us in writing. Please note that we do reserve the right to charge you for services provided prior to cancellation.
- 16.5 Where the agreed charges are based on a percentage (%) of the value of your investments, please note that the amount of ongoing payment we receive will increase as the size of your fund grows and decrease should your fund size decrease.
- 16.6 In some circumstances, we may receive ongoing commission payments from product providers relating to existing investments you hold. Any such payments may be taken into account when determining our charges for ongoing services and will be discussed and agreed with you where relevant.
- 16.7 You can pay our charges by cheque, debit and credit card, bank transfer, or more commonly by deduction from a financial product, where the product/Platform provider allows this. Please note that if you choose to pay via a product (known as facilitation), this will reduce the amount left for investment, or increase the premium cost, depending on the type of product.
- 16.8 Charges falling due will become payable upon completion of our work and should be settled within 28 days of invoicing, to the extent that they are not settled through any recommended solution.

## **17. Client information and account opening**

- 17.1 We are obliged to put in place controls to prevent our business from being used for money laundering and other forms of financial crime.
- 17.2 We will verify your identity before undertaking any business with you. To do this we may use electronic identity verification systems and we may conduct these checks from time to time throughout our relationship, not just at the beginning. The check may leave a 'footprint' on your credit file, but it will not affect your credit rating.
- 17.3 We require the completion of all necessary account opening documentation in advance of any financial advice being provided and in advance of any order being placed or funds/investments being accepted.
- 17.4 Where you are required to provide documentation, you will need to provide us with the original, or a certified copy, of the required documentation on request.

## **18. Capacity / Authority to enter into this agreement and undertakings**

- 18.1 You agree that you have the necessary legal power and authority and the necessary consents, licences, authorisations and approvals to lawfully enter into and be bound by the terms of the Agreement.
- 18.2 You confirm that:
- All cash and investments are at all times legally or beneficially owned by you
  - The information given by you to us in any account opening documentation or supplied to us as part of our client take-on process is complete and accurate
  - Where you provide such information, we will assume that it is accurate and will accept no responsibility or liability and will not be responsible for any loss or damage incurred by you if such information changes or becomes inaccurate unless we are made aware by you that the information is out of date.

## **19. Right to cancel the agreement and amendments**

- 19.1 Ending this Agreement
- You or we may terminate this Agreement at any time, without penalty.
  - Notice of termination must be given in writing and will take effect from the date of receipt.
  - Any transactions already initiated will be completed according to this Agreement unless otherwise agreed in writing.

- You will be liable to pay for any services we have provided before cancellation and any outstanding fees, if applicable.
- 19.2 In the event of termination, we reserve the right to charge you a proportion of the expected project fee (or commission where that is being used to discharge our fee) as defined in your Client Agreement as follows;
- 19.3 If we complete the work through the discovery phase, collating information about you and any existing plans or products then 25% of the expected fee may be chargeable at the discretion of the adviser. This is chargeable to cover our costs in relation to the work completed to date.
- 19.4 If we have completed the work through the recommendation stage, then the project fee will be charged in full unless a percentage fee has been agreed for preparation of both recommendation and implementation then 75% of the expected fee will be due. We will tell you if you need to pay VAT, though if there is no implementation of a recommendation then we would expect for VAT to be payable. If the related charges have been agreed all time charges incurred to the point of termination would be due.
- 19.5 Amendments - From time to time it may be necessary to amend the terms set out in this agreement. Where material, we will write to you with details of the changes with at least 1 months' notice. You will be as free, if you wish to end this Agreement, as you are at any other time. We will seek to strike a fair balance between our interests and yours. Subject to that, we may make changes to these General Terms and the Specific Terms of your Client Agreement for any valid reason, including the following:
- 19.5.1 to comply with changes to legal or regulatory requirements or with industry guidance;
- 19.5.2 to allow for the introduction of new or improved systems, methods of operation, services or facilities;
- 19.5.3 to reflect changes in circumstances or the happening of any event outside of our control and which means that the General Terms and Conditions or any of the Service Terms operate in a way which is unfair to you or our other clients;
- 19.5.4 to remedy any errors, omissions or ambiguities which we may discover in the future, or to otherwise make them clearer or more favourable to you.
- 19.5.5 to change our Initial or One-off Charges and/or On-going Charges for changes to the costs of providing the associated services, including increases of costs caused by the introduction of new technology or systems, new legislation and regulatory requirements.
- 19.6 We will publish the latest version of these General Terms on our website ([www.hfmcwealth.com](http://www.hfmcwealth.com) )
- 19.7 Product cancellation rights - Full details of any financial products we recommend to you will be provided in the relevant product information you will receive. This will include information about any product cancellation rights along with any other early termination rights and penalties if applicable.
- 19.8 In general terms, the cancellation period for life and pensions contracts is 30 days, and for other investments and general insurance is 14 days. A cancellation notice will typically be issued directly by the product provider once an application has been processed and accepted and put into force.

## **20. Communicating with each other**

- 20.1 We will issue all communications in plain English and will accept communications and instructions only in writing and in English.
- 20.2 We will take reasonable steps to verify your identity when carrying out your instructions. You accept that we cannot guarantee that access to us will always be by telephone or any means of electronic communication during normal operating hours. We are not liable for any fault in any method you use to send us a communication or any loss or corruption of any communication.
- 20.3 It may happen that you ask us to arrange a payment to a new bank account not previously notified to us. If so, we may arrange the payment only after we have verified details of the account and received your written and signed confirmation of those details within seven working days of receiving your original instruction.

- 20.4 Our usual ways of communicating with you are by email, secure messaging, telephone (including text messages), post, Skype, Zoom video conferencing and in person.
- 20.5 If we receive an instruction from you by email or text we will send you an acknowledgement. We are not regarded as having received any order you have sent electronically unless we have acknowledged receiving it.
- 20.6 Where you have provided us with your email address, you consent to us delivering documents (including risk disclosures, valuations or statements of your investment account(s), general information about the firm and its services) to you by means of our website, our relevant HFMC Wealth portal or by e-mail.
- 20.7 HFMC Wealth wishes to ensure that personal and sensitive data is communicated securely. Where email correspondence contains personal and/or sensitive information we will password protect the email for you as recommended by the Information Commissioners Office to help prevent fraud. Should you not wish for your email correspondence to be password protected then we will confirm this with you in writing and will respect your wishes. We will periodically confirm this preference with you and at no less than 3-year intervals.
- 20.8 Where possible, we would like to communicate with you electronically because of the obvious efficiencies this creates. For the provision of ongoing updates, and in addition to a dedicated section on our website, our periodic newsletter is used as a means of communicating important information to clients. This will only be used where such information is considered 'generic' and anything specific to individual clients, or that which might have a material impact, will be communicated directly.
- 20.9 For this reason, any marketing opt outs will exclude our periodic Newsletter (known as The Wire) and our quarterly Investment Strategy, which is not considered 'general marketing material' for the purposes of communication preferences.
- 20.10 When making financial arrangements for you, we ask you for personal and financial information. We expect you to fully disclose all the information we need to enable us to provide our services to you. We do not accept responsibility for any action we take based on information that is inaccurate or incomplete or if you do not give us information that could affect our advice or service.
- 20.11 We do not accept responsibility for any action we take based on information provided by a third party that is inaccurate or incomplete. We do not independently check or verify the information that you or third parties give us unless this is clearly stated in your Client Agreement as this could significantly increase your costs and you/we should reasonably be able to expect to rely on the information provided by your service providers.

## **21. Risk disclosures in relation to electronic communications**

- 21.1 Similar to post, with electronic communication there is a risk of non-receipt, delayed receipt, inadvertent misdirection or interception by third parties. We use anti-virus scanning software to reduce the risk of viruses and similar damaging items being transmitted through e-mails or electronic storage devices.
- 21.2 You acknowledge and agree;
- that the use of electronic means to communicate with you (such as via the internet, email, or by text) has inherent risks and we cannot guarantee the confidentiality of communications sent or received electronically although we will make our best endeavours to prevent any such security breach;
  - that if you download materials via the internet you will ensure that you scan such materials for malware, such as computer viruses or Trojan horses; and
  - that we have no responsibility for and are not liable to you for any losses that you incur arising from the use of electronic communications, including any unavailability, impairment, breakdown or failure of transmission or communication, data processing or computer facilities, bank or electronic transfer systems, or technical problems with the internet or with your use of the internet, other than where such loss is caused by our own negligence, wilful default or fraud. However, nothing in this notice shall exclude or restrict any duty or liability which we owe to you under applicable regulations.

These are risks you would bear in return for greater efficiency, speed and lower costs. If you do not wish to accept these risks please let us know and we will communicate by paper mail, other than where electronic

submission is mandatory. We reserve the right to amend our charging structure to compensate for the loss of efficiency and greater costs.

## 22. Your instructions to us

- 22.1 If you have entered into these General Terms jointly with another person or other people, the following additional terms and conditions will apply:
- Any one of you can give us instructions about the service provided under these Terms. We do not have to verify that any one of you has the authority to give such instructions.
  - Any one of you can also discharge us from our obligations, in other words terminate your Client Agreement.
  - Each person's liability to us is joint and individual. In other words, each person is jointly and individually liable to fulfil all their obligations under the Agreement as we see fit.
  - Any instruction from one of you will bind the other(s) and
  - We reserve the right at our absolute discretion to insist on instructions from all parties.
- 22.2 If you have entered into these Terms as a corporate entity (including a Limited Liability Partnership ("LLP"), a limited company, a public limited company, a trust, a partnership or a charitable incorporated organisation ("CIO"), the following additional terms and conditions will apply:
- You confirm to us that all information which is supplied will comply with all applicable laws; and
  - You confirm that during the term of the Agreement, you have, and will continue to have, all necessary powers in your constitution or other governing documents and otherwise will have all necessary, consents, authorities, licences, powers and capacity to enter into and comply with the terms of the Agreement
- 22.3 If we become aware of a dispute between the parties who own or are in some way involved in the ownership and management of the business, it should be noted that our client is the business and we would not provide information or services to one party without the express knowledge and permission of all parties.
- 22.4 Unless otherwise agreed by all parties we will continue to supply information to the registered office of the business for the attention of the directors/proprietors. If conflicting advice, information or instructions are received from different directors/principals in the business we will refer the matter back to the board of directors/the partnership and take no further action until the board/partnership has agreed the action to be taken.
- 22.5 If you have entered into these Terms as a Trust, the following additional terms and conditions will apply:
- You confirm that during the term of the Agreement, you have, and will continue to have, all necessary powers in your constitution and otherwise will have all necessary, consents, authorities, licences, powers and capacity to enter into and comply with the terms of the Agreement.
  - If two or more trustees have entered into this Agreement (and where the trust deed stipulates that the trustees can act jointly or severally), we may act on the instructions and give notices to only one of them, unless you instruct us to the contrary.
- 22.6 We will only accept clear and intelligible instructions from you (and where you include two or more persons then any one of those personas in accordance with your mandate, where applicable) or a duly authorised representative of yours (as so advised in writing by you) by letter, telephone, fax or at our sole discretion e-mail. We will acknowledge such instructions by acting on them, but will refuse to comply with any instructions if we have reason to believe that
- The instruction or its execution may contravene the law, regulation or established custom and usage of any country
  - The instruction or its execution is improper

- The instruction of its execution would expose us to financial or other risk; or
- There are insufficient available funds in the Portfolio.

22.7 Where an instruction is unclear or unintelligible, we reserve the right to refuse to act for you, the Client, until clear instructions are received. We will not be responsible for any loss incurred by you whilst we await clear and intelligible instructions.

22.8 If you have indicated in your Client Data Consent form that you consent, we will share information gathered in our fact-finding process with your spouse, civil partner or, concerning trusts, your fellow Trustees or concerning companies and partnerships, your co-directors and partners.

22.9 If you have a joint account and one of you dies, these General Terms and the Client Agreement remain binding on the others.

## **23. Valuations**

23.1 In line with our regulatory obligations we will provide you with a valuation report at periodic intervals, depending on your service agreement with HFMC Wealth. This report will contain details of all of the investments and any money held by the custodian or Platform we appoint in respect of your accounts at the end of the period covered by the report.

## **24. Distance marketing directive**

24.1 In the event that it becomes necessary to provide our services without any personal contact, we will advise you if a separate basis for engagement is required. Should this be the case, clients will be provided with additional information as required by the Financial Services (Distance Marketing) Regulations 2004.

## **25. Client money**

25.1 We are not permitted to handle or hold client money, and therefore cannot accept investments in cash, or cheques made payable to our firm unless in settlement of an item, charge or fee.

25.2 We will pass on cheques payments payable on behalf of our clients but are unable to accept or hold post-dated or undated cheques. In regard to charging, please note that we are able to take payment by credit or debit cards.

## **26. Legal, tax and accounting advice**

HFMC Wealth and its employees do not provide legal, tax or accounting advice. Whilst basic administrative assistance may be provided in accordance with individual client agreements, we will not undertake the completion or preparation of associated documents. Any points of law or accountancy that may arise should be discussed with your solicitor or tax adviser and we are again happy to facilitate introductions as appropriate.

## **27. Limitations of liability**

27.1 We will provide our services with reasonable care and skill. Our liability to you is limited to losses, damages, costs and expenses caused by our negligence or wilful default or breach of regulatory requirements.

27.2 The advice and information we provide to you as part of our service is for your sole use and not for any third party to whom you may communicate it unless we have expressly agreed in the Client Agreement that a specified third party may rely on our work.

27.3 We accept no responsibility to third parties, including any group company to whom our Client Agreement or suitability report is not addressed, or whom is not a signatory for any advice, for information or material produced as part of our work for you which you make available to them. A party to this agreement is the only person who has the rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

27.4 Exclusion of liability for loss caused by others:

We will not be liable if such losses, penalties, surcharges, interest or additional tax liabilities are due to the acts or omissions of any other person or due to the provision to us of incomplete, misleading or false

information or if they are due to a failure to act on our advice, or a failure to provide us with all relevant information.

27.5 Exclusion of liability in relation to circumstances beyond our control:

We will not be liable to you for any delay of failure to perform our obligations under the Client Agreement and General Terms if the delay of failure is caused by circumstances outside our reasonable control.

27.6 Exclusion of liability relating to the discovery of fraud:

We will not be responsible or liable for any loss, damage, or expense incurred or sustained if information material to the service we are providing is withheld or concealed from us or misrepresented to us. This applies equally to fraudulent acts, misrepresentation or wilful default on the part of any party to the transaction and their directors, offices, employees, agents or advisers.

27.7 This exclusion shall not apply where such misrepresentation, withholding or concealment is or should (in carrying out the procedures which we have agreed to perform with reasonable care and skill) have been evident to us without further enquiry.

27.8 Indemnity for unauthorised disclosure:

You agree to indemnify us and our agents in respect of any claim (including any claim for negligence) arising out of any unauthorised disclosure by you or by any person for whom you are responsible of our advice and opinions, whether in writing or otherwise.

This indemnity will extend to the cost of defending any such claim, including payment at our usual rates for the time we spend defending it.

27.9 Statutory obligations:

We will not be liable for any loss, damage or cost arising from our compliance with statutory or regulatory obligations.

## 28. Assignment

28.1 The General Terms and your Client Agreement are personal to you and no rights or responsibilities can be assigned or transferred without our prior consent.

28.2 We may, upon giving you 30 calendar days' written notice, assign our rights and/or transfer our responsibilities under the Agreement. We will only do this where your rights are not prejudiced.

## 29. Transfer

29.1 On giving HFMC Wealth notice, you will be required to instruct HFMC AM, where utilised, to transfer the Portfolio or part of the Portfolio to either another portfolio manager or to you. We shall then carry out all steps necessary to affect such a transfer within 30 calendar days of receipt of your notice. Should instruction not be received after 30 calendar days then we reserve the right to liquidate the portfolio and hold your funds as cash pending receipt of instructions.

## 30. Death / Winding-up on dissolution

30.1 **Individuals** – Upon death we will not accept any instructions over any account in your name until we have received a certified copy of the death certificate and a grant of probate, certificate of confirmation or its equivalent has been issued and we have received a certified copy. Thereafter, under our Agreement you executor or personal representative may only instruct us to sell, transfer or materialise the investments subject to payment of our normal charges set out in your Client Agreement and applying the Rates related to you Agreement with us and with Pershing and our Agreement will be binding on your executor or personal representatives.

30.2 Where we have arranged DFM services for you with HFMC AM, the assets will be treated as per your agreement with HFMC AM.

- 30.3 **Joint accounts** - The death of one Client shall not terminate the Agreement. Each of the Clients authorises us to accept instructions from any of the other Clients on the death of one of them. The Agreement shall terminate on the death of the last living Client, when the assets shall be dealt with in accordance with the Individuals paragraph.
- 30.4 **Trust accounts** - The death of one of the trustees shall not terminate the Agreement, unless there was only one trustee in which case the assets shall be frozen until a new trustee is appointed. Each of the remaining trustees authorise us to continue to accept instructions from any of the other trustees.
- 30.5 **Corporate accounts** – We may terminate the Agreement at any time on written notice to you, if you are unable to pay your debts (within the meaning of section 123 of the Insolvency Act 1986, as amended from time to time), or becomes insolvent, or is subject to an order or a resolution for its liquidation, administration, winding-up or dissolution (otherwise than for the purposes of a solvent amalgamation or reconstruction), or has an administrative or other receiver, manager, trustee, liquidator, administrator or similar officer appointed over all or any substantial part of its assets, or enters into or proposes to enter into any composition or arrangement with its creditors generally, or is subject to any analogous event or proceeding in any applicable jurisdiction.
- 30.6 You acknowledge that we may decline to act on any instructions from you unless you are able to obtain and produce a valid order from the Court or if we have been authorised to act on such instructions from a third party (such as an insolvency practitioner), provided that appropriate legal documentation confirming the relationship is provided to us, and we are satisfied with such documentation.

## 31. Intellectual Property Rights

- 31.1 We will retain all copyright in any document prepared by us during the course of carrying out the engagement save where the law specifically provides otherwise.

## 32. Conflicts of interests and material interests

- 32.1 The owners of HFMC Group Holdings Ltd also own HFMC AM which, as already stated, offers discretionary investment management services. This shareholding does not alter our regulatory responsibility to provide you with impartial advice, and so should not influence our advice to you. Please ask if you want to discuss this in further detail.
- 32.2 We have rigorous processes to ensure we always act in our clients' best interests.
- 32.3 Although we will always try to act in your best interests there may be situations where we or one of our other clients has some form of interest in the business being transacted for you. If this happens or we become aware that our interests or those of one of our other clients conflict with your own interests, we will write to you and disclose this position. We will also let you know the steps we'll take to make sure you are treated fairly.
- 32.4 As a firm which provides independent advice, regulations prevent us from accepting or retaining payments or monetary benefits from other firms (such as product providers) which may conflict with our independent status.
- 32.5 We may accept minor, non-monetary benefits, such as training or proportionate hospitality where the purpose is to enhance the quality of service we provide and there is no conflict with our duty to act in the best interests of our clients.
- 32.6 A full copy of our Conflicts of Interest Policy is available on request.

## 33. Record Keeping

- 33.1 To provide our services, we will need to collect and record information about your personal and financial circumstances.
- 33.2 The processing of your personal information is necessary for us to be able to deliver our contract for services with you and, generally, this is the lawful basis for processing your data upon which we intend to rely.
- 33.3 You have a right to erasure under the General Data Protection Regulations. However, given that HFMC Wealth

operates within a regulated financial services environment it is unlikely that we will delete or remove any data from our systems once a contractual relationship has been entered into as we may be required to provide this either by the FCA, The Financial Ombudsman Service or in the establishment, exercise or defence of future legal claims.

33.4 Further detail in relation to how we use and process your data can be found in our Privacy notice. Privacy Notice - HFMC Wealth

33.5 Storing your data - We may transfer, use and/or store your personal information outside of the EEA and the laws of the destination country may not offer the same standard of protection for personal information as in the UK. Such transfers may be to third-party service providers to use and store your personal information on behalf of HFMC Wealth. We will, however, put in place appropriate security procedures in order to protect your personal information.

## **34. Changes to our Privacy Policy**

34.1 Any changes we may make to our privacy policy in the future will be posted on our website and the most recent version of these General Terms. Where appropriate, changes may be notified to you by post or e-mail.

## **35. If things go wrong**

35.1 In the unlikely event that something has gone wrong, and there is cause for complaint about any aspect of our advice or service, please contact us as soon as possible so we can try our best to resolve your concerns.

35.2 Please direct such concerns or complaints to; The Compliance Officer, HFMC Wealth Ltd, 29 St John's Lane, London t: +44 (0)20 7400 4700.

35.3 We have a complaints procedure and we can provide further details on request. If you do have a complaint, and you are not happy with our response, the Financial Ombudsman Service ("FOS") may be able to help. The FOS settles disputes between financial services business and their clients. Full details are available at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

35.4 Please note that FOS referral rights do not necessarily apply to professional clients.

35.5 If a complaint relates to products or services purchased online or by other electronic means such as email, clients may refer the matter to the Online Dispute Resolution platform at <http://ec.europa.eu/odr>.

## **36. Applicable Law**

36.1 The Client Agreement, privacy notice and these General Terms are governed by, and should be construed in accordance with English law. Each party agrees that the courts of England will have exclusive jurisdiction in relation to any claim, dispute, or difference concerning these General Terms and any matter arising from it. Each party irrevocably waives any right to object to any action being brought in those Courts, to claim the action has been brought in an inappropriate forum, or to claim that those Courts do not have jurisdiction.

## **37. Financial Services Compensation Scheme ("FSCS")**

37.1 The FSCS is the UK's statutory compensation fund for clients of authorised financial services firms which are unable to pay claims against them, usually because the firm has gone out of business.

37.2 In the event that HFMC Wealth is unable to meet its financial obligations, clients who have civil claims against it may be able to claim compensation from the FSCS, although the amount of FSCS cover will depend on the nature of the claim.

37.3 Generally, no cover is available in relation to loss of value resulting from poor investment performance, unless a firm is at fault, for example, because it has mis-sold the investment product.

37.4 Most types of investment, home finance, and equity release business are covered up to a maximum of £85,000, depending on the type of claim. Insurance business is covered for up to 90% of the claim, without any upper limit.

37.5 As at April 2018, cash deposits are covered up to a maximum of £85,000 per investor, per authorised institution, although this is subject to change driven by the value of Sterling against the Euro. Current figures

are available at any time on request.

- 37.6 We may advise on or arrange financial instruments or products which are by their nature excluded from the FSCS coverage. Should this be the case, it will be clearly pointed out.
- 37.7 Consumer, Business and Portfolio Landlord Buy to Let mortgages are not regulated by the Financial Conduct Authority, you will not have any recourse to the FSCS.
- 37.8 Further information about the FSCS is available at [www.fscs.org.uk](http://www.fscs.org.uk) or by calling 0800 678 1100.

## 38. Definitions

Aggregated Costs and Charges Information	Information pertaining to the sum total of all the costs and charges payable, so that you are able to understand the overall costs of our services and the costs charged by the relevant service providers
Agreement	The Specific Terms of the Client Agreement and the General Terms of this document
Annual Review	Part of our Wealth Planning service described in paragraph 8.7 above
Client Agreement	Your individual agreement setting out the specific terms and costs of the services that we have agreed to provide you
Client Data Consent form	The declaration that we required to be completed providing your permission for us to capture, collate and store your personal information in order to provide advice relevant to your circumstances
DFM	The service of discretionary investment management/ a firm carrying on that service
Discretionary investment management/manager	The service of managing investments on a discretionary basis (i.e. with power to make and implement investment decisions without reference to you as the client)/a firm carrying on that service
FCA	Financial Conduct Authority as described in paragraph 1.1 above
FOS	Financial Ombudsman Service as described in paragraph 35.3 above
General Terms	The terms and conditions in this document
HFMC AM	HFMC Asset Management Limited as described in paragraph 1.4.1
HFMC PCS	HFMC Private Client Services Limited as described in paragraph 1.4.2
HFMC Wealth	HFMC Wealth Limited as described in paragraphs 1.1 and 1.2 below, also referred to as “we/us/our”
Initial or One-off Charges	The charges for our One-off Advice and Implementation services described in paragraph 13, made up of either Project Fees or Percentage Execution Fees
Non-discretionary investment management/ manager	The service described in paragraph 1.3/a firm carrying on that service.
Ongoing Charges	The charges for our Wealth Planning services
Percentage Execution Fee	A type of One-off Charge described in paragraph 13
Platform	A service which involves arranging and safeguarding and administering investments and the distribution of retail investment products/A firm carrying on that service
Project Fees	A type of One-off Charge described in paragraph 13.5
Specific Terms	The terms of your Client Agreement
Stand Alone Advice and Implementation	The service described in paragraph 8.9
We/us/our	HFMC Wealth Limited as described in paragraphs 1.1 and 1.2 above, also referred to as “HFMC Wealth”
Wealth Planning	The service described in paragraph 8.7 above



TRANSPARENCY • TRUST • TAILORED ADVICE

HFMC Wealth Ltd - Authorised and Regulated by the Financial Conduct Authority with entry number 192999 on the FCA register  
Incorporated in England & Wales as a Limited Company, Registered Number 01911493