

Brighter*

**Our Terms of Business
for Pensions and Investments**

Brighter Financial Services Limited

www.brighterfs.com

Our Terms of Business for Pensions and Investments

Welcome to Brighter Financial Services Ltd

Brighter Financial Services Ltd is authorised and regulated by the FCA.

You can check our details on the FCA register by visiting register.fca.org.uk or by contacting them on 0300 500 0597.

We are regulated to offer independent financial advice. This means that we are not tied to any one provider in terms of products that we can offer; nor are we limited in the range and type of product that we can consider for you. We aim to always review a sufficiently diverse range of products so as to ensure that we meet your financial needs. We will do this for all products that we consider on your behalf, pensions, investments, mortgages and insurance.

1. Our commitment to you

We are regulated to offer independent financial advice. This means that we are not tied to any one provider in terms of products that we can offer; nor are we limited in the range and type of product that we can consider for you.

We aim to always review a sufficiently diverse range of products so as to ensure that we meet your financial needs. We will do this for **all products** that we consider on your behalf, pensions, investments, mortgages and insurance.

We do not discriminate against clients on the basis of race, creed, ill health or financial circumstances and offer the same standard of service to all.

Where clients have problems relating to ill health or a language barrier we may request support for the client so that they can engage effectively with our services.

In all our dealings with our clients we will:

- ★ Act fairly, honestly and transparently in all our dealings with you.
- ★ Advise you, in writing, where there appears to be a conflict of interest between two parties where financial advice is being provided by us.
- ★ Listen to you and develop a plan between us that secures the best financial outcome for you, depending on your specific circumstances.
- ★ Provide you with a report of the results from our research and put our recommendations to you in writing. In line with your wishes, complete application forms and get the product(s) set up to your satisfaction.
- ★ Make sure that any pensions and investments we choose between us are both affordable and suitable for your needs.
- ★ Describe our on-going service associated with pensions and investments and will clearly explain the value of on-going reviews of your financial plans.
- ★ Not engage our services with you if we believe it is not within yours or our interests to do so. In these situations we will attempt to guide you to alternative sources of support.
- ★ Identify early on in our dealings with you whether you require support as a vulnerable client. (Please see details of our policy at http://www.brighterfs.com/brighter_window)

Our Terms of Business for Pensions and Investments cont...

In this document we will cover our pension and investment services and how we will work with you as our client. This will include:

- * Our Services
- * The steps we take in determining a financial plan for you i.e. what happens in practice when you engage the services of an independent financial adviser.
- * Our charges.
- * The Law and Regulations that apply to our terms of engagement with you and how this affects your rights as a consumer of our services.

2. Our Services

We offer pensions and investment advice in the following areas:

- * Pension start up and implementation.
- * Multiple pension review where consolidation would result in reduced costs and potentially equitable or better performance of pension funds.
- * Existing pension review where an alternative product could have the potential to perform better in the market and/or has reduced administrative charges.
- * Review of final salary pension (defined benefit scheme) in relation to the options available to you (special permissions granted by the FCA).
- * Company pension scheme, where an employer wishes to review an existing arrangement or put an employee pension scheme in place.
- * Development of an investment strategy that suits your goals and lifestyle and is aligned to your attitude to risk.

3. Meeting/contact with the financial adviser

3.i. Initial consultation meeting (ICM)

This is a “no charge” discussion between you, the client and the independent financial adviser to gather relevant financial information and consider existing financial arrangements.

At this meeting we may use various documents to help us gather data about your circumstances. These are as follows:

Fact Find: This document enables us to gather personal details about you, your occupation your assets and liabilities etc.

Transfer of Services document: We may ask for your consent to review your existing pensions and investments if we feel that it is appropriate at this stage and will help us in further discussions with you.

Attitude to Risk questionnaire: It is important to establish the level of risk a client wishes to take with their investment and it all depends on the client’s objectives. For example, a client may be prepared to take a higher risk with their investments to potentially realise higher returns, whilst other clients would favour greater security in their returns and opt for lower risk investment choices. Clients may be happy to complete this document prior to the ICM meeting or it can be completed at the meeting itself. Either way a full explanation as to the purpose of the attitude to risk information will be provided to the client at this meeting, regardless.

We use the **Oxford Risk Profiling tool** to help us determine a client’s attitude to risk.

Our Terms of Business for Pensions and Investments cont...

3.ii Not proceeding following ICM

For some clients, an initial consultation is all that is required to help them determine how they wish to manage their investment/pension needs and no further work is required.

For all others, the following will take place:

3.iii Financial Review and Recommendations Meeting (FRRM)

This meeting follows the ICM and is carried out after the adviser has considered all existing policies and plans, a client's attitude to risk and a client's needs in terms of further support/products required.

We may use the following documents at this meeting:

- ✳ Income modelling forecast: These models assist us with our discussions with you around retirement. This forecast shows your income and current assets and what the likely chances are that you will have enough to live on in retirement.
- ✳ The results of your attitude to risk questionnaire.
- ✳ Product information (where required) in line with your needs and plans, including your attitude to risk.

3.iv Going ahead with recommendations

Typically, once you agree to move ahead with the advice and recommendations provided to you at the FRRM the adviser will do the following:

- ✳ Provide you with a suitability report. The report will be a summary of the discussions you have had with the adviser. The report is long for reasons of Regulation and client protection purposes and not always an easy read. If you are unclear about the contents of this report, please ask your adviser for further explanations for you.
- ✳ Complete application forms and speak with providers on your behalf
- ✳ Ensure that pensions/investments/reviews of policies etc. are set up in line with your requirements, including setting up the products in your name.
- ✳ Ensure you receive the documents in a timely manner once received by Brighter Financial Services Ltd.

3.v. Not going ahead after receiving advice from FRRM

If you decide that, **after the FRRM**, you do not wish to proceed with any further advice from the IFA then you will only be charged £500 as a flat fee for the advice and guidance that you have received up to that point. Typically, this will have included a review of your existing documentation and preliminary guidance on a way forward.

We request that all our clients sign and date the declaration at the end of this form, with regards to this payment.

3.vi. Clients with specific financial requirements

There are occasions when clients are insistent with respect to the arrangement of certain financial products/processes. We will only consider carrying out such arrangements where we consider that there will not be any fiscal detriment to the client and that such an arrangement is likely to be, in the long term, within the client's best financial interests. Please see our insistent client policy at www.brighterfs.com/brighter_window

4. Charges for pensions and investments

We aim to ensure that our fees are transparent and clear at all times. The initial consultation (ICM) is at our expense (free of charge).

If you proceed with our recommendations after the FRRM we will ask you for payment for our services.

We charge a percentage fee for lump sum investments and pensions. The minimum investment that we service is £50,000 or £250pcm.

Our charges are calculated on an **incremental basis**. Higher value pensions and investments will attract lower charges; the reasons for which are explained below:

We are a commercial business and have Regulatory and business related charges to pay. All our clients receive the same care and attention from the sales and advice process through to on-going servicing year on year. The attention to technical detail that we afford our clients is offset against the charges. We therefore feel it reasonable to implement an incremental charging structure, dependent upon the amount to be managed by us at the outset.

Initial Fees for lump sum investments or transfers

Amount invested	Charge for product arrangement	Example amount for product arrangement
Up to £50,000	4% of the amount invested	£2,000
The next £150,000 or between £50,001 to £200,000	2% of the amount invested	£3,000
All funds over £200,000	1% of the amount invested	£1,000 per £100,000 invested

Brighter will facilitate the deduction of the above fee with the policy provider, upon receipt of the investment, or it can be paid directly by you to us.

To provide more explanation of our charges, see examples below:

Example 1

If we arrange an investment on your behalf for £120,000 our implementation fee would be 4% (£2,000) on the first £50,000 and 2% (£1,400) on the next £70,000 which equates to £3,400 in total.

Example 2

If we arrange an investment on your behalf for £400,000 our implementation fee would be 4% (£2,000) on the first £50,000 and 2% (£3,000) on the next £150,000 and 1% (£2,000) on the next £200,000 which equates to £7,000 in total.

Initial Fees for Regular Contributions only

We charge a flat fee of £1,000. This can be paid in full on commencement of the policy or we can arrange with the product provider to deduct 50% of each of your monthly contributions to be paid to Brighter Financial Services Ltd until the full amount of £1,000 is paid in full.

For example:

If you invest £250pcm our total charge will be £1,000. We will deduct 50% of each monthly contribution until £1,000 is paid in full. Should you wish to cease payments before the full fee is paid, we will invoice you for the outstanding balance.

Our Terms of Business for Pensions and Investments cont...

4.i. Other Charges

There are two other charges that you need to consider that will be incurred against your policy. These are:

1. A charge for the management for your funds on a platform, as determined by your financial adviser, again taken by the platform provider. A platform (we use either Embark or Aegon) is a means by which multiple savings i.e. ISA's, pensions etc can be managed under one umbrella to ensure careful monitoring of performance with standardised administrative fees.
2. The underlying investments that we recommend will have a charge that is normally a percentage of the value of your investment and incorporated into the fund price. Whilst you don't see this charge being deducted, you should be aware of it.

These have been shown in the table below. All charges are taken directly from the savings fund itself, you will not be expected to find the charges from an alternative monetary source. **If you have any queries at all about the charges that will be levied against your plans/policies please ask the financial adviser for further explanation.**

Table showing typical provider charges

The table provides you with a typical example only of the provider charges incurred against your investments and pensions.

Fund choice based on the legal and general multi index fund range AMC* 0.31% costing could change with different fund choice.

*AMC - Annual Management Charge.

Embark Platform based on £100k investment	
Chosen platform "computer programme"	0.31% in monetary terms £310 per annum
The particular chosen investment fund charge	0.31% In monetary terms £310 per annum
Aegon Platform based on £500k investment	
Chosen platform "computer programme"	0.18% in monetary terms £900 per annum
The particular chosen investment fund charge	0.31% in monetary terms £1550 per annum

5. Servicing: On-going reviews

(Please refer to the table overleaf for a summary of the services we offer)

Our clients are not under any obligation to receive an on-going service from us, but we would strongly urge them to consider the benefits before making a decision.

Taking out a pension or investment is only the start of the journey, in terms of making adequate provision for life pre and post retirement. We recommend ongoing service reviews with the adviser for the following reasons:

- ★ **To regularly review your financial objectives so that the financial plan that you made with your adviser when you first met, remains relevant to your needs today.**
- ★ **To ensure that your financial objectives are reviewed regularly so that the financial plan that you developed with your adviser when you first met, remains relevant to your needs today.**
- ★ **To ensure that your plans are monitored to make sure that they remain in alignment with similar products and market performance.**
- ★ **Keeping our clients engaged with their finances is our number one priority;** the benefits to you are that you will become better informed, influencing investment decisions and the management of your money to your advantage. The benefits to us are that we hopefully keep you as a client and continue to grow our business in line with your needs, now and into the future.

Our Terms of Business for Pensions and Investments cont...

Details of service	Available in service plan 1	Available in service plan 2	Available as transactional services
Comprehensive annual review of financial portfolio <ul style="list-style-type: none"> investment/pension performance statistics and report. individual income modeling for retirement planning adviser-led review with recommendations. 	✓		
Active review of financial portfolio <ul style="list-style-type: none"> on-line mini questionnaire to assess changes in financial circumstances brief overview of investment/pension performance by adviser with feedback where changes identified. 		✓	
Provider investment and pension due diligence <ul style="list-style-type: none"> Ensuring products performing well against competitors within market and that they remain fit for purpose. 	✓	✓	
Access to our Client Exchange Portal <ul style="list-style-type: none"> financial goal setting to help you make the most from your finances secure messaging to keep your financial data safe when we communicate with you and send you your service reports. 	✓	✓	
*Specialist support for Later Years and Residential care financial planning	✓		✓
*Specialist support for IHT, capital gains and tax efficiencies	✓		✓
*Specialist support with a review of all plans and policies with regards to wider family support e.g. pension nomination etc	✓		✓
*Mortgage or product review on expiry of mortgage deal or at client's request	✓		✓
*Personal or Corporate review and assessment of protection needs	✓		✓

Our Terms of Business for Pensions and Investments cont...

5.i. Details for financial reviews

Service Plan 1

We will monitor your plans against similar in the market to ensure that you are receiving optimum performance from your funds. We will provide you with a report of our findings on an annual basis.

In addition we will provide you with a suite of services that may be of interest to you and will include these in the fee.

These include:

- * Tax efficiencies, IHT and capital gains
- * Later Years and residential care planning
- * A look at wider family support e.g. pension nomination, savings for education etc
- * Mortgage or product review on expiry of mortgage deal
- * Corporate or Personal Protection review and assessment

Service Plan 1- fees

Fees of 1% for the first £500,000 and then 0.4% above £500,001 with a minimum annual charge of £2000(taken as 1/12 of the % charge on a monthly basis)

We will calculate a weighted average charge, at the outset, and use this % charge for the life of the plan.

Service Plan 2

Each year you will receive a short questionnaire asking you to up-date us with any changes in your personal and financial circumstances. This information will be available to you through a simple on-line process. Once this has been completed we will review it and, if there are any changes that could impact upon your financial objectives, we will arrange for you to discuss this with an adviser.

You may also be interested to access some of the transactional services that are available as part of Service plan 1. We have therefore made these available to our clients on a transactional basis only. (see 4.iii)

Service Plan 2- fees

The cost for Service Plan 2 is 0.75% with a minimum annual cost of £500(taken as 1/12 of the 0.75% charge on a monthly basis)

5.ii. How we are paid by you

The charges for servicing can be deducted from your investments or paid directly by you. You should note that when paid through the investments it may reduce your personal tax thresholds and/or exemption levels. Where this happens we will discuss it with you and confirm it in your personal recommendation report.

Where we agree to provide on-going services you can choose to cancel this at any time by providing us with written confirmation of your decision. Payments would then cease within 7 business days or after collection of any due proportion of any period charges if later.

We are prohibited from accepting any payment (fiscal or gratuity) which is likely to conflict with the duty of the firm to its clients.

VAT

Under current legislation our services are not subject to VAT but should this change in future, and where VAT becomes due, we will notify you before conducting any further work.

Our Terms of Business for Pensions and Investments cont...

Explanation of charges

Our fee is calculated on the value of the fund, taken on a monthly basis.

This means that in any year the fee that we receive will increase or decrease depending on the value of the fund in that particular month.

To describe our charges we have set out the following examples below:

Example 1

If we arrange an investment or pension on your behalf totalling £120,000 and you select Service Plan 2, in year 1 we would charge 0.75% of £120,000 or £900.

Example 2

If we arrange an investment or pension on your behalf, totalling £700,000 and you select Service Plan 1, in year 1, we would charge 1% of the first £500,000 and 0.4% of the remaining £200,000.

The weighted average of the overall fund value is calculated as 0.83% and this figure is used as the annual service charge for the life of the plan and will be £5810 in year 1.

5.iii Transactional Services

If you do not take up Service plan 1 or Service Plan 2 you are still entitled to access these services at the charges set out below:

Area of specialist support	Details	Charge
*Specialist support for Later Years and Residential care financial planning	Covers the Care Act rules 2015 and residential care funding plus guidance on equity release if required	£180 per hour
*Specialist support for IHT, capital gains and tax efficiencies	Corporate and personal advice specifically relating to understanding tax effective financial management	£180 per hour
*Complete mortgage service with new product set-up	Complete review and assessment of mortgage product needs and arrangement of new products and plans	£395
Mortgage product review where client remains with existing lender on an improved deal	No change in general product arrangements.	£150
*Personal or Corporate review and assessment of protection needs, including set up of new policies/plans where required	Whole review of protection arrangements including set-up and advice	No direct charge, commission from lender.
Advising on existing corporate and personal protection plans and arranging cross-options agreements or setting up Trusts	Trusts, cross-option agreements, general protection advice	Fee schedule available on request

Our Terms of Business for Pensions and Investments cont...

6. Your right to cancel

Under Consumer Law you have a right to cancel any transaction made within a reasonable timeframe. At Brighter we are transparent about this right and acknowledge that our clients may change their mind. If you find that, after signing this agreement, that you are in the position where you wish to cancel it, please write to us within 14 days from the date of this agreement, setting out your reasons for cancellation. This cancellation right is 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. Cancellation periods for specific financial product types will be set out clearly for you in Key Features and Product Information documents as-well as the suitability report.

7. Liability

We aim to provide you with the best advice and product information from the whole of the market. Clients need to be aware, however, that this agreement is for Brighter Financial Services Ltd to arrange and provide financial services alone and that this covers the totality of the arrangement between us and you.

There may be increases or decreases in product value in line with market forces. Brighter Financial Services Ltd cannot accept any liability in relation to these events, albeit that these will be explained to the client as part of the risk assessment process.

The client agreement is governed and shall be construed in accordance with English Law.

8. Client Exchange

We anticipate that all clients will be granted access to our secure portal via Client Exchange. Exchange provides clients with the opportunity to see documents and receive and send messages to Brighter in a way that ensures that privacy is maintained. Exchange also gives clients access to fact finds and questionnaires so that they can take charge over the information that is provided to Brighter to help in the development of a Brighter Financial Plan.

All our clients will be sent a welcome e-mail asking them to register for Exchange.

9. Using and managing your personal and financial information

We are bound by the principles of the General Data Protection Regulations 2016 and have interpreted these laws into the way we will do business with you.

When handling your personal data we will:

- * Explain at our meetings with you the types of information that we will need from you and may retain for our records.
- * Use the information that you provide us (only and exclusively) in respect of the management of your financial affairs/products.
- * Not share your personal information with any third parties that do not have a direct interest in the management of your financial affairs/products.
- * Endeavour to hold accurate information about you and request that you support us in maintaining your personal records with information that is current and up to date.
- * Not change the information we hold about you, without your express knowledge and consent.
- * Share your personal information with financial providers of services/third parties in circumstances where:

Our Terms of Business for Pensions and Investments cont...

- The sharing of the information is in direct relation to the arrangement/management of your financial affairs and with your understanding.
 - The passage of information can be managed securely in terms of digital transfer (encryption, password protect, portal)
 - The passage of information can be managed as securely as possible in terms of paper transfer (see GDPR policy)
- ★ All the information we hold on our clients is available on –line via our client portal (accessed from the website) or via PFP (our database tool) where clients can see all the information we hold on them. If paper copies are required in addition to this access, we would therefore respectfully request a £5 fee for administrative services in the preparation of the paper copy documents.

We are bound by the Regulations of the Financial Conduct Authority. We therefore need to:

- ★ Verify your identity in accordance with the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2017. We reserve the right to approach third parties and to delay any of your applications until adequate verification of identity has been obtained.
- ★ Retain records of suitability of a client's financial arrangements for the following periods:
 - Indefinitely for pension transfers, pension conversion, pension-opt out or FSAVC
 - Six years for a personal pension, stakeholder pension or life policy
 - Six years for a MiFID or equivalent third country business
 - Three years in all other cases.

Further details about our General Data Protection policy can be found at www.brighterfs.com

10. Complaints

We always try to offer our clients exceptional service but sometimes things can go wrong.

If you wish to provide us with details in writing about a concern or complaint you have about our services, please do so in writing to the following address:

The Director, Brighter Financial Services Ltd, 66 West St, Sowerby Bridge, West Yorkshire, HX6 3AP.

11. Financial Ombudsman Service

Clients should be aware that if they are unhappy with any response to a complaint received from the company, as a retail client and consumer of financial services you can complain directly to the Financial Ombudsman Service. The FOS will assess whether you have an eligible complaint before proceeding with an investigation. For further information on the Financial Ombudsman Service please refer to their website, www.financial-ombudsman.org.uk

11.1 Compensation

If your complaint is up-held you may be able to seek financial redress via the Financial Services Compensation Scheme (FSCS). Investment business will normally be covered up to £50,000. Further information about these amounts and limits for all other product types are available from the FSCS at [http:// www.fscs.org.uk/what-we-cover/products](http://www.fscs.org.uk/what-we-cover/products).

A copy of our complaints procedure will automatically be sent to you on receipt of a written complaint, which includes potential access to compensation via the Financial Services Compensation Scheme.

Our Terms of Business for Pensions and Investments cont...

12. Client Money

We are not permitted to handle client money and we cannot accept a cheque made out to us (unless it is in respect of an item for which we have sent you an invoice) or handle cash.

13. Termination

We would respectfully request that in the event that you wish to cease using Brighter Financial Services Ltd that you contact us, preferably in writing and advise us of your wishes. Any transactions undertaken before termination and a due proportion of any period charges for services shall be settled to that date.

Before commencing any financial business with you we would respectfully request that you sign our declaration and consent, as detailed below.

We hope you have found our terms of business for pensions and investments straight forward and clear. However, if you have any further queries, do not hesitate to contact us on 01422 832100 or by e-mail to admin@brighterfs.com

If you do not have any further queries, please could you review and sign the declaration.

I/we consent to the use of our personal and financial information.

Our Terms of Business for Pensions and Investments

Declaration: Part 1

I agree to the Terms of Business as set out in this document, including a payment of £500 should I choose not to engage the adviser in a full advice process.

Client Name 1

Client signature 1

Client Name 2

Client signature 2

Date of Issue:

Issued by

On behalf of Brighter Financial
Services Limited

Signature

Our Terms of Business for Pensions and Investments

Declaration: Part 2

I would like Brighter Financial Services Ltd to advise and arrange product(s) on my behalf. I agree that they will be remunerated the sum of £ _____

The payment will be: A fee A direct deduction from the policy

I would like Brighter Financial Services to provide the following on going service level:

Transactional Only (No charge) Service Plan 1 Service Plan 2

In so doing they will be remunerated by _____ % which is expected to be £ _____ in the first year.

The payment will be: A fee A direct deduction from the policy

Client Name 1

Client signature 1

Client Name 2

Client signature 2

Date of Issue:

Issued by

On behalf of Brighter Financial
Services Limited

Signature