



## HINTON ASSOCIATES' CLIENT AGREEMENT

This agreement is issued on behalf of IFPAS Limited trading as Hinton Associates of Warlow Farm House Eaton Bishop HEREFORD HR2 9QF who can be contacted by email at [hinton-associates@lineone.net](mailto:hinton-associates@lineone.net) and by telephone on 01225 852522.

### **Authorisation Statement**

IFPAS Limited trading as Hinton Associates is authorised and regulated by the Financial Services Authority (FSA), which regulates the financial services industry in the UK; their address is 25 The North Colonnade Canary Wharf LONDON E14 5HS. You may check this on the FSA Register by visiting the FSA website [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) FSA No. 409031 or by contacting FSA on 0845 606 1234.

### **Permitted Business**

Our permitted business is advising on and arranging savings and investment products, pensions, mortgages and non-investment insurance contracts.

### **Client Classification**

Each client with whom the firm does business is categorised as to identify the level of regulatory protection; we propose to classify you as 'Retail Client' for investment purposes and as a 'Consumer' for insurance business.

### **Communications**

We will communicate with you in English both verbally and in writing for the sending and receipt of instructions; to avoid any doubt, instructions should be issued in writing.

### **Scope of Service**

We operate independently and therefore provide investment services from the whole of the market and from a range of insurers for non-investment insurance.

### **Services to be provided**

Investments that we have arranged for you will not be kept under review but we will advise you upon your request. However, we may contact you in the future by means of an unsolicited promotion should we wish to do so to discuss the relative merits of an investment or service which we believe may be of interest to you.

On issue of this letter, any subsequent advice or recommendation offered to you will be based upon your stated investment objectives, acceptable level of risk and any restrictions that you wish to place on the type of investments or policies that you are willing to consider. We will issue a suitability report to you to confirm our recommendation. Unless confirmed, we will not place any restrictions on our recommendations.

IFPAS Ltd. trading as Hinton Associates Independent Financial Advisers does not handle clients' money. We never handle cash or accept a cheque made out to us unless the cheque is in settlement of charges or disbursements for which we have sent you an invoice.

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

### **Services to be provided – Insurance**

Following the issue of this letter, any subsequent advice or recommendation offered to you will be based on your stated objectives, acceptable level of risk and any instructions that you wish to make regarding the type of insurance policies that you are willing to consider. Details of your stated objectives will be included in the Demands and Needs Statement that we issue to you confirming the reasons for our recommendations.

### **Restrictions**

Unless advised to the contrary, we will assume that you wish to place no restrictions on the types of investment or insurances that we may recommend and in which you may subsequently invest. We will assume that you wish to place no restrictions on the markets in which transactions are to be executed. A full listing of products is available from your adviser upon request.

### **Advice and Instructions**

Any advice given to you by us shall be in writing. We prefer our clients to give us instructions in writing to aid clarification and avoid future misunderstandings; we will, however, accept oral instructions provided that they are confirmed in writing. We may, at our discretion, refuse to accept instructions, although such discretion shall not be exercised unreasonably. We will record all transactions on our files and retain these, along with copies of relevant documentation, for a period of not less than six years. You have a right to inspect copies of contract notes, vouchers and entries in our books or computerised records relating to your transactions. We reserve the right to withhold copies of these records if information to other parties would thereby be disclosed.

## About our Services

Please use the information in this section to decide if our services are right for you.

### 1. Whose products do we offer?

#### Investment

We offer products from the whole market.

#### Insurance

We offer products from a range of insurers for Term Assurance and Critical Illness Insurance.

### 2. Which service will we provide you with?

#### Investment

We will advise and make a recommendation for you after we have assessed your needs.

#### Insurance

We will advise and make a recommendation for you after we have assessed your needs for Term Assurance and Critical Illness Insurance.

### 3. What will you have to pay us for this service?

#### Investment

Before we provide you with advice, we will draw your attention to Cost of our Services below.

#### Insurance

This includes Term Assurance and Critical Illness Insurance; we will receive commission from the insurer but reserve the right to charge a fee in addition should the commission payable be insufficient to cover the cost of the work undertaken.

### 4. What to do if you have a complaint

If you wish to register a complaint, please contact us:

**In writing** to Complaints Department, Hinton Associates, Warlow Farm House, Eaton Bishop, HERFORD HR2 9QF

**By phone** on 01225 852522

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.

### 5. Are we covered by the Financial Services Compensation Scheme (FSCS)?

We are covered by FSCS if we cannot meet our obligations; this is dependent upon the type of business and the circumstances of the claim.

#### Investment

Most types of investment business are covered for 100% of the first £30,000 and 90% of the next £20,000, so the maximum compensation is £48,000.

#### Insurance

Most types of insurance advising and arranging are covered for 100% of the first £2,000 and 90% of the remainder of the claim with no upper limit. Further information about compensation scheme arrangements is available from FSCS.

## Cost of our Services

Please use the information in this section to compare value for money, shop around and decide which firm to use.

### 1. Our services

We offer an initial discussion (without charge) when we will describe our services more fully and explain the payment options. If you decide to go ahead, we will:

- Gather and analyse personal information about you, your finances, your needs and objectives
- Prepare relevant generic reports covering possible solutions
- Recommend and discuss any action we think you should take and, with your agreement, arrange relevant investments for you and agree a further fee/commission in respect of each product
- Prepare recommendation reports for each product, together with all relevant paperwork such as application form, etc.
- Process all paperwork
- Regular reviews of your financial affairs if you elect to have them.

### 2. What are your payment options?

Not all firms charge for advice in the same way. We will discuss payment options with you and answer any questions you have. We will not charge you anything until you agree how we are to be paid. **We have ticked payment options that we offer.**

#### ✓ **Paying by fee**

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

#### ✓ **Paying by commission (or product charges)**

If you buy a financial product, we will normally receive commission on the sale from the product provider. Although you pay nothing up front, that does not mean our service is free. You still pay us indirectly through product charges. Product charges pay for the product provider's own costs and any commission. These charges reduce the amount left for investment. If you buy direct, the product charges could be the same as when buying through an adviser, or they could be higher or lower. We will tell you how much the commission will be before you complete an investment, but you may ask for this information earlier. The amount of commission that we receive will vary depending on the amount that you invest and (in certain cases) the term of your investment or your age.

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

In some circumstances, we also charge a fee on top of any commission we might receive.

### 3. How much might our services cost?

As Independent Financial Advisers we are able to advise on options open to you and on a wide range of plans from any investment or insurance company, not just from a limited selection; as such, we are truly independent and will be acting in your best interests by providing you with advice which is most appropriate to your circumstances. The advice we give you may not necessarily lead to the sale of financial products to you.

There are various costs involved in running our practice which enable us to provide excellent service to you; these include professional fees, market research, legal, regulatory and compliance requirements, administration, training, technology and utilities.

Our costs fall into two categories: services and product sales. For services, fee payment is the only option. For product sales, you may choose the fee option, the commission option or the combination of commission and fee option (see **3. What are your payment options?** above). Whichever option you choose, we will retain all renewal commission generated by the product for its entire life.

If you choose the fee option, our minimum fee is £700.00.

If you choose the commission option, we reserve the right in certain circumstances to charge you a fee in addition if, for example, commission payable is insufficient to cover the cost of our research, recommendation and sale; we will tell you how much any additional fee will be before you complete an investment, but you may ask for this information earlier.

If you choose the combination of commission and fee option (where the product sale generates commission), the amount of our fee will depend on the service provided to you but will not exceed the total agreed with you beforehand; the commission will not exceed the maxima shown in **Table 1** and **Table 2** below. We will tell you the fee amount before we provide the service to you and the commission amount before you purchase the product/s.

**Advice not taken**

Where we have undertaken research and provided advice and recommendations to you in writing at your request and you subsequently decline to proceed with that advice and those recommendations, we will charge you a fee to cover the cost of that research, advice and recommendations; this fee will not exceed the amount/s for the product/s as shown below.

**Cancellation / lapse of products sold**

This situation, if and when it may arise, is subject to separate negotiation; a separate contract to cover this will be drawn up if applicable, following and in accordance with the outcome of discussion with you.

**Costs of our product sales**

**If you choose the fee only option**

Category	Description	Fee
<b>Initial meeting: ½ hr – 1 hr</b>	Introductions and familiarisation with client objectives	<b>£0.00</b>
<b>Specific advice</b>	Where advice required is limited to selection of an individual investment, pension, protection product or other contract type; a full factfind will be carried out	from <b>£1,000.00</b> typically <b>£1,500.00</b>
<b>Financial organisation / planning</b>	Where advice is required in several areas in addition to appraising existing investments, other products and financial status; a full factfind and in-depth needs analysis will be carried out in each area	from <b>£1,000.00</b> typically <b>£1,500.00</b>
<b>Specialist reports</b>	Where in-depth analysis on a specific area of financial planning is required, e.g. Pension / Open Market Option report Inheritance Tax report Trustee Investment report Review of other investments Fees for other areas not covered above are by negotiation	from <b>£1,200.00</b> typically <b>£1,800.00</b>
<b>Regular financial reviews</b>	Regular reviews which appraise the existing strategy to ascertain if it is still suited to your needs Valuations of your portfolio Ascertaining whether your investments are performing as well as they should within their sector Ascertaining whether funds in which you are invested on regular premium contracts need to be switched Ongoing tax planning: ascertaining whether you are <ul style="list-style-type: none"> <li>• using all your tax-free allowances</li> <li>• making tax efficient contributions</li> <li>• placing your investments in the most tax efficient manner</li> </ul> Regular financial newsletters containing topical information on relevant new products and developments as they arise	from <b>£500.00</b> per review, subject to complexity typically <b>£800.00</b> per review
<b>Interim valuations</b>	Up-to-date values on all your investments either without or in addition to a regular review	<b>£60.00</b> per item
<b>Copy documentation (e.g. to solicitor, trustees, POAs)</b>	as required	<b>£25.00</b> per item
<b>Visit to clients / POAs / professionals (e.g. solicitor, accountant)</b>	as required	by negotiation

#### If you choose the combination of commission and fee option

We will charge you a fee and receive commission on the product sale/s if payable. The fee amount will depend on the service provided to you but will not exceed the total agreed with you beforehand; the commission amount will not exceed the maximum shown in the tables below. We will tell you the amount of the fee before we provide the service to you and the amount of the commission before you purchase the product/s.

#### If you choose the commission option

**Table 1** & **Table 2** show examples of the amounts of commission we could receive (or the equivalent that we could earn through product charges) and compare those amounts with the market average (see notes 1 & 2 at the end of this section). The amounts vary according to the type of product, the amount you invest and (sometimes) how long you invest for, or your age when you start the product. We will confirm the actual amount to you before you purchase a product.

<b>Table 1 - Commission if you invest monthly</b>			
<b>Products</b>	<b>Example term / age</b>	<b>Our maxima</b>	<b>Example based on £100 per month</b> This shows the maximum costs of our sales and advice for a £100 monthly investment, ignoring fund value changes
<b>Savings and investments</b>			
<b>Collective investments (e.g. unit trusts)</b>	Any	<b>4.5%</b> of all payments + <b>0.5%</b> of fund value annually	<b>£54.00 p.a. + £6.00</b> in year 1, <b>£12.00</b> in year 2 and so on (the actual amount in later years will vary in line with the fund value)
<b>Endowments</b>	10 years	<b>5.7%</b> of all payments + <b>0.5%</b> of fund value annually from year 1	<b>£760.00</b> spread evenly over first <b>16</b> months + <b>£30.00 p.a.</b> from month <b>17</b>
<b>Protection</b>			
<b>Whole of life assurance</b>	Age 40	<b>135.0%</b> of the first <b>12</b> months' payments	<b>£1,620.00</b> spread evenly over the first <b>12</b> months
<b>Saving for retirement</b>			
<b>Personal / Stakeholder pensions</b>	25 years	<b>53.4%</b> of each of the first <b>12</b> months' payments	<b>£640.80</b> spread evenly over the first <b>12</b> months
	10 years	<b>18.8%</b> of each of the first <b>12</b> months' payments	<b>£225.60</b> spread evenly over the first <b>12</b> months
<b>Table 2 - Commission if you invest a lump sum</b>			
<b>Products</b>	<b>Example term / age</b>	<b>Our maxima</b>	<b>Example based on £10,000.00 lump sum</b> This shows maximum cost of our sales and advice for a £10,000.00 lump sum investment, ignoring fund value changes
<b>Savings and investments</b>			
<b>Collective investments (e.g. unit trusts)</b>	Any	<b>4.5%</b> of the amount you invest + <b>0.5%</b> of the fund value annually	<b>£450.00 + £50.00 p.a.</b> from inception (the actual amount in later years will vary in line with the fund value)
<b>Investment bonds</b>	Any	<b>5.5%</b> of the amount you invest + <b>0.5%</b> of the fund value annually	<b>£550.00+ £50.00 p.a.</b> from inception (the actual amount in later years will vary in line with the fund value)
<b>Saving for retirement</b>			
<b>Personal / Stakeholder pensions</b>	Any	<b>4.6%</b> of the amount you invest + <b>0.5%</b> of the fund value annually from year <b>1</b>	<b>£460.00+ £50.0 p.a.</b> from year <b>1</b> (the actual amount in later years will vary in line with the fund value)
<b>At retirement</b>			
<b>Annuities</b>	Any	<b>2.5%</b> of the amount you invest	<b>£250.00</b>
<b>Unsecured income</b>	Any	<b>4.0%</b> of the amount you invest + <b>1.5%</b> of the fund value annually from year <b>1</b>	<b>£400.00 + £150.00 p.a.</b> from year <b>1</b> (the actual amount in later years will vary in line with the fund value)
<b>Personal Pension Schemes</b>			
Not all types of personal pension scheme are included in the information in <b>Table 1</b> and <b>Table 2</b> above; instead, only the more common types are included and schemes such as SIPPs are not. Before we start advising you, we will inform you of how much we could be paid if we do recommend one of these products to you.			
You can also ask us about commission that we might receive on underlying investments that we recommend you hold within a SIPP if not contained in the information above.			

#### 4. Further information

If you need any more help or information

- ask your adviser; or
- visit [www.fsa.gov.uk/consumer](http://www.fsa.gov.uk/consumer).

### **Material Interest**

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

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

The principals of IFPAS Ltd. trading as Hinton Associates Independent Financial Advisers have a minority shareholding in Capital Reward Ltd. Capital Reward Ltd is a subsidiary of our compliance support company and generates its income from the placement of business with certain product providers. The business placed is intended to add value to the shares in that company and the long-term aim is for the shares to be sold, thereby providing a deferred cash benefit to the shareholders. The existence of the shareholding and any potential benefit will in no way influence our recommendation in relation to the most suitable product or provider.

On request, we will be pleased to provide you with a list of the providers from whom such benefits may be earned. We can also confirm that the provision of the shares and their potential benefits do not affect your product terms.

### **Rights to Cancel**

We will inform you of your statutory right to cancel. The Distance Marketing Directive usually grants you 30 days in which you may cancel a life or pension contract; there will, however, be occasions where no statutory rights are granted, although this will be explained before any contract is concluded. In general terms you will have a 30-day cancellation period for a pure protection policy and a 14-day cancellation period for a general insurance policy.

### **Data Protection**

The information you have provided is subject to the Data Protection Act 1998 (the "Act"). By signing this document, you consent to us or any company associated with us for processing, both manually and by electronic means, your personal data for the purposes of providing advice, administration and management.

"Processing" includes obtaining, recording or holding information or data, transferring it to other companies associated with us, product providers, the FSA or any other statutory, governmental or regulatory body for legitimate purposes including, where relevant, to solicitors and/or other debt collection agencies for debt collection purposes and carrying out operations on the information or data.

In order to provide services to you we may be required to pass your personal information to parties located outside of the European Economic Area (EEA) in countries that do not have Data Protection Laws equivalent to those in the UK; where this is the case we will take reasonable steps to ensure the privacy of your information.

We may also contact you or pass your details to other companies associated with us to contact you (including by telephone) with details of any other similar products, promotions or for related marketing purposes in which we think you may be interested.

The information provided may also contain sensitive personal data for the purposes of the Act, being information as to your physical or mental health or condition, the committing or alleged committing of any offence by you, any proceedings for an offence committed or alleged to have been committed by you, including the outcome or sentence in such proceedings, your political opinions, religious or similar beliefs, your sexual life or your membership of a Trade Union.

If at any time you wish us or any company associated with us to cease processing your personal data or sensitive personal data, or contacting you for marketing purposes, please contact The Data Protection Officer on 01225 852522 or in writing at Warlow Farm House Eaton Bishop HEREFORD HR2 9QF.

You may be assured that our firm and any company associated with us will treat all personal data and sensitive personal information as confidential and will not process it other than for legitimate purposes. Steps will be taken to ensure that the information is accurate, kept up to date and not kept for longer than is necessary. Measures will also be taken to safeguard against unauthorised or unlawful processing and accidental loss or destruction of or damage to the data.

Subject to certain exceptions, you are entitled to have access to your personal and sensitive personal data held by us. You may be charged a fee (subject to the statutory maximum) for supplying you with such data.

### **Law**

This client agreement is governed and shall be construed in accordance with English law and the parties shall submit to the exclusive jurisdiction of the English Courts.

### **Force Majeure**

IFPAS Limited trading as Hinton Associates shall not be in breach of this Agreement and shall not incur any liability to you if there is any failure to perform its duties due to any circumstances reasonably beyond its control.

### **Termination**

The authority to act on your behalf may be terminated at any time without penalty by either party giving seven days notice in writing to that effect to the other, but without prejudice to the completion of transactions already initiated. Any transactions effected before termination and a due proportion of any period charges for services shall be settled to that date.


**Declaration**

This is our standard client agreement upon which we intend to rely. For your own benefit and protection you should read these terms carefully before signing them. If you do not understand any point, please ask for further information.

**Client consent**

Please tick this box if you do not consent to us or to any company associated with us processing any such sensitive data.

Please tick this box if you do not wish us or for any company associated with us to contact you for marketing purposes by e-mail, telephone, post or SMS.

SIGNATURE	NAME	DATE
.....		.....
SIGNATURE	NAME	DATE
.....		.....
ADVISER'S SIGNATURE	NAME	DATE
	Terry Hinton, Cert. PFS for and on behalf of IFPAS Ltd t/a Hinton Associates Independent Financial Advisers	27.10.2009

Last updated 10.09.2009



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Hinton Associates is a trading style of IFPAS Limited, registered in England and Wales no. 02904407, which is authorised and regulated by the Financial Services Authority  
Directors: Terry Hinton, Cert. PFS (Managing), Alistair Hinton