



Chartered Financial Planners



# ***Our Terms of Business***

*Everything you need to know about working with HDA*

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## **Offices**

Manor Farm Courtyard, Southam Lane, Cheltenham, Glos GL52 3PB

Tel: 01242 514563 Email: [enquiries@hda-ifa.co.uk](mailto:enquiries@hda-ifa.co.uk)

3 Nimrod House, Sandys Road, Malvern, Worcs WR14 1JJ

Tel: 01684 891768 Email: [malvern@hda-ifa.co.uk](mailto:malvern@hda-ifa.co.uk)

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## Introduction

The purpose of this document is to set out the terms that will apply to all our dealings with you until further notice. 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 we carry out any work for you, we will send you an **individual engagement letter** and **fee agreement**. This applies to both initial and ongoing planning services.

## Our Credentials

HDA is the trading name of Hugh Davies Associates Limited, which is **authorised and regulated by the Financial Conduct Authority** (Ref: 125569). Our status may be verified via the Financial Services Register on the FCA website ([www.fca.org.uk](http://www.fca.org.uk)) or by contacting the FCA on 0845 606 1234.

In 2013, HDA was awarded **Chartered** status by the Chartered Insurance Institute (CII) in recognition of our commitment to professional standards. All our senior advisers are individually chartered. This is your guarantee of the highest levels of competence and service.

We offer **independent advice** and access to investment, insurance and pension products from the whole market.

## What Do We Do?

We help individuals, businesses and trusts to plan their financial future. This includes:

- Cashflow planning
- Savings and Investment planning
- Pension planning
- Tax planning
- Estate planning
- Protection planning

## How Do We Do It?

An initial meeting or call is an opportunity for us to find out more about each other. Do the services we offer meet your needs? Are we the kind of firm you want to work with? Can we add value? This initial meeting is free.

Once we have a broad understanding of your circumstances and requirements, and assuming you wish to progress matters further, we will confirm in writing the initial services to be provided and the cost of those services.

When we have your instruction to proceed, we will start to gather any further information needed from you, your investment, pension and protection providers and your other professional advisers.

Once all necessary information has been gathered and analysed, and all relevant research has been carried out, we will send you our written planning report. Our report will:

- Summarise all relevant personal and financial circumstances
- Set out your objectives as we understand them
- Recommend planning to help you achieve your objectives
- Recommend any ongoing services necessary to keep your planning on track and confirm any associated ongoing costs and charges

After discussion of our report and with your agreement, we will then help you to implement the recommended planning.

## Our Charges

Our charges will depend on the nature of your working relationship with us:

- A **New Private Client** is any individual, business or trust which is not already paying ongoing fees to HDA for ongoing services.
- An **Existing Private Client** is any individual, business or trust which is already paying ongoing fees to HDA for ongoing services.
- A **Workplace Client** is any individual member of a workplace pension scheme administered by HDA who has not been classified as a Private Client.

### Initial Fees

We will always agree our fees with you before starting any chargeable work. Initial fees are payable for:

- Onboarding** Gathering of detailed personal and financial information, setting up internal records, dealing with all initial compliance requirements.
- Planning Reports** All reports (except top-ups reports) provide Outline Planning: analysis and recommendations relating to **Income & Expenditure, Assets & Liabilities**, and basic **Taxation**. Analysis and recommendations for specific planning areas are then approached in modular fashion, as required: **Retirement Planning, Investment and Estate Planning, Family Life Cover, Income Protection, Private Medical**.

Initial Fees	Private Client (New)	Existing Private Client (Note 1)	Workplace Client (Note 2)
Onboarding	£150	Nil	Nil
Outline Planning	£350	£350	Nil
Pension Planning (Note 3)	From £1,000	From £1,000	From £375
Investment and/or Estate Planning (Note 4)	From £850	From £850	n/a
Pension & Investment/Estate Planning (Note 5)	From £1,350	From £1,350	n/a
Defined Benefit Transfer Analysis (Note 6)	£1,500	£1,500	n/a
Family Life Cover	£250	£250	n/a
Income Protection	£250	£250	n/a
Private Medical Insurance	£250	£250	n/a

**Note 1:** Existing Private Clients receive a discount equal to their existing annual fees over £1,200 pa.

For Existing Private Clients, the fee for investment or pension top-up reports is £125.

For Existing Private Clients, the fee for Pension consolidation reports is £375 per plan.

**Note 2:** Fees for Workplace Clients are only payable when recommendations are implemented. The Workplace Client fee tariff only applies to non-complex pensions advice.

**Note 3:** The standard fee includes an analysis of up to three existing pension schemes with a combined fund value of not more than £100,000. Additional fees of £150 apply for each additional pension scheme (£75 for Workplace Clients), and 0.10% of the total value in excess of £100,000.

**Note 4:** The standard fee is based on invested/investable assets of up to £100,000 (excluding pension funds), or estate value of up to £2 million. Additional fees of 0.10% apply to invested/investable assets in excess of £100,000, or estate value in excess of £2 million.

**Note 5:** Where both Pension Planning and Investment or Estate Planning are required, the standard fee is £1,350 rather than £1,850. Additional fees then apply as set out in Notes 3 and 4.

**Note 6:** This fee is per Scheme and is in addition to Pension Planning Fees.

Ad hoc fees for other research, analysis and recommendations will be time-costed at the following hourly rates:

Advisers	£200.00 per hour
Paraplanners	£ 75.00 per hour
Administrators	£ 40.00 per hour

## Implementation Fees

We make no charge for arranging investment and pension plans for Private Clients who wish to take advantage of our ongoing Financial Planning service.

For Private Clients who do **not** wish to take advantage of our ongoing Financial Planning service:

- we charge 1.00% of the value of any lump sum investment.
- we charge the greater of £500 or 10% of the annualised level of regular contributions.

We will not arrange a Defined Benefit transfer for clients who do not wish to take advantage of our ongoing Financial Planning service.

We charge 2.00% of the lump sum invested in (or transferred to) a pension plan for Workplace Clients only, subject to a minimum of the Initial Fee calculated in accordance with the Initial Fee table.

We charge 1.00% of the purchase price of an annuity.

We charge £500 for arranging each Life policy, Income Protection policy and Private Medical Insurance policy.

## Ongoing Fees

We will always agree our ongoing services and fees with you in advance. We offer three ongoing service options. Our Financial Planning services for Private Clients are subject to a minimum contractual term of 12 months.

### 1. Financial Planning linked to HDA Investment Solutions:

0.95% per annum on the first £250,000	(£9.50 per £1,000)
0.70% per annum on the next £500,000	(£7.50 per £1,000)
0.45% per annum on the next £250,000	(£4.50 per £1,000)
0.30% per annum on the next £1 million	(£3.00 per £1,000)
Fees above £2 million are By Agreement	

### 2. Financial Planning linked to third-party Investment Solutions:

0.75% per annum	(£7.50 per £1,000)
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### 3. Acting as your agent with product providers (no ongoing Financial Planning or Investment Management):

0.30% per annum	(£3.00 per £1,000)
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Discounts of up to 0.25% per annum are available to Workplace Clients for ongoing Financial Planning services.

## How and When are Fees Payable?

For Private Clients, all initial planning fees are payable within 14 days of issue of our planning report. For Workplace Clients, initial planning fees are only payable when the advice is implemented.

Fees will usually be payable by cheque or bank transfer. If lump sum pension plans are being arranged (to implement our recommended planning), initial fees may instead be deducted from lump sum pension contributions or transfers.

Implementation fees for investment, pension or annuity plans may be paid by cheque, by bank transfer or by deduction from the plan. Implementation fees are payable within 14 days of receipt by the product provider of the investment sum.

Ongoing fees may be paid annually in advance by cheque or bank transfer, monthly by standing order, or may be facilitated monthly or annually by your investment and/or pension provider(s).

Examples of our fees have been appended to this document. We are happy to provide indicative fee quotes for any situation without obligation.

## VAT

Our fees are not usually subject to VAT because financial intermediation is an exempt supply. If we are required to charge you VAT on any of our services, we will notify you.

## Termination of Services

You or we may terminate our authority to act on your behalf at any time. Notice of this termination must be given in writing and will take effect one calendar month from the date of receipt. Termination is without prejudice to any transactions already initiated which will be completed according to these terms of business unless otherwise agreed in writing. You will be liable to pay for any transactions made prior to termination and any fees outstanding as outlined in any fee agreement in place, if applicable.

## Client Classification

We believe in providing our clients with full regulatory protection and we propose to classify you as a 'Retail Client' for investment purposes. If we change this classification for any reason, you will be notified immediately as this may affect the level of protection available to you from the Financial Ombudsman Service.

## Communication

We will communicate with you via our website ([www.hda-ifa.co.uk](http://www.hda-ifa.co.uk)), via our secure Client Portal ([www.wealthplatform.co.uk](http://www.wealthplatform.co.uk)), by e-mail, by text message, by letter and by telephone. Telephone calls may be monitored and/or recorded for regulatory and training purposes.

Your instructions to us must be confirmed in writing to avoid possible disputes. We accept completed application forms and signed declarations, where appropriate, as being written instructions. We will also accept instructions by e-mail from validated e-mail addresses and telephone instructions if made on a recorded line.

Once we have arranged a pension or investment product for you and you wish to add to that product without a face-to-face meeting, we will confirm our advice and recommendations in writing without undue delay after the conclusion of the transaction, unless you explicitly ask us to delay the transaction so that you may receive our written advice and recommendations in advance.

If you ask us to arrange a pension, investment or protection policy on your instruction (or you wish to add to such a plan) and you do not require, or do not wish to follow our advice, you must confirm in writing your wish to proceed on a "non-advised" basis.

## Anti-Money Laundering

We are legally obliged to verify the identity of our clients and retain these records. We may verify your identity by carrying out an electronic check with an independent agency. This will involve an electronic search of information, including access to databases and credit data. By signing this form, you consent to us undertaking this check of your identity. We may need to verify your identity on an ongoing basis.

## Client Money

We do not handle client money. We will not accept a cheque made out to us except in settlement of charges or disbursements for which we have sent you an invoice. We will not accept cash payments in any circumstances.

## Documentation

All investments will be registered in your name unless we are instructed otherwise in writing. All Contract Notes, Documents of Title and Policy Documents will be sent on to you as soon as practicable after we receive them. When several documents are involved, relating to a series of transactions, we will normally hold each document until the series is complete.

## Cancellation Rights

We will inform you of your statutory right to cancel and the timeframes applicable in which to cancel. For life and pension contracts this is usually 30 days. In circumstances where no such statutory rights are granted, we will inform you before any contract is concluded.

## Material Interest

Occasions can arise where we, or one of our customers, will have some form of interest in business that we are transacting for you. If this happens, or we become aware that our interests or those of one of our other customers conflict with your interests, we will inform you in writing and obtain your consent before we carry out your instructions and we will detail the steps that we will take to ensure fair treatment.

We have arrangements in place to ensure our clients are treated fairly and we have a conflict of interest policy in place to help us manage the risks. You may ask for a copy of this policy at any time.

## Benchmark Capital

Benchmark Capital Limited has a minority shareholding in Regrowth Holdings Limited, the parent company of Hugh Davies Associates Limited (HDA). Schroders plc has a majority shareholding in Benchmark Capital Limited. In the interest of disclosure, the companies that fall under Benchmark Capital Limited include Fusion Wealth Limited, Fusion Funds Limited and Bright Square Pensions which may feature in recommendations made to you.

Additionally, as Benchmark Capital is associated with Schroders, you may receive independent advice recommendations for funds that are managed by Schroders (including Cazenove Capital Management). Fusion Wealth offer a discretionary fund management investment solution which may contain funds associated to the Schroders Group where the funds help to meet the objectives of the model. Fusion Wealth also offer a range of investment funds.

For clarity the use of Fusion Wealth or its investment solutions, Fusion Funds, Bright Square Pensions, Schroders or Cazenove funds is not mandated and will only be used where it is a suitable solution to your financial objectives. Procedures are in place to monitor and safeguard our customers' best interests.

## Data Protection – Your Personal Data

The data you provide to us is subject to the General Data Protection Regulation (GDPR). As the data controller of your personal data we will properly value and protect the information entrusted to us. Please refer to our separate **Customer Privacy Notice** which we will ask you to sign before we record or store any of your personal data.

## Complaints and Compensation

If you have a complaint about the advice you receive from us, or about a product that you have bought from us, please write to the Compliance Officer at our Head Office in Cheltenham (address and telephone number as above). A summary of our Complaints Procedure is available on request. If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.

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

- Most types of **investment** business are covered for 100% of the first £85,000 but with no cover above this.
- **Insurance** advising and arranging is covered for 90% of the claim without any upper limit.

Further information about compensation scheme arrangements can be found on the FSCS website ([www.fscs.org.uk](http://www.fscs.org.uk)) or by contacting them on 0800 678 1100.

## Law

These Terms of Business are governed and shall be construed in accordance with English Law and the parties shall submit to the exclusive jurisdiction of the English Courts.

## Appendix: Fee Examples

### Initial Fees for Advice and Planning

(1) A **new Private Client** approaches us for pension advice only. He has 5 separate pension schemes with total fund values of £250,000. **Our planning fee is £1,950**, payable once we have issued our written advice:

- Onboarding = £ 150
- Outline planning = £ 350
- Pension planning = £1,450

(2) A **new Private Client** approaches us for investment advice only. She has investable assets of £500,000. **Our planning fee is £1,750**, payable once we have issued our written advice:

- Onboarding = £ 150
- Outline planning = £ 350
- Investment planning = £ 1,250

(3) A **new Private Client** approaches us for investment and pension advice. They have 3 separate pensions schemes with total fund values of £200,000, and investable assets of £250,000. **Our planning fee is £2,100**, payable once we have issued our written advice:

- Onboarding = £ 150
- Outline planning = £ 350
- Pension planning = £1,100
- Investment planning = £ 500

(4) An **existing Private Client** approaches us for investment advice only. They have received an inheritance and have (non-HDA) investable assets of £250,000. They are already paying £1,700 to HDA in annual fees. **Our planning fee is £850**, payable once we have issued our written advice:

- Outline planning = £ 350
- Investment planning = £1,000
- Less Discount = (£ 500)

(5) An **existing Private Client** approaches us for advice on family protection. They are already paying £1,500 to HDA in annual fees. **Our planning fee is £550**, payable once we have issued our written advice:

- Outline planning = £ 350
- Life Cover planning = £ 250
- Income Protection planning = £ 250
- Less Discount = (£ 300)

(6) An **existing Private Client** approaches us for advice on topping up their ISAs (already managed by HDA) by £20,000 each. They are already paying £380 to HDA in annual fees. **Our planning fee is £125**, payable once we have issued our written advice:

- Investment planning = £ 125 (Top ups of up to £40,000 per annum)

(7) A **new Private Client** approaches us for advice on transferring out of a Defined Benefit Occupational Pension Scheme. The transfer value is £1 million. Once our free Triage service has been completed, our planning fee is £3,000, payable once we have issued our written advice:

- Onboarding = £ 150
- Outline planning = £ 350
- Pension planning = £1,000
- DB Transfer Analysis = £1,500

(8) A **new Private Client** approaches us for a comprehensive review of their financial situation, including protection, Private Medical, investments (£500,000) and pensions (£500,000). **Our planning fee is £3,400**, payable once we have issued our written advice:

- Onboarding = £ 150
- Outline planning = £ 350
- Protection planning = £ 750
- Pension planning = £1,400
- Investment planning = £ 750

(9) A **Workplace Client** approaches us for advice on 3 pension plans from previous employers. The combined fund values are £50,000. **Our planning fee is £375**, payable only if a transfer is implemented:

- Pension planning = £ 375

(10) A **Workplace Client** approaches us for advice on 5 pension plans from previous employers. The combined fund values are £175,000. **Our planning fee is £600**, payable only if a transfer is implemented:

- Pension planning = £ 600

### Fees for Implementation (arranging products)

(1) We consolidate 5 existing pension plans with a total value of £250,000 for a **Private Client**:

(a) **There is no fee** for arranging the new pension plan if the client signs up for our ongoing financial planning service.

(b) **There is a fee of £2,500 (1%)** if our ongoing financial planning service is not required. This fee is payable when the initial investment is complete. Fees may be settled directly or by deduction from the plan.

(2) We arrange investments with a total value of £500,000 for a **Private Client**:

(a) **There is no fee** for arranging the investments if the client signs up for our ongoing financial planning service.

(b) **There is a fee of £5,000 (1%)** if our ongoing financial planning service is not required. This fee is payable when the initial investment is complete. Fees may be settled directly or by deduction from the plan.

(3) We arrange regular pension contributions of £2,000 per month for a **Private Client**:

(a) **There is no fee** for arranging the new pension plan if the client signs up for our ongoing financial planning service.

(b) **There is a fee of £2,400 (10% of annualised contributions)** if our ongoing financial planning service is not required. This fee is payable when the first contribution is made. Fees may be settled directly or by deduction from the plan.

(4) We arrange an annuity with a purchase price of £100,000 for a **Private Client**:

(a) **There is a fee of £1,000 (1%)** This fee is payable when the initial purchase is complete. Fees may be settled directly or by deduction from the purchase price.

(5) We arrange a life insurance policy for a **Private Client**:

(a) **There is a fee of £500**. This fee is payable when the policy commences. Fees may be settled directly or, by agreement, we may accept commission from the policy to the value of our fee.

(6) We arrange a pension transfer (not Defined Benefit) of £50,000 for a **Workplace Client**:

(a) **The fee is the greater of £1,000 (2%) or the Pension Planning advice fee**. This fee is payable when the initial investment is complete. Fees may be settled directly or by deduction from the plan.

## Ongoing Fees for Financial Planning and Administration

(1) We provide ongoing Financial Planning to a **Private Client** with £250,000 invested in HDA Investment Solutions:

**Our ongoing fee is £2,375 per annum (0.95%).** This service has a minimum term of 12 months. Fees are payable monthly or annually in advance. Fees may be paid annually by cheque or standing order, monthly by standing order or by monthly deduction from the investments.

(2) We provide ongoing Financial Planning to a **Private Client** with £1 million invested in HDA Investment Solutions:

**Our ongoing fee is £7,000 per annum (0.70%).** This service has a minimum term of 12 months. Fees are payable monthly or annually in advance. Fees may be paid annually by cheque or standing order, monthly by standing order or by monthly deduction from the investments.

(3) We provide ongoing Financial Planning to a **Private Client** with £2 million invested in HDA Investment Solutions:

**Our ongoing fee is £10,000 per annum (0.50%).** This service has a minimum term of 12 months. Fees are payable monthly or annually in advance. Fees may be paid annually by cheque or standing order, monthly by standing order or by monthly deduction from the investments.

(4) We provide ongoing Financial Planning to a **Private Client** with £250,000 invested in third-party Investment Solutions:

**Our ongoing fee is £1,875 per annum (0.75%).** This service has a minimum term of 12 months. Fees are payable monthly or annually in advance. Fees may be paid annually by cheque or standing order, monthly by standing order or by monthly deduction from the investments.

(5) We provide ongoing Financial Planning to a **Private Client** with £1 million invested in third-party Investment Solutions:

**Our ongoing fee is £7,500 per annum (0.75%).** This service has a minimum term of 12 months. Fees are payable monthly or annually in advance. Fees may be paid annually by cheque or standing order, monthly by standing order or by monthly deduction from the investments.

(6) We provide ongoing Financial Planning to a **Workplace Client** with £250,000 (excluding crystallised pension funds) invested in HDA Investment Solutions:

**Our ongoing fee is £1,750 per annum (0.70%).** Fees are payable monthly or annually in advance. Fees may be paid annually by cheque or standing order, monthly by standing order or by monthly deduction from the investments.

(7) We provide ongoing Financial Planning to a **Workplace Client** with £250,000 (excluding crystallised pension funds) invested in third-party Investment Solutions:

**Our ongoing fee is £1,250 per annum (0.50%).** Fees are payable monthly or annually in advance. Fees may be paid annually by cheque or standing order, monthly by standing order or by monthly deduction from the investments.

(8) We act as agent for a **Private Client or Workplace Client** with £250,000 invested in third-party Investment Solutions but we provide no ongoing Financial Planning:

**Our ongoing fee is £750 per annum (0.30%).** Fees are payable monthly or annually in advance. Fees may be paid annually by cheque or standing order, monthly by standing order or by monthly deduction from the investments.

## Client Acknowledgement

I/we acknowledge receipt of the HDA Terms of Business (last updated 1<sup>st</sup> November 2019).

I/we confirm that we have been given enough time and opportunity to read this document and to ask questions.

I/we understand that I/we may only rely on advice provided by HDA in writing and, to avoid confusion or dispute, should not rely on any verbal communication unless and until it is confirmed in writing.

I/we understand that I/we will be issued with an individual engagement letter and fee agreement before HDA carries out any chargeable work on my/our behalf. Separate engagement letters and fee agreements will be issued in respect of initial services and fees, and ongoing services and fees.

Name		
Signature		
Date		