



Our Terms of Business

For Private Clients

Everything you need to know about
working with HDA

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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 **Terms of Business for Private Clients** 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) 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 help you to implement the recommended planning.

Our Charges

Initial Fees

We make no charge for an initial discovery meeting. This is an opportunity for you to explain your requirements and for us to explain our services and our charges.

We charge fees for providing advice. We will usually work to a fixed fee. Occasionally we will work on an hourly rate.

Our fees for a financial planning report start at £1,500. Our fees for a Defined Benefits Transfer report start at £3,000. The actual fee will depend on the level of complexity.

Hourly charging rates are as follows:

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

Our fees will usually be exempt from VAT but, if this is not the case, we will let you know.

We will always agree our fees with you before starting any chargeable work.

Implementation Fees

We usually make no charge for setting up investment and pension plans for clients who wish to take advantage of our ongoing Financial Planning service (minimum term 12 months). The only exception is for EIS and Business Relief Investments for which we charge an implementation fee of 1.00%.

For those 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 (minimum fee £500)
- we charge £500 for setting up a regular contribution investment plan

We will not arrange a Defined Benefit transfer for clients who do not wish to take advantage of our ongoing Financial Planning service (minimum term 12 months).

We charge for our time for arranging an annuity (minimum fee 1% or £500 if higher)

We charge for our time for arranging a life policy, income protection policy or Private Medical Insurance policy (minimum fee £500)

Ongoing Fees

We charge annual fees for ongoing financial planning, investment management and administration. Our charges depend on the type of ongoing service required (see below).

Our fees will either be at a fixed rate, linked to inflation subject to minimum annual increase of 2.5%; or, our fees will be based on the value of your investments. Our Financial Planning services are subject to a minimum contractual term of 12 months.

Fixed fees are payable by standing order only. Value-based fees may be deducted from your investments or paid by standing order.

We will always agree our ongoing services and fees with you in advance.

Typical services and costs are as follows:

1. Financial Planning using HDA Investment Solutions:

- Fixed fees from £1,200 pa
- Value-based fees:
 - 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 (not EIS or Business Relief Investments):

- Fixed fees from £960 pa
- Value-based fees:
 - 0.75% per annum (£7.50 per £1,000)

3. Acting as your agent with product providers (no ongoing Financial Planning or Investment Management; EIS and Business Relief Investments):

- Fixed fees from £360 pa
- Value-based fees:
 - 0.30% per annum (£3.00 per £1,000)

How and When are Fees Payable?

All initial planning fees are payable within 14 days of issue of our planning report.

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, or monthly by standing order. Value-based fees may also be facilitated monthly or annually by your investment and/or pension provider(s).

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 or due 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), via our secure Client Portal (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 *Customer Privacy Notice* on our website (<https://hda-ifa.co.uk/privacy-policy/>).

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) 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.

Client Acknowledgement

I/we acknowledge receipt of the HDA Terms of Business (last updated 23rd June 2020).

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		



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