

# Client Agreement

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Carnelian Capital Management Limited is authorised and regulated by the Financial Conduct Authority.

FCA financial services register no. 792253.

*Registered office: 21 New Walk, Leicester LE1 6TE. Registered in England 8578342.*



**Chartered**

### About Carnelian Capital Management

Carnelian Capital Management Limited is a firm of Chartered Financial Planners offering independent advice. The firm is directly authorised & regulated by the Financial Conduct Authority (FCA) under number 792253.

You can check this on the Financial Services Register by visiting [www.fca.org.uk/register/](http://www.fca.org.uk/register/) or by writing to the FCA at 25 The North Colonnade, Canary Wharf, London, E14 5HS, telephone 0800 111 6768.

### Introduction

This agreement sets out our relationship with you and the basis on which we will conduct business. It is an important document. You must read it carefully and if you are unsure of any terms please let us know immediately.

The agreement will take effect upon acceptance, either implied or actual, of its terms by you and will remain in force until further notice. If you are an existing client receipt of these terms replaces any previous agreement.

English law will govern this agreement and any disputes shall be settled under the jurisdiction of the English law courts. We will communicate to you in English, unless we agree to communicate in an alternative language. We will usually communicate with you by post, telephone, fax and email.

We reserve the right to amend this agreement at our discretion when necessary due to changes in regulation or law. We will inform you of any changes in writing. You will be given the opportunity to accept the changes or alternatively give notice to end our business relationship.

Where formal written notice is required then it should be in writing (not email unless agreed in advance by the parties) and sent by first class post. It will deem to be effective 10 business days from posting.

You agree to indemnify us in relation to any acts, proceedings or claims which we incur directly or indirectly as a result of our acting under this agreement save that this indemnity shall not apply to the extent it arises out of our negligence, fraud, breach of this agreement or our regulatory responsibilities.

### Type of advice offered

Carnelian offers independent advice. We provide unbiased and unrestricted advice on retail investment products based on a comprehensive

and fair analysis of the market. We are permitted to give advice on all retail investment products including pensions, investments and life assurance and arrange transactions in these products. We will consider a sufficiently wide range of financial instruments available on the market to ensure that your objectives can be met in a suitable way. For further information on the range of investments and products this includes please ask.

### Financial Planning Process

Before we make any financial planning recommendations we will gather personal information relating to your circumstances (this is called fact finding). We will gather all the appropriate information we need to assess your needs. We will set out in writing our recommendations (known as a suitability report) based on your financial planning objectives taking into account your acceptable level of investment risk and any restrictions you wish to place on the type of policies or investments you are willing to consider. We will specify if the plan covers all your financial needs or if it is focussed on one area.

The advice we give is based on the information you have provided. It is your responsibility to advise us of any changes.

If you fail to provide us with what we believe to be the necessary information to make a recommendation, then we reserve the right to refuse to act for you.

Some of the products and services that we provide or advise you on are not subject to the Financial Services and Markets Act 2000.

### Risk warnings

We will outline the risks involved with any recommendation we make. These will be set out in your personal suitability report.

The value of any investment made may go down as well as up and you may not get back the amount you invested. The level of any income provided may fluctuate.

We cannot be held liable for any reduction in the value of any investments arranged on your behalf. Any investment made in to an illiquid asset may be difficult to sell or to obtain reliable information on its value.

If you take out an insurance policy and you do not keep up with payments, the policy will lapse. In this instance it would not pay out in the event of a claim.

### Client classification

We automatically classify all of our customers as Retail Clients. A retail client is entitled to receive the highest level of regulatory protection that is available under the Financial Services and Markets Act 2000.

### Providing information

Please take reasonable care to answer completely, accurately, honestly and to the best of your knowledge all questions that are required to provide a recommendation and on any policy or investment application. The information will be used to determine whether to accept your application.

If the information provided by you is not complete, inaccurate or omits any material information then your application may be adversely affected, cancelled or any future claim refused.

### Accepting your instructions

All instructions we receive from our customers should be made in writing to avoid any disputes. We will, in very exceptional circumstances, accept oral instructions provided they are subsequently confirmed in writing.

### Verifying your identity

Before we can undertake any work on your behalf we are required by law to verify your identity. We may do this by asking you to provide us with certain items of personal documentation, or we may do so electronically by way of a search with an online credit reference agency.

If verification evidence is not forthcoming, either as a result of a failure on your part to supply the evidence, or for any other reason, then there may be a delay in providing advice and/or setting up your investment or policy. We are not responsible for any investment loss that may be incurred should this happen.

### Cost of our service

The service we offer is chargeable and is subject to a fee. We will discuss your payment options with you and answer any questions you have. We will not charge you until we have agreed with you how we are to be paid.

The options are set out below. VAT may be payable on some or all of the work we do. Where this is the case you will be informed and invoiced accordingly.

### Initial investment advice

You will pay us a fee (also known as an adviser charge) for our advice and services at an amount or a rate agreed before we commence any work. The fee is not dependent on you buying a product.

The initial meeting is at our cost.

#### Percentage fee option

Advice Type	Fee
Up to £500,000	2% subject to a minimum of £1,500
£500,000 to £999,999	1.5%
£1.0m +	1%

The fees are only indicative in nature and are subject to review annually on 1<sup>st</sup> September. Depending on the complexity and nature of the advice our fee may exceed the typical amount stated. This will always be discussed and agreed in advance of carrying out any work for you.

Alternatively, we can operate on an hourly rate basis as follows:

Director	£250 per hour
Financial Planner	£190 per hour
Paraplanner	£130 per hour
Administrator	£90 per hour

We will always agree the scope of the advice and the fee payable in writing; this will be in the form of an engagement letter. You will need to sign a copy of this letter and return it before any work can commence.

The fee will not exceed the maximum rate specified in this document. You may ask us for an estimate of how much in total we may charge. You may also ask us not to exceed a given amount without checking with you first.

### Your payment options

#### Settling your adviser charge through a single payment

You will be required to settle the payment of our fee on completion of our work within 14 days. We accept cheque or standing order payments. We do not accept payment by cash. You will be provided with a receipt upon payment.

#### Settling your adviser charge by instalments through your recommended product

If you buy a financial product, you can choose to have your adviser charge deducted from the

product. Although you pay nothing to us up front this does not mean our service is free. You pay us indirectly from a deduction from your investment. This will reduce the amount available for investment.

You can choose to have your adviser charge deducted from a financial product in instalments. For example,

Monthly premium	£250
Cost of advice	£600
Monthly payment for advice	£50
Length of repayment period	12 months

These instalments will be deducted from the premium you pay each month. The total cost of advice is £600. You have been recommended a regular premium product with a monthly premium of £250.

For the first 12 months of the investment £50 will be deducted from the monthly premium. This leaves £200 to be invested. At the end of this period, from month 13 the full £250 will be invested as the cost of advice will be settled in full.

#### *Paying through other arrangements*

Your fee can be paid up to a maximum of 4 instalments over 12 months. The fee will be due on the 1st of the month and will be paid in equal instalments. This can be by cheque or standing order.

#### **Keeping up with your payments**

If you fail to keep up with the agreed repayment of your fee (adviser charge) we will terminate our relationship.

If you cancel an investment or policy and as a result we are not paid the agreed fee in full we reserve the right to invoice you for the outstanding amount.

#### **Client Management Fees**

We offer a financial planning service where we review your personal financial plan twice a year. Typically, the costs are;

Fee
0.75% of the portfolio
Minimum – £1,000 per annum

However, we can work on a lower percentage rate to suit your circumstances on an annual basis. Typically, the costs are;

Fee
0.5% of the portfolio
Minimum – £750 per annum

The cost of the ongoing service can be paid direct by you through a standing order or it can be deducted from your investments. Full details will be given in the Letter of Engagement.

This service can be cancelled at any time by writing to us. Full details of your agreed ongoing service will be set out in your engagement letter.

#### **Investment Management Fees**

We also offer an investment management service where we run risk-rated Model Portfolios on your behalf. Typically, the costs are;

Fee
Up to 0.7% of the portfolio
Minimum – £1,000 per annum

#### **Pure Protection Products**

We are an intermediary and will act on your behalf when providing advice and making our personal recommendation(s) to you.

If you buy a protection product you may elect that we are remunerated by commission, fee or a combination of both.

The commission is paid directly by the provider. Although you pay nothing up front that does not mean our service is free. The commission paid to us forms part of the products charges which you pay when you purchase the product. Product charges pay for the product provider's own costs and any commission payable to third parties.

If you choose to pay by fee the commission that otherwise might have been payable under the policy recommended will not be payable and may reduce your premium. The fee would be based on the payment options on page 3.

The amount of commission we receive will vary depending on the type of policy and (sometimes) the term of the policy and/or your age. For example:

If you were to pay £20 per month towards a life cover policy we would receive an initial commission payment of £350 - £400 with 50p payable monthly after month 49.

We may also receive commission or other form of benefit from working with the issuer of a security, a product provider or from another intermediary. We will inform you before the transaction if we are likely to receive such commission or form of benefit from recommending any product to you.

If we recommend a regular premium policy and you subsequently cease to pay the premium on the policy and as a result of the cancellation are obliged to refund any product charge or commission that has been paid to us; we reserve the right to charge you a fee covering the cost of the advice we provided, for a period of up to four years after the commencement of the policy.

#### Client's money

We do not handle customer's money. We will not accept a cheque made out to us unless it is in settlement of fees or disbursements for which we have invoiced you. We do not accept any payments in cash.

#### Termination of our services

You or we may terminate our authority to act on your behalf at any time without penalty. Notice of this termination must be given in writing and will take effect from the date of receipt.

Termination is without prejudice to any transactions already initiated which will be completed according to this client agreement unless otherwise agreed in writing. You will be liable to pay for any transactions made prior to termination and for any outstanding fees due to us.

#### Dealing with your other advisers

We may accept instructions from and give information to your other advisers or third parties on your behalf. We will need a written instruction from you.

We cannot accept responsibility for errors in information that have been supplied by such people.

#### Ownership of investments and policies

We will make arrangements for all of your investments and policies to be registered in your name, unless otherwise instructed by you in writing, or if the investment is not of a type that can be registered in this way.

All documents relating to your investments will be forwarded onto you as soon as practicable after we receive them.

#### Cancellation rights

Most investments and policies have a limited period during which you can choose to cancel after the start date. We will disclose the cancellation rights that apply to your investment or policy in your personalised financial plan.

If you choose to cancel an investment during the cancellation period you may not get back the full amount that you invested.

#### Advising professionals

If you are a trustee, director, or officer of a trust, corporation or LLP and require advice; you affirm to us that you have full authority to act on behalf of the same and that there are no restrictions on the limits of our advice which we have not been made aware of. We will not be responsible for advising on compliance with your trust, trustee, director or officer obligations.

#### Material Interests/Conflict of interests

Occasions can arise where we, or one of our other customers, will have some form of interest in business, which we are transacting for you.

As a consequence of such potential conflicts arising, we have put arrangements in place to ensure all our clients are treated fairly.

We have also implemented a conflicts of interest policy to help us to all appropriate steps to manage such risks.

While we take all reasonable steps to mitigate such risks, if we are unable to mitigate the risks from a potential conflict, before we undertake any actions on your behalf we will inform you in writing with;

- A specific description of the conflicts that has arisen.
- A clear documented statement of the steps the firm has taken to prevent the conflict.
- An explanation of the remaining risks that are posed to your interest.

#### Anti-Money Laundering

We are required to verify your identity in accordance with the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007. We reserve the right to approach third parties and to delay any applications until adequate verification of identity has been obtained.

### Retention of records

We keep records of our business transactions for at least six years, except where we are required by legislation or our regulator to retain records for a longer period.

### If you have a complaint about us

As a company we pride ourselves on the high standards of service we offer and the quality of the advice we provide. We value any feedback that our customers provide to us.

If you are dissatisfied with the advice or service that you have received from us and wish to make a complaint you may write to the Compliance Officer at Carnelian Capital Management Limited, Regus House, Atterbury Lakes, Fairbourne Drive, Milton Keynes, MK10 9RG. A copy of our internal complaints procedure is available upon request.

If we fail to settle your complaint to your satisfaction, or we take more than 8 weeks to resolve the complaint, you may be entitled to refer it to the independent Financial Ombudsman Service (FOS). You can contact the FOS by telephone on 0845 080 1800 or the internet [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

### Financial Services Compensation Scheme

We are covered by the Financial Services Compensation Scheme (FSCS). If we cannot meet our obligations to you then you may be entitled to claim compensation from the FSCS. Your entitlement to claim is based upon the type of business and the circumstances of the claim.

### Deposit

Most types of cash deposits are covered for 100% of the first £85,000.

### Investment

Most types of investment business are covered for 100% of the first £85,000.

### Insurance

Insurance advising and arranging is covered for 90% of the claim, without any upper limit.

You can find out more information about the compensation scheme and how to make a claim from the FSCS. Their website is [www.fscs.org.uk](http://www.fscs.org.uk), or you can call them on 0207 892 7300.

### Client Signature

This is our client agreement which we intend to rely upon. For your own benefit and protection please read these terms carefully before signing them. If you do not understand or require clarification on any of the above, then please do ask.

I/We understand and consent to the terms of this client agreement.

I/We hereby authorise the transfer of information as described above between Carnelian and other third parties on a confidential basis.

I/We authorise you to liaise with my/our other professional advisers and exchange information pertinent to my/our financial planning needs. Carnelian is permitted to rely on the information provided.

I/We agree that this client agreement will come into effect from the date below.

Signed \_\_\_\_\_

Print Name \_\_\_\_\_

Date \_\_\_\_\_

Signed \_\_\_\_\_

Print Name \_\_\_\_\_

Date \_\_\_\_\_

Signed on behalf of Carnelian

Signed \_\_\_\_\_

Print Name \_\_\_\_\_

Date \_\_\_\_\_