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# Watson French

INDEPENDENT FINANCIAL PLANNING  
& INVESTMENT MANAGEMENT

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## Our Service Agreement with you

### About us:

This agreement is issued to you on behalf of Watson French Ltd of Courtleigh House 74-75 Lemon St Truro TR1 2PN who can be contacted on 01872 225885 or at [enquiries@watsonfrench.co.uk](mailto:enquiries@watsonfrench.co.uk)

We are required by our regulator to provide you with details about our services and the cost of these services. Please read this document carefully and if you do not understand any point please ask for further explanation.

### Our Authorisation:

We are authorised and regulated by the Financial Conduct Authority (FCA). The FCA regulates the financial services industry in the UK and can be contacted at 25 The North Colonnade Canary Wharf London E14 5HS. You can check this on the FCA's Register (by visiting [www.fca.org.uk](http://www.fca.org.uk)). Our FCA register number is 210094.

### Our Permitted Business:

Our permitted business is that of advising on and arranging savings and investment products, pensions, mortgages and non – investment contracts.

### Client Categorisation:

Each private individual with whom the firm does business is categorised to identify the level of regulatory protection. We propose to classify you as 'Retail Client' for Investment purposes. This offers you the highest level of protection under the regulatory regime.

For business/commercial clients and charities and trusts, your level of regulatory protection may vary from that of private individual. In general terms, we understand that the Financial Ombudsman Service may only consider cases from small business with a turnover of less than two million Euros and fewer than ten employees.

### Communications:

We will communicate with you verbally, electronically and in writing in our dealings with you.

**Scope of Service:**

We are an independent business. Our advice is given on an **independent basis**, in consideration of the whole market and without influence from any product provider or consortium of providers. Consequently our recommendations will be based on a comprehensive and fair analysis of the whole of market after we have assessed your needs.

**Services to be provided:**

Capital investments and regular savings, including regular and single payments into Pension Plans and Individual Savings Accounts which we have arranged for you will be managed and reviewed according to the service that you have chosen.

If you have opted for our Advisory Investment Management Service your investments will be managed and reviewed as set out in our Advisory Investment Management Service Agreement.

If you have not opted for our Advisory Investment Management Service we will review your investments with you when prompted by you to do so. We reserve the right to charge you for the review under these circumstances and will advise you in advance of the review if a charge is to be made and if so, the amount of the charge.

We may in future contact you by way of an unsolicited promotion should we wish to contact you to discuss the relative merits of an investment or service which we consider may be of interest to you. Under these circumstances you will not incur any charges until such time as you provide instructions to us for to undertake specific investment advice for you and in full knowledge of the charges that will be incurred for such work.

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

Watson French Ltd does not handle client money. We do not accept cheques in our favour unless it is in settlement of charges or disbursements for which we have sent you an invoice. We do not handle cash under any circumstances.

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 you all documents showing ownership of your investments as soon as is practical after we receive them.

Where a number of documents are due involving a series of transactions, we normally hold each document until the series is complete and then forward them to you.

## Our Fees and how they are paid:

Not all firms charge for advice in the same way. We will discuss your payment options with you and answer any questions you may have. We will not charge you anything until you have agreed how we are to be paid and have authorised a copy of this Service and Agreement document.

We charge fees for our professional services which includes advice and implementation.

In all instances, we will agree our charges with you before beginning work. Occasionally it is not possible to provide a precise figure of the charges that will be incurred. In these circumstances you can instruct us not to exceed a specific amount of charge without checking with you first.

If you subsequently instruct us to undertake a financial transaction for you, our fee is based on a percentage of the amount invested as follows, with a minimum fee of £500.

0 - £300,000	@ 3%
£300,001 - £600,000	@ 2%
£600,001 to £900,000	@ 1%
£900,001 and above	@ 0.5%

### Example of our charges in practice:

An investment or pension transfer of £350,000.

0 - £300,000 @ 3%	= £9,000
£301,000 - £350,000 @2%	= <u>£1,000</u>

Total charge £10,000

An investment or pension transfer of £1,200,000

0 - £300,000 @ 3%	= £9,000
£301,000 - £600,000 @2%	= £6,000
£601,000 - £900,000 @ 1%	= £3,000
£901,000 - £1,200,000 @ 0.5%	= £1,500

Total charge £19,500

Our charge covers all of our advice giving process, administration and disbursements (all meetings, technical research, written correspondence, product research, administration and disbursements, FCA levy, Financial Services Compensation Scheme and Professional Indemnity Insurance).

It is essential to understand that if for any reason you instruct us to offer you advice and decide not to act on that advice, we will charge you an advice fee based on the number of hours taken

to provide the advice. This will be agreed before we commence work for you. Charges on an advice only basis will incur vat the present rate.

If there is a combination of investments the charges will include an implementation charge for the combined total of investments/arrangements.

Examples of the charges in practise:

£500,000 invested in a Wrap Account and £200,000 Pension Transfer.

Total investment is £700,000

0 - £300,000 @ 3%	= £9,000
£301,000 - £600,000 @2%	= £6,000
£601,000 - £700,000 @ 1%	= £1,000

Total charge £16,000

Our fees can be deducted in full from your investment capital, or directly invoiced to you, or a combination of each. Invoiced fees and charges are not subject to VAT @ 20% when an investment/arrangement is implemented. If no investment/arrangement is implemented the advice fee will be subject to vat.

If you decide to have our fee deducted from your investment capital it will immediately reduce your investment value by the corresponding amount of fee.

Examples of the charges if deducted from the investment in practise:

£500,000 invested in a Wrap Account incurs a total charge of £13,000. The consequent capital allocated to your investment account will be £487,000 (£500,000 less £13,000).

**Regular monthly/annual savings including ISA & Individual Pension Contributions:**

Our fee for our advice is based on an hourly rate, agreed at outset with you.

**Payment for on-going services:**

We offer an ongoing management service of your investments.

Our charge for this service is 0.75% per annum for investments up to £1,000,000 and 0.6% per annum for investments over £1,000,000. This charge is deducted from your investment on a pro rata monthly or quarterly basis.

It is important that you understand the services our annual management fee includes and entitles you to receive, note that the following explanation is the minimum service level that you can expect. We offer an open door policy and will always be pleased to meet you should you wish to discuss any matter with us, we do not charge fees for such meetings unless they are agreed in advance.

Our ongoing service includes the following:

**Annual Portfolio Valuation:** To review performance and suitability of your investments, investment objectives and investment risk parameters.

**Annual Review Meeting:** To ensure that your investment portfolio remains suitable, provide updates on investment market conditions and cover any changes to your personal circumstances or objectives.

**Model Portfolios:** You will have access to our model portfolios which we manage in line with various risk profiles.

**Bespoke Investment Solutions:** Tailored specifically to your circumstances, objectives and risk profile.

Different size portfolios will naturally require differing levels of attention. Frequency of review meetings you can expect are outlined in the table below:

Portfolio Value	Review Meeting Frequency
Up to £50,000	One review meeting per year at client's request
£50,001 - £500,000	A minimum of one review meeting per year initiated by us
£500,000 - £1,000,000	A minimum of two review meetings per year initiated by us
Over £1,000,000	A minimum of three review meetings per year initiated by us

The levels illustrated above are the minimum level of service you can expect from us. We operate an 'open door' policy and encourage all clients to contact with us as and when they feel the need to. We are always happy to arrange additional meetings where appropriate at no extra cost.

The cost of implementing any changes to your existing investments is included in the ongoing fee.

**Example 1:**

Mr Smith has £100,000 invested in a personal pension and £25,000 in an ISA. Our 0.75% per annum management fee will be £937.50. Therefore, £78.13 will be deducted from his investments per month.

$$\begin{aligned} \text{£100,000} + \text{£25,000} &= \text{£125,000} \\ \text{£125,000} \times 0.75\% &= \text{£937.50/year} \\ \text{£937.50}/12 &= \text{£78.13/month} \end{aligned}$$

Mr Smith has one review meeting each year prompted by us. Following discussion it is agreed to increase his monthly contribution and adjust his portfolio allocation. There is no additional fee for carrying out this work.

**Example 2:**

Mrs Wallace has a total of £650,000 invested across an ISA, Personal Pension and a General Investment Account. Her annual management fee is £4,875 meaning that £406.25 is deducted from her investments per month.

$$\begin{aligned} \text{£}650,000 \times 0.75\% &= \text{£}4,875/\text{year} \\ \text{£}4,875/12 &= \text{£}406.25/\text{month} \end{aligned}$$

Mrs Smith has two review meetings over the course of the year. It transpires that she has received £200,000 by way of inheritance and would like to invest this in an Offshore Bond. This is new business and the fees are charged accordingly.

**Our Mortgage Services:**

We offer mortgages from the whole of the market. We will advise and make a recommendation for you after we have assessed your needs. We offer two options in paying for our mortgage services:

- A fee of £650, of which £150 is payable on presentation of a recommended appropriate mortgage and £500 payable upon receipt of your mortgage offer. We will also be paid commission from the lender.

*or*

- A fee of 0.75% of the mortgage amount which is payable on completion of your mortgage. Minimum fee £1,000. Any commission from the lender will be rebated to you.

You will receive a key facts illustration when considering a particular mortgage which will tell you about any fees relating to it. If we charge you a fee and your agreed mortgage does not go ahead, you will not receive a refund.

**Client Confidentiality:**

We will hold all information about you in line with the requirements of the Data Protection Act 1998. In giving us personal information, you agree to us providing this information to third parties such as product providers and credit reference agencies. This is to allow us to meet with the record-keeping and regulatory requirements of the FCA. The aim is to protect you under the Financial Services and Markets Act 2000. You and your agents are able to see all information we hold relating to you at any time.

**Conflict of Interests:**

We will notify you in writing of any conflict of interest that may exist between the work we are doing for you and any of our other clients or ourselves. We must tell you about the extent of any conflict of interest that exist or that may arise and if necessary make arrangements for another company to act as your agent.

**Appointment as Advisers:**

Your agreement to appoint us as your advisers will apply from the date that you sign this agreement.

**Cessation as Advisers:**

This agreement will stay in force until you or we end it or until you or we ask to change it. If you want to end the agreement, please let us know in writing. If we want to end the agreement, we will write and tell you. Termination will not prejudice the completion of transactions already initiated on your behalf or any rights or obligations already arising.

**Restrictions:**

You have the right to tell us not to make any particular recommendations or to exclude specific companies, products or market areas from our research where perhaps you have had a previous poor or bad experience. You need to let us know about any specific restrictions that you want to place on us.

**Rights to Cancel:**

We will tell you about your rights to cancel or withdraw from a contract with a product provider before you fill in any application form. We will remind you of these rights to cancel or withdraw in writing before any transaction is completed. We will also let you know if this right to cancel does not exist for an application if, by law, the company has to complete the transaction as soon as they receive the application.

**What do I do if I have a Complaint?**

If you wish to register a complaint, please write to us at the address above, telephone us on 01872 225885 or email [enq@watsonfrench.co.uk](mailto:enq@watsonfrench.co.uk). A summary of our procedures for handling complaints is available on request.

If we are unable to settle your complaint to your satisfaction, you may be entitled to refer it to the Financial Ombudsman Service at: South Quay Plaza, 183 Marsh Wall, London, E14 9SR.

**The Financial Services Compensation Scheme (FSCS):**

We are covered by the FSCS. 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 up to a maximum limit of £50,000. Insurance arranging and advising is covered for 90% of the claim without any upper limit.

For compulsory classes of insurance, insurance arranging and advising is covered for 100% of the claim without any upper limit. Mortgage advising and arranging is covered for 100% of £50,000. Further information about this compensation scheme arrangement is available from the FSCS ([www.fscs.org.uk](http://www.fscs.org.uk)).

### **Data Protection:**

The information you have provided is subject to the Data Protection Act 1998 (the 'Act') and the General Data Protection Regulations (GDPR) (EU) 2016/679. By authorising this agreement you consent to us or any company associated with us for processing, both manually and by electronic means, your personal data for the purpose of providing advice, administration and management only.

'Processing' includes obtaining, recording of holding information or data, transferring it to other companies associated with us, product providers, the FCA 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.

We may also contact you with details of other 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 or alleged commission of any offence by you; any proceedings for an offence committed alleged to have been committed by you including the outcome or sentence in such proceedings; your political opinions, religious or similar beliefs, sexual life; or your membership of a Trade Union.

In some circumstances we may need to gather personal information about your close family members, dependants or other connected individuals. In such cases it will be your responsibility to ensure you have the consent of the person(s) concerned to pass their personal information to us.

If at any time you wish us or any associated company 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 01872 225885 or in writing to Watson French Ltd Courtleigh House 74-75 Lemon St Truro TR1 2PN.

You may be assured that we and any company associated with us will treat all personal data and sensitive personal data 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. We are subject to regulatory requirements which govern how long we must retain your data; these are:

- Five years for investment business
- Three years for mortgage and insurance business
- Indefinitely for pension transfers and opt out business



These are minimum periods for which we have a legal obligation to retain your data. We reserve the right to retain data for longer where we have a legitimate interest to do so, subject to a maximum period of 50 years. You have the right to request deletion of your personal data, subject to the restrictions above. Measures will also be taken to safeguard against unauthorised or unlawful processing and accidental loss or destruction 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. There will be no fee for us supplying you with the data we hold about you and we will aim to do so as soon as possible, and in any case within one month of the date of your request. To request a copy of all information we hold about you please contact The Data Protection Officer on 01872 225885 or in writing to Watson French Ltd Courtleigh House 74-75 Lemon St Truro TR1 2PN.

**Law:**

This 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.

**Termination:**

The authority to act on your behalf may be terminated at any time without penalty by either party at any time in writing to that effect 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 and Client Consent:**

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.

Name .....

Signature .....

Date .....

Name .....

Signature .....

Date .....