



p a r t n e r s h i p l t d

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Client Agreement for Investments, Insurances and Mortgages

This document must be read in conjunction with our Investment Service Proposition

Authorisation Statement

HCF Partnership Ltd is Authorised and Regulated by the Financial Conduct Authority. The Financial Conduct Authority (FCA) regulates financial services in the UK and you can check our authorisation and permitted activities on the Financial Services Register by visiting the FCA's website www.fca.org.uk/firms/systems-reporting/register or by contacting the FCA on 0800 111 6768.

Our services

HCF Partnership Ltd is able to act on your behalf in advising you on investments and non-investment insurance contracts. We offer products and services as follows:

- **Investments** - we offer an Independent advice service. We will recommend investments based on a comprehensive and fair analysis of the market. We will place no restrictions on the Investment Markets we will consider before providing investment recommendations, unless you instruct us otherwise. We will however only make a recommendation when we know it is suitable for you.
- **Non-investment protection contracts** - we offer non-investment protection products term assurance, income protection and critical illness from a range of insurers.
- **General Insurance Contracts** - we offer General Insurance contracts Buildings and Contents, mortgage payment protection insurance and private medical insurance from a range of insurers.
- **Mortgages** - Our mortgage services are limited to advising on first charge mortgage products only. We provide a 'whole of market' service and will consider all lenders we have access to before recommending a suitable mortgage product following an assessment of your personal needs and circumstances. This will include a detailed assessment of affordability.

When selecting a lender we will not consider those that are only available by you going direct to them. *A full list of the lenders are shown on the attached list.*

Where you are increasing your borrowing or consolidating existing loans you may have the option of;

- *Taking out a new first charge mortgage*
- *taking out a further advance with your existing lender*
- *arranging a separate second charge mortgage*
- *borrowing through an unsecured loan.*

Whilst these may be more appropriate for you, we will not consider the merits of a separate second charge mortgage or an unsecured loan when making our recommendation to you.

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

- Gather and analyse personal financial information about you and your aims and objectives;
- Recommend and discuss any action we think you should take and, with your agreement, arrange relevant solutions for you.

You should be aware that investments carry varying degrees of risk and as their underlying value can fall as well as rise and you may not get back the full amount invested.

Your aims and objectives

Unless we notify you in writing to the contrary, we will be treating you as a “retail client” for investment business. This means that you are afforded the highest level of protection under the regulatory system and should have the right to take any complaint to the Financial Ombudsman Service.

Any advice or recommendation that we offer to you, will only be given after we have assessed your needs and considered your financial objectives and attitude to any risks that may be involved. We will also take into account any restrictions that you wish to place on the type of products you would be willing to consider.

With very few exceptions, we will confirm to you in writing the basis of our recommendations along with details of any special risks associated with the products recommended.

Full details of the products we recommend to you including, for example, the minimum duration of the product, information on your right to cancel or whether no right to cancel exists, and any other early termination rights and penalties, will be covered in the relevant product disclosure information you will receive before conclusion of any contract.

We will issue any documentation/recommendations and any other communication to you in English (unless agreed otherwise).

We may also, on occasion, advise on other financial products which are not regulated by the FCA under the Financial Services and Markets Act 2000. The Financial Services Compensation Scheme does not apply to any of these products.

Under the terms of this agreement, we may, if appropriate, advise you on investments which are not readily realisable. We would draw your attention to the risks associated with these investments as there is a restricted market for them. In some circumstances it may therefore not be possible to deal in the investment or obtain reliable information about its value.

Our Ethical Policy

We are committed to providing the highest standard of financial advice and service possible. The interest of our clients is paramount to us and to achieve this we have designed our systems and procedures to place you at the heart of our business. In doing so, we will:

- be open, honest and transparent in the way we deal with you;
- not place our interests above yours;
- communicate clearly, promptly and without jargon;
- Seek your views and perception of our dealings with you to ensure it meets your expectations or to identify any improvements required.

Our Investment Services and Costs

We provide you with an initial consultation free of charge. This helps us to understand your financial objectives and will confirm how we can support you in working towards these. We will also discuss the cost, and levels, of our services both initially and throughout our relationship with you.

We charge our services by way of a fee. These fees are typically based on a percentage of the amount you invest. We reserve the right to charge for providing advice, which will not result in us managing an investment, e.g. advising on pension contributions to a workplace pension scheme or applying for the relevant protection in relation to pensions lifetime allowance.

Financial Review and Recommendation

This can be a continuation from the initial discussion, where agreed, or a further appointment. This process covers the:

- gathering of information about your existing financial arrangements and full personal circumstances;
- understanding of your investment knowledge and attitude and tolerance towards investment risk;
- recommendation of an asset allocation model that matches your risk profile and the subsequent assessment and suitability of any existing holdings;

- preparation of our recommendations to you;
- arranging a second appointment to explain and discuss our recommendations in detail.

Our charge for this service is a fixed fee of £500 payable on provision of the report containing our recommendations to you. This fee will be waived wholly or in part should you decide to implement any of our recommendations.

To assist us with the delivery of our Investment Services we use a system called Dynamic Planner by Distribution Technology. Distribution Technology is the UK's leading provider of financial planning and sales technology and has an excellent reputation for market-leading advice technology. Distribution Technology has appeared in the annual Tech Track Top 100 ratings in September 2009. Their tool allows us to analyse our clients' attitude to risk using a range of psychometric questionnaires, and providing clients with a view of the consequences of their decision through the production of expected gains and losses based upon clients' risk choices.

Policy Arrangement & Implementation – Lump Sum Investments or Transfers

Should you instruct us to proceed with any of our recommendations we will act for you in the following ways:

- Handle all fund and policy administration on your behalf;
- Provide regular updates to keep you informed of progress;
- Ensure all your documents are issued in line with your expectations;
- Provide confirmation of all actions taken on your behalf in writing.

Our initial charge for this service is based on a percentage of the amount you invest and/or transfer. These charges are applied as follows:

- The first £100,000 - 3%
- The next £150,000 - 2%
- The remaining amount - 1%

This payment can either be taken from your investment upon receipt by the policy provider or paid directly by you. We will waive our 'financial review and recommendation' fee where we receive such a payment and it exceeds £500.

Example 1; if we arrange an investment on your behalf for £10,000 our Policy Arrangement & Implementation fee would be £300. As this is less than the 'financial review and recommendation' fee of £500 we would charge you an additional £200 as the balance. The total fee payable would be £500.

Example 2; if we arrange investments on your behalf totalling £125,000 our Policy Arrangement & Implementation fee would be £3,500. As this exceeds the 'financial review and recommendation' fee no other charges would be applied. The total fee payable would be £3,500.

Example 3; if we arrange investments on your behalf totalling £300,000 our Policy Arrangement & Implementation fee would be £6,500. As this exceeds the 'financial review and recommendation' fee no other charges would be applied. The total fee payable would be £6,500.

Policy Arrangement & Implementation – Regular Savings or Investments

Our charge for implementing a regular contribution savings or investment plan is 50% of the first year's contributions. You can pay this under either of the two options listed below:

Option 1

You can pay this directly on commencement of the policy. On receipt of this payment we will waive our 'financial review and recommendation' fee by the same amount with any balance falling due at the same time.

Example 1; if your monthly contribution is £50 our Policy Arrangement & Implementation fee would be £300. As this less than the 'financial review and recommendation' fee of £500 we would charge you an additional £200 as the balance. The total fee payable would be £500.

Example 2; if your monthly contribution is £200 our Policy Arrangement & Implementation fee would be £1,200. As this exceeds the 'financial review and recommendation' fee no other charges would be applied. The total fee payable would be £1,200.

Example 3; if your monthly contribution is £500 our Policy Arrangement & Implementation fee would be £3,000. As this exceeds the 'financial review and recommendation' fee no other charges would be applied. The total fee payable would be £3,000.

Option 2

You can pay the implementation fee through your policy. Where we receive such payments we will waive our 'financial review and recommendation' fee by the same amount.

For monthly contributions of £83.34 and over, the payment will be deducted proportionally from each monthly contribution during the first year.

For monthly contributions of £83.33 and under, 50% of the first year's contributions would be less than our minimum of £500. 11 payments of 50% of each monthly contribution will be deducted from month 2 to month 12, and the balance will be paid directly by you at the start of your policy, to bring the total fee payable to £500 (as illustrated in Example 1, below).

Example 1; if your monthly contribution is £50 our implementation fee would be £300 (£50 x 12 x 50%). This will be collected by deducting £25 (£50 x 50%) from each monthly contribution for months 2 to 12 (11 x £25 = £275). As this is less than the 'financial review and recommendation' fee of £500, we would charge you the balance of £225 by direct payment, at the start of your policy. The total fee payable would be £500

Example 2; if your monthly contribution is £200 our implementation fee would be £1,200. This will be collected by deducting £100 from each monthly contribution for the first 12 months. As this exceeds the 'financial review and recommendation' fee no other charges would be applied. The total fee payable would be £1,200.

Should you decide to pay this charge through your policy and payments to the policy subsequently cease, we will calculate the total payments received to date and charge you the balance against the 'financial review and recommendation' fee.

For example, if you invest £100pm our total charge will be £600. We will deduct £50 from each monthly contribution until paid in full. Should payments cease after month 6 (and £300 has been collected) the difference between this and 'financial review and recommendation' fee of £500 would be charged i.e. £200.

Ongoing Reviews and Changes to Existing Investments

We will discuss the full range of our on-going services during our initial consultation. These services can include, but are not necessarily limited to, providing you with:

- structured reviews to give you peace of mind;
- an assessment of your circumstances and any changes to your plans that are needed;
- regular updates and information regarding your holdings;
- a choice of differing levels of support depending on your needs;
- ongoing support with correspondence and administration issues.

Details of these different levels of services are contained in our Service Proposition and Engagement document. We will agree separately the level of on-going services at the time of, or prior to, making our recommendation(s) to you. Typically our costs range from 0.5% to 1% per annum and are based on the value of your investment(s) at each 12-month anniversary, and are paid monthly/annually in arrears.

It should be noted that if you choose any of our ongoing management services they are subject to a minimum fee per annum which is detailed in our Service Proposition document.

Where we agree to provide ongoing services you can choose to cancel this at any time by providing us with written confirmation of your decision. Payments would then cease within 7 business days or after collection of any due proportion of any period charges if later.

The charges listed above can be deducted from your investments or paid directly by you

The Costs of our Mortgage Service

We charge a typical fee of 1% of the mortgage loan for advising and submitting your mortgage application. For example if your loan was £100,000 our fee would be £1,000. This fee becomes payable when your mortgage starts. *(It may be possible to add the fee to the mortgage where requested by you).*

Once we have assessed your needs and objectives we may find in some circumstances that we need to vary our fee and the timing of the payment from that mentioned above and if this is the case we will provide a separate fee agreement.

We will receive and retain a commission from the lender when your mortgage completes. This amount will be confirmed by the lender in their disclosure document.

Should you wish you can request to view the commission rates from each of the lenders we have considered at the time that we make our recommendation to you.

Refund of Mortgage fees

Please note our fee will still be charged should the lender reject your mortgage application due to you not disclosing any material information about your personal situation. It should also be noted we do not provide a refund should you decide not to proceed with the mortgage loan after we have made a recommendation to you.

Our Insurance and Protection Services and Costs

Similar to our investment services above, we will provide you with a personal and financial review prior to making our recommendation(s) to you. Should you accept our recommendation(s) we will arrange the implementation of this/these for you. The reasons for our recommendations will also be provided to you in a written report.

We do not typically charge a fee for our insurance and protection services as we will normally receive commission from the policy provider. You will not be subject to VAT for this service.

VAT

Under current legislation our services are not subject to VAT but should this change in future, and where VAT becomes due, we will notify you before conducting any further work.

Cancellation rights

In most cases you can exercise a right to cancel by withdrawing from the contract. In general terms you will normally have a 30 day cancellation period for a life, pure protection, payment protection or pension policy and a 14 day cancellation period for all other policies.

For pure protection policies the start of the cancellation period will normally begin when you are informed that the contract has been concluded or, if later, when you have received the contractual terms and conditions. In other cases, the cancellation period will begin on the day the contract is concluded or, if later, the day on which you receive the contractual terms and conditions. Instructions for exercising the right to cancel, if applicable, will be contained in the relevant product disclosure information which will be issued to you.

If you cancel a single premium contract, you may be required to pay for any loss you might reasonably incur in cancelling it which is caused by market movements. This means that, in certain circumstances, you might not get back the full amount you invested if you cancel the policy.

Client money

HCF Partnership Ltd is not permitted to handle client money and we cannot accept a cheque made out to us (unless it is in respect of an item for which we have sent you an invoice) or handle cash.

Documentation

Unless otherwise agreed we will endeavour to make arrangements for all your investments to be registered in your name. All policy documents will be forwarded to you as soon as practicable after we receive them. If there are a number of documents relating to a series of transactions, we will normally hold each document until the series is complete and then forward them to you.

Instructions

We prefer our clients to give us instructions in writing, to aid clarification and avoid future misunderstandings. We will, however, accept oral instructions provided they are confirmed in writing.

Material Interest

We will act honestly, fairly and professionally known as conducting business in 'Client's best interest' regulations. 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 Conduct Authority, we are prohibited from accepting any payment (commission or other non-monetary benefits) which is likely to conflict with the duty of the firm to its clients.

Complaints

If you wish to register a complaint, please write to HCF Partnership Ltd, 501 Centennial Park, Centennial Avenue, Elstree, Hertfordshire, WD6 3FG or telephone 020 8236 3330.

A summary of our internal complaints handling procedures for the reasonable and prompt handling of complaints is available on request and if you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service at www.financial-ombudsman.org.uk or by contacting them on 08000 234 567.

Compensation Scheme

If you make a complaint and we are unable to meet our liabilities, you may be entitled to compensation from the Financial Services Compensation Scheme.

Investment business will normally be covered up to a maximum of £50,000.

Further information about these amounts and limits for all other product types are available from the FSCS at <http://www.fscs.org.uk/what-we-cover/products>

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 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.

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; 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 020 8236 3330 or in writing at HCF Partnership Ltd, 501 Centennial Park, Centennial Avenue, Elstree, Hertfordshire, WD6 3FG.

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 a legitimate purpose. 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 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.

Anti-money laundering

We are required by the anti-money laundering regulations to verify the identity of our clients, to obtain information as to the purpose and nature of the business which we conduct on their behalf, and to ensure that the information we hold is up-to-date. For this purpose we may use electronic identity verification systems and we may conduct these checks from time to time throughout our relationship, not just at the beginning.

Law

This client agreement is governed and shall be construed in accordance with English/Scottish/Northern Ireland Law and the parties shall submit to the exclusive jurisdiction of the English/Scottish/Northern Ireland Courts.

Force Majeure

HCF Partnership Ltd 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.

NB: In relation to your chosen level of ongoing service this will be agreed separately within our Service Proposition document.

List of Lenders

Accord Mortgages	Mortgage Trust
Aldermore Bank	Nat West
Bank of China	National Counties
Barclays Bank	Nationwide Building Society
Bath Building Society	Newbury Building Society
Beverly Building Society	Newcastle Building Society
BM Solutions	Platform
Bank of Ireland	Precise Mortgages
Buckinghamshire Building Society	Principality Building Society
Cambridge Building Society	Progressive Building Society
Chorley and District	Saffron Building Society
Clydesdale Bank	Santander
Coventry Building Society	Scottish Widows Bank
Darlington Building Society	Shawbrook Bank
Dudley Building Society	Skipton Building Society
Earl Shilton Building Society	Teachers Building Society
Ecology Building Society	The Mortgage Works
Fleet Mortgages	TSB Bank
Furness Building Society	Virgin Money
Halifax	
Hanley Economic Building Society	
Hinkley and Ruby Building Society	
Ipswich Building Society	
Kensington	
Kent Reliance Building Society	
Leeds Building Society	
Loughborough Building Society	
Manchester Building Society	
Mansfield Building Society	
Market Harborough	
Marsden Building Society	
Melton Mowbray	
Metro Bank	

We have access to some commercial lenders who provide only commercial buy-to-let mortgages.