



# **Morgan Peterson Limited**

## **CLIENT SERVICE AGREEMENT**

## **Terms of Engagement**

Morgan Peterson Limited – Financial Conduct Authority (FCA) number 564815 is an Appointed Representative of Network Direct Limited, Hilton Hall, Hilton Lane, Essington, Wolverhampton, Staffordshire, WV11 2BQ which is authorised and regulated by the Financial Conduct Authority. Their Financial Conduct Authority number is 501761

Network Direct Limited's permitted business is Investments, Pensions, Life Insurance, Protection and Mortgages.

The provisions of this client agreement will take effect immediately they are provided to you and will continue in force until they are cancelled by you or us, or they are replaced by an updated client agreement.

## **Introduction**

This document is aimed at providing you with a brief overview of our firm and to introduce our services to you in more detail, from which you may then select the service and remuneration package that best suits your needs. We will discuss this with you so that you fully understand what is offered and how it will benefit you. Should you have any questions on any element of this, please do not hesitate to ask us.

## **Advice Services**

The firm is authorised to advise on and arrange Life Assurance, Pensions, Collective Investments, Individual Savings Accounts and General Insurance. We are bound by the rules of the FCA.

## **Insurance**

We offer products from a range of insurers for non-investment life insurance, critical illness, permanent health insurance, private medical insurance and accident, sickness and unemployment insurance.

We only offer Home Insurance products from a single company - Paymentsshield.

We will advise and make a recommendation for you after we have assessed your needs for non-investment life insurance, critical illness, permanent health insurance, private medical insurance, accident, sickness and unemployment insurance and home insurance.

## **Home Finance Products**

We offer Mortgages from the whole market.

We will advise and make a recommendation for you on mortgages after we have assessed your needs.

## **Investment**

We offer advice on a Restricted advice basis. We will advise and make recommendations for you after we have assessed your needs. We only offer advice on limited types of products. This means that we provide unbiased advice based on a limited range of products, giving due consideration to retail investment, pension and life products available within the product range we offer which may be suitable for you. You may ask us for a list of the products we offer.

All individuals employed by or contracted to Morgan Peterson Limited to provide investment advice are approved by the FCA.

When providing an advisory service and making detailed investment recommendations, we will confirm your investment objectives and ensure that recommendations are suitable for your individual circumstances.

Your objectives will be set out and summarised within a personalised report, which will be issued to you as a result of your personal consultation with us to document and explain the advice we have given and the product(s) recommended to meet your needs as requested. This will be based on:

- Your stated objectives,
- Your agreed level of risk and
- Any restrictions you wish to place on the type of investments or policies you are willing to purchase.

Unless confirmed in writing to the contrary, we will assume that you do not wish to place any restrictions on the products recommended.

### **Communicating with You**

We prefer our clients to give us instructions in writing by completing the relevant application form and signing the appropriate declaration to avoid possible disputes. We will accept oral instructions if they are subsequently confirmed in a letter. When we have arranged any transaction for which you have given instructions we will not give you any further advice unless you request it, but will be glad to advise you at any time you ask us to do so. The only exception to this will be if we arrange (on your behalf) a pension fund withdrawal plan, where it is our practice to routinely review such arrangements throughout their duration. However, at our discretion and unless we hear from you to the contrary, we may telephone you from time to time between the hours of 9am to 9pm without your further prior consent to such contact.

We will enter into communication with you through whatever means is convenient to you and us, including face-to-face, telephone, email and other acceptable electronic communication methods.

We like to keep clients informed of products and services we offer which may be of interest to them. If you would prefer to be excluded from these services, please contact us.

We act as your agent in arranging investment transactions. We never own the investments you buy or transact through us. All investments will be registered in the name(s) of the client(s) unless otherwise agreed in writing. We will forward to you all documents showing ownership of your investments as soon as it is practical after we receive them. Where a number of documents relating to a series of transactions are involved, we may retain each document until the series is completed and then forward them to you. In some cases the documentation will be sent to you direct from the provider. We may not lend to a third party the documents of title held by us or borrow any money on your behalf against the security of those documents. Where we provide advice on a non packaged product, such as an Enterprise Investment Scheme (EIS) or Venture Capital Trust (VCT), you will not have post sale cancellation rights.

We cannot accept responsibility for taxation advice. Clients must be responsible for their own taxation position and we strongly recommend that clients take advice on taxation matters from a qualified accountant.

English law will be the basis of this contract and the language in which this contract will be interpreted. All communications will be conducted in English.

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this client agreement.

### **Client Classification – Retail Client**

In providing investment services to you, we will categorise you as a ‘retail client’ unless you have instructed us to treat you otherwise and such instruction has been agreed by Network Direct Limited.

The type of client category will determine the level of protections afforded to you under the regulatory system. As a ‘retail client’ the regulatory protections available to you are determined by this category and will be “the highest available”.

Where we have categorised you other than as a ‘retail client’ (see above), you may request re-categorisation under a client category which benefits from a higher degree of protection. However, we reserve the right to agree to such a re-categorisation on a case-by-case basis, and where we agree

to do so it does not necessarily mean that you will have a right of access to the Financial Ombudsman Service.

### **Discretionary Portfolio Management**

We may suggest to you that responsibility for the management of your investments should be delegated to an external portfolio manager operating on a discretionary basis, that is to say pursuing an agreed objective based on an agreed time span and an agreed level of risk with you, but not seeking your instructions before making changes to the portfolio. In this situation we will liaise between you and the discretionary manager and will ensure that regular reports are produced. It is important to make you aware we will not be responsible for the consequences of any acts or omissions on the part of the discretionary manager.

### **Conflicts of Interest**

We offer whole of market advice, but occasions may arise where the Network, this company or any of its Directors or employees or one of our other clients has some form of interest in business which we are transacting for you. If this happens or we become aware that our interest or those of one of our other clients conflicts with your interests we will inform you in writing and obtain consent before we carry out the instructions. This undertaking shall not apply to personal holdings in unit trusts, insurance contracts, gilts and shares of publicly quoted companies.

Network Direct Limited has in place procedures to identify and manage conflicts of interest. Where conflicts of interest arise, these are managed through policies and procedures believed to be appropriate to ensure that such transactions are effected on normal commercial terms negotiated at arm's length and on terms which are not materially less favourable to the client than if the potential conflict had not existed; shall ensure that such transactions do not adversely affect the performance of the company's duties and responsibilities to the client; and shall take reasonable steps to ensure fair treatment for the client in accordance with the requirements of the FCA.

### **Material Changes**

In accepting this client service agreement, you agree that we may change the future content without receiving your prior consent to do so, but we will not conduct any investment business for you following any change unless we have given you at least 10 business days notice, unless it is impractical to do so.

The benefit of this Agreement, together with any rights and obligations arising hereunder, may be assigned, transferred, disposed of or charged by Morgan Peterson Limited

### **Client's Best Interests**

We require our clients to give us instructions in writing. We will accept oral instructions at our discretion, which must be confirmed in writing. We can refuse your instructions at our discretion. We maintain professional indemnity insurance to enable us to meet any liability that may arise in respect of our obligations to you for services performed on your behalf.

### **Treating Customers Fairly (TCF)**

Network Direct Limited recognises the importance of treating clients, staff, advisers and professional partners fairly and with respect at all times. Strategies and approaches adopted by Network Direct ensure TCF is implemented and fully incorporated into its business.

Network Direct is committed to ensuring that all developments and initiatives are taken forward in an environment that supports their mission statement, vision and core values.

### **Client Money**

**WE DO NOT HANDLE CLIENT MONIES.**

Cheques for premiums or investments can only be made payable to the product provider. We never accept a cheque made out to us (unless it is a cheque in settlement of charges or disbursements for which we have sent you an invoice) or handle cash. No premiums or investment monies of any kind should be paid or be made payable to anyone else.

### **Record Keeping**

We will account to you for transactions effected on your behalf either by means of a contract note, or by providing documents of title or certificates evidencing title. We will supply, on request, to you or your appointed agent, contract notes, vouchers and copies of entries in our books or computerised records relating to your transactions. Where a copy is requested, we reserve the right to charge a nominal fee for the production of this copy. We undertake to maintain such records for at least six years from the date of each transaction. We treat all client records as confidential. We will register all investments in your name unless otherwise agreed in writing.

### **Data Protection and Direct Marketing Information Held about You**

Information provided by you may be held, processed, disclosed and used by ourselves, professional advisers and any associated companies in servicing our relationship with you. However, strict confidentiality will be maintained at all times. It is understood that, unless you notify us otherwise, you agree to the storage, use and disclosure of such information.

This information may be disclosed to third party product providers in the course of providing our analysis and servicing of our relationship with you. No information will be passed to another party without your prior consent unless we are legally obliged to do so. You also agree that for the purposes described above your data may be transferred to countries outside the European Economic Area (EEA). We may use and analyse your data, including the nature of your transactions, to provide you with information by post, telephone, fax or e mail to service and update you, as well as informing you, by way of an unsolicited real time financial promotion, of new investment opportunities. If you would prefer to be excluded from these services, please write to us at Morgan Peterson Limited, The Maltings East Tyndall Street, Cardiff Bay, CF24 5EA.

### **Identity & Address Verification**

We are required to verify your identity in accordance with the Anti Money Laundering and Proceeds of Crime Regulation. No application will be made until such verification has been obtained. In the absence of such evidence, we may be unable to act for you.

This process involves obtaining verification of your identity using documents such as your Passport or Driving Licence and your address (e.g. utility bill, bank statement). In addition, where applicable, we reserve the right to make further enquiries into the source of your funds or wealth to ensure we meet our regulatory obligations.

We may check the details you supply against those held on a number of specific databases. Online verification credit reference agencies have access to, for example information from the Electoral Register and fraud prevention agencies. Scoring methods can be used in the verification process as this gives a more thorough check of the available data. A record of this process will be kept and may be used to help other companies to verify your identity. We may also pass information to organizations involved in fraud prevention to protect ourselves and our customers from theft and fraud. If you supply false or inaccurate information and we suspect fraud, we may make the appropriate search using a reputable online credit reference agency and will keep a record of this search in line with the anti money laundering rules and the Data Protection Act 1998.

In fulfilling our obligations under the Proceeds of Crime Act 2002 and other anti-money laundering legislation, where knowledge or suspicion of money laundering arises, we may pass certain information known to, or suspected by us to the appropriate authorities. This may result in a delay to a transaction and/or a decision that we will cease acting for you.

By signing the Declaration at the end of this Agreement, you consent to us carrying out the appropriate verification checks. Depending on the level of verification generated, we may need to contact you for additional information or documentation. Therefore, we cannot accept responsibility in instances where investments are delayed due to these regulations.

Claims payments will ordinarily be made to you, unless we make payment to a third party with an interest in your policy. If you require a payment to be made to a third party we may ask for evidence of the third party's identity and ask you to provide a brief explanation for your request.

### **Complaints**

If you should have any complaint about the advice you receive or product which you have bought, please write to:

Network Direct Limited, Hilton Hall, Hilton Lane, Essington, Wolverhampton, Staffordshire, WV11 2BQ

Tel: 01902 736173

They will acknowledge your complaint and send you a copy of the internal complaints procedure. The matter will be investigated in line with procedures and findings reported to you. If you are still not happy with the outcome, you then have the right to forward any eligible complaint to the Financial Ombudsman Service. The details on how to do so will be provided to you.

If you make a valid claim against us in respect of any of the listed investments we arrange for you and we are unable to meet our liabilities in full, you may be entitled to redress from the Financial Services Compensation Scheme. Details of the cover are given in a leaflet, which we will send to you at your request. Further information is available from the Financial Conduct Authority at 25 The North Colonnade, Canary Wharf, London, E14 5HS. In addition we are also insured for negligence by way of our Professional Indemnity Insurance.

### **Compensation Scheme**

We are covered by the Financial Services Compensation scheme (FSCS) if we cannot meet our obligations. This is dependent upon the type of business and the circumstances of the claim. Most types of investment business is covered by 100% of the first £50,000, with deposit accounts benefiting from protection of £85,000 and insurance covered up to 90% of the claim with no upper limit. Further information about the compensation scheme arrangement is available from the FSCS.

### **Termination of this Agreement**

This Client Agreement may only be cancelled and our authority to act on your behalf may only be terminated in writing, at any time, without penalty, by either party and with immediate effect without prejudice to the completion of transactions initiated prior to receipt of such notice. Other than as stated in this paragraph, there are no cancellation rights that apply to this Client Agreement.

### **Our Services**

It is important that you know what to expect in terms of the services we provide, and that you understand our commitment to you in the provision of those services. We intend to be professional, clear, and fair in our dealings with you, and will always ensure that any service or advice provided is in your best interests.

### **Initial Consultation**

We will meet with you face-to-face, via a Web meeting or telephone conference in order to capture important information about your current circumstances, your financial history, and your aspirations, priorities and objectives in terms of your financial future. We will also discuss your attitude toward "investment risk", and your understanding of how such risks may affect you.

The consultation will close with a summary of our findings, and our suggested next steps toward a tailored, yet realistic, solution to your needs. There is no obligation to proceed at this stage, and an agreed cost will have been incurred.



## **Research and Analysis**

Should you decide to proceed, further to our initial meeting, we will ask you to formalise your permission for us to commence chargeable work for you by signing this Agreement. At this stage, we will begin to undertake the process of thoroughly analysing your current position based on our extensive knowledge of financial markets, and diligently researching potential solutions for your needs.

Should we need to consult with any professional advisers or financial services providers with whom you have an agreement, we will ask for your express consent to do so.

## **Report Preparation**

When we have all the information we require, a full Financial Planning Report will be devised to paint a clear picture of your current position, and outline a clear and thoroughly researched recommendation for the solution we believe to be in your best interests. We will arrange to meet with you to discuss our product recommendations in full, and take you through our Report step-by-step. You are free to take the report away and give it due consideration before agreeing to move forward to the next stage.

## **Implementation**

Once you feel that you are in a position to make a fully informed decision to proceed, and you have given us your consent to do so, we will begin the process of acting between yourself and the product provider with a view to arrange the purchase of the investment products recommended and implement our recommendations. We will assist you in completing all of the relevant forms and ensuring your applications are processed by the relevant investment houses and providers in a timely manner.

## **On-going Services**

Depending on the size and complexity of your portfolio once in place, you may or may not require on-going management services. It is important to be aware that, in the absence of a specific agreement to provide you with on-going services, your portfolio will not be monitored unless you contact us to ask for a specific service.

Should you wish us to monitor your on-going position and ensure the products recommended continue to meet your requirements, we will agree an appropriate service offering outlined in the Services Offering and Costs section in this agreement.

## **How we charge**

You will always know our fees before you make a decision to proceed. We don't hide our costs and have a transparent charging structure, so you can be sure we are working efficiently for your benefit.

Our fees are based wholly upon the provision of our qualified and professional expertise; the time taken to analyse your circumstances and devise an appropriate strategy going forward; the design of an appropriate summary report to communicate this strategy to you; and also takes into account our firms exposure to regulatory, commercial and financial risk.

Should we undertake initial research towards your goals, but you subsequently do not proceed with our recommendations; we will raise an invoice for an agreed fee in order to recoup our costs. This payment will need to be made by an agreed payment method.

Should you agree to proceed and we go ahead with the implementation of your strategy, it can be arranged for your total fees to be deducted from the investment amount at outset or by instalments from the premium you pay each month, via the product provider. Alternatively, you may prefer to

make your payment to us by an agreed payment method. Your choice can be made in the Client Declaration section of this document.

If you choose to have your adviser charge deducted from the product you will pay nothing to us up front, this does not mean that our service is free. You still pay us indirectly through the deductions from the amount you pay into your product. These deductions will pay towards settling the adviser charge. These deductions could reduce the amount left for investment.

### **Cost of Initial Advice**

The initial consultation is charged at our hourly rate which we can agree to discount or waive.

### **Insurance**

No fee is payable for non-investment life insurance, critical illness, income protection, private medical insurance, buildings insurance, contents insurance and mortgage payment protection insurance. We will be paid by commission from the company.

### **Home Finance Products**

#### **Mortgage**

A fee of £100.00 is payable at the outset of the mortgage process, with an additional fee of £499 becoming payable on completion of the Mortgage. In addition we will also be paid commission from the lender for arranging the loan. There is no refund under any circumstances.

### **Investment**

We will agree a Fee for initial financial advice (including research, analysis and implementation). We will agree the fee with you before commencing any chargeable work. For most work this will be a set rate. For more complex or niche work, it may be necessary for us to set cost limits. Our typical charges for lump sum investments is 3%.

We estimate the hours it will take. We then apply standard hourly rates, being: £200 per hour (Financial Advisers) and £75 per hour (Administration). This is subject to a minimum initial fee of £500. Should the fee exceed £1000 we shall inform you before continuing.

We will tell you if you have to pay VAT.

Invoices are issued within 10 days of either an advice service being finalised and/or presented, or in the case of implementation fees, within 10 days of your product(s) being commenced.

### **Cost of On-going Advice and Review Service**

Whether you have a sizeable and complex portfolio of products, or one or two modest investments, it is important to consider how these should be managed going forward.

We can provide an on-going service designed to expertly maintain and monitor your portfolio. The benefit of this is to ensure that your objectives and attitude to risk are correctly aligned with your holdings over an extended period of time. In addition, on-going advice services ensure that developing and future financial objectives are taken into account. Furthermore, aspects of your financial arrangements can change over time, including your goals and risk profile as well as the underlying asset's risk characteristics. On-going service can help adapt and position your arrangements to manage such changes and influencing factors.

The availability of some services is dependent upon the type of financial plan we implement for you.

Our typical fees are shown below;



## Service Offerings and Costs

We offer our clients one of 3 Service Offerings, Standard, Standard Plus and Premier based on client choice or on the size of the investments and product types within their portfolio. This service offering will be agreed at outset. Fees can be paid by direct payment, deduction from your portfolio or a combination of both.

	Standard	Standard Plus	Premier
File Maintenance	✓	✓	✓
Annual Telephone Contact	✓	✓	✓
Annual Review Report	✓	✓	✓
Valuation Statements	✓	✓	✓
Annual Portfolio Review	✓	✓	✓
Monitoring & Maintaining Financial Plan.	✓	✓	✓
Annual Review Meeting		✓	✓
Annual Fund Rebalancing		✓	✓
Half Yearly Review Meetings			✓
Additional Meetings and Reports			✓
Direct Line to Advisers			✓
Approximate number of hours	2.5	5	7.5
Annual Fee	£500	£1,000	£1,500
Minimum Monthly Fee	£42	£84	£125

### Standard

Service Charge; 0.5% per annum, based upon the prevailing value of your portfolio and subject to a minimum charge of £500 pa.

### Standard Plus

Service Charge; 1% per annum, based upon the prevailing value of your portfolio and subject to a minimum charge of £1000 pa.

### Premier

Service Charge; 1.5% per annum, based upon the prevailing value of your portfolio and subject to a minimum charge of £1,500 pa.

### Value Added Tax

As we act on your behalf as an intermediary with a view to the arrangement of a transaction our fees are presently exempt from VAT which means we do not usually have to make an additional charge of 20%. If we do have to charge you for a service which is subject to VAT we will inform you in advance.

## **Refunds and Cancellation Policy**

Fees are payable subsequent to our Professional Advice Services being provided, and therefore refunds are not available in normal circumstances. Fees paid in respect of regular or annual services are not refundable: however, any on-going service may be cancelled upon request.

## **Protection Business**

Where you have paid our fee by commission from the product provider or have received a commission rebate on a product and you cease to pay the premiums due on this product, it is our policy to claim a refund from you. You understand the maximum amount of this refund will be the amount of commission reclaimed by the Provider which shall never exceed the amount of commission which will have previously been disclosed to you in writing. The maximum time under which we may enforce this paragraph is 4 years from the commencement of the product.

## **Opting Out**

You may decide to “opt-out” of any ongoing advice and review service. You are free to do so.

However, please take note of the following:

- If your financial circumstances, objectives and attitude to risk change over time, the structure of your investment portfolio may no longer be in your best interests.
- As financial markets fluctuate, the way your assets are allocated in your portfolio may become unbalanced and ultimately expose you to more investment risk than you wish to accept.

You may opt back in to ongoing services at any time.

## Client Declaration

This document represents our standard client agreement, upon which we intend to rely. For your own benefit and protection you should read these terms carefully before signing below. If you do not understand any point please ask for further information.

Our typical charges are based on the Scale of Fees outlined above. This Agreement is designed to confirm and formalise our discussion regarding the services we provide.

Where our charges are based upon a percentage of portfolio value, due to the ease of calculation, we will not confirm the fee in specific monetary terms. Where our charges are defined by an hourly rate, we will provide an estimate of the overall cost to you before proceeding.

An invoice in respect of Professional Advice Fees will be raised upon completion of the initial service, or upon completion of any associated transaction/s or product/s, to meet the cost of our services to you.

**Payment Options Initial fees** Please select one of the following options:

Tick this box if you agree that our initial fees are to be deducted from your investment/ monthly premium	
Tick this box if you agree to pay our initial fees by an agreed payment method	

**Payment Options for On-going Advice and Review Service; please opt in or out of on-going services below**

Tick this box if you agree to pay our agreed fee for on-going services by monthly deduction from your investment/ monthly premium. An annual statement of charges will be provided which will be deemed to be invoiced monthly.	
Tick this box if you agree to pay our agreed fee for on-going services by an agreed payment method. An annual statement of charges will be provided which will be deemed to be invoiced monthly.	
Standard	
Standard Plus	
Premier	
Tick this box if you do <b>not</b> require any on-going services (Transactional)	

## Communications

Tick this box if you agree to be contacted by Morgan Peterson Limited in order to review your arrangements	
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## Declaration

I/We confirm that we have received, understood and accept the conditions in the client agreement.

Customer Name(s)		
Customer Signature(s)		
Date		

Issued by Morgan Peterson Limited

Name:	Signature:	Date of Issue: