



**Formula Ltd**

4 The Pavilions, 31 Brighton Road  
South Croydon, Surrey, CR2 6EB

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## 1. The Financial Conduct Authority (FCA)

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The FCA is the independent watchdog that regulates financial services. This document is designed by the FCA to be given to consumers considering buying certain financial products. You need to read this important document. It explains the service you are being offered and how you will pay for it.

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## 2. Whose products do we offer?

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### Investment

- We are Independent – please see section 3 for full details.
- We only offer advice on a restricted group of products and / or services (and from a limited number of companies).
- We only offer products from a single company.

### Insurance

- We offer products from a range of insurers for Term Assurance, Mortgage Protection Assurance, Critical Illness Insurance, Private Medical Insurance, Permanent Health Insurance, Buildings and/or Contents Insurance, Accident, Sickness and Unemployment Insurance.
- We only offer products from a limited number of insurers.
- We only offer products from a single insurer.

### Mortgages

- We offer mortgages from the whole of market.
  - We only offer mortgages from a limited number of lenders.
  - We only offer mortgages from a single lender.
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## 3. Which service will we provide you with?

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### Investment

- Independent advice – We will advise and make a recommendation for you after we have assessed your needs. Our recommendation will be based on a comprehensive and fair analysis of the market.
- Restricted advice – We will advise and a make a recommendation for you after we have assessed your needs, but we only offer advice on limited types of products, or products from one company or a limited number of companies.
- No advice – You will not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.

## Insurance

- We will advise and make a recommendation for you after we have assessed your needs for Term Assurance, Mortgage Protection Assurance, Critical Illness Insurance, Private Medical Insurance, Permanent Health Insurance, Buildings and/or Contents Insurance, Accident, Sickness and Unemployment Insurance.
- You will not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.

## Mortgages

- We will advise and make a recommendation for you on mortgages once we have assessed your needs.
- You will not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.

## 4. What will you have to pay us for our services?

### Investment

You will pay for our services on the basis of adviser charge, fees, commission, or a combination of them. We will discuss your payment options with you, answer any questions you have, and will not charge you until we have agreed with you how we are to be paid.

Whether you buy a product or not, on completion of our work you will pay us a fee for our advice and services. We will confirm the rate we will charge in writing before beginning work and we will tell you if you have to pay VAT. You may ask us for an estimate of how much in total we might charge, and/or not to exceed a given amount without checking with you first. Our fees are based upon the following three main elements of the services we can provide:

1. **Advice** (*understanding your needs / research / making a recommendation*)
2. **Transactions / Implementation of a plan** (*arranging contracts / mediation with providers*)
3. **Ongoing Reviews of your plans & circumstances**

We are able to offer and discuss the following options, and we will agree which option suits your needs and whether any ongoing service is required. In some cases you may only require the advice element of the service, rather than a transaction. Our typical charges are covered below.

***It is the usual policy of Formula Ltd to ask clients to sign a fee agreement prior to undertaking any chargeable work in order to avoid any confusion at a later date.***

### Hourly Rate

Adviser	£150 per hour normally £250 an hour for occupational pension work
Administrator	£50 per hour

### Fixed Project Fees for Advice Only

Unless stated otherwise in writing, we do not arrange investments on an hourly rate, but we are able to quote a fixed fee for a specific project, on request. Here are some examples:

- Initial financial planning surgery at our office with verbal report and generic advice, with no specific product advice or recommendation £400
- A full bespoke financial planning report £1,500 to £5,000
- Options for your pension funds at retirement £850

**Fees for Investment Advice and Implementation** *(This is subject to a minimum charge of £1,000 when no transaction takes place but Formula Ltd was engaged on the basis it would.)*

#### Percentage of Funds Invested

- **Investments up to £500,000** – Fee for initial advice and implementation is 3% (minimum £300).
- **From £500,001 to £1m** - Fee for initial advice and implementation is 2%.
- **Above £1m** - Fee for initial advice and implementation will be under 2%, depending on total invested.

#### Set fees

We are also able to offer a set fee for implementing certain plans / action; for example:

- Arranging an Open Market Option Annuity - 1.5% of fund value with a minimum charge of £750.

#### **Settling your adviser charge - in a single payment**

You will be required to settle the payment of your adviser charge on completion of our work (or within seven days). We accept payments by BACS or cheque but not cash. If you buy a financial product you can choose to have your adviser charge deducted from the product.

#### **Settling your adviser charge - by instalments**

Where no ongoing services are being provided, it may be possible to pay your adviser charge through your recommended regular premium product by up to four instalments. Although you pay nothing to us up front, that does not mean that our service is free; you still pay our adviser charge indirectly through deductions from the amount you pay into your product. These deductions could reduce the amount left for investment.

If you pay your adviser charge by instalments **and fail to keep up with their payments before the charge has been fully paid**, or if the recommended product is cancelled before the adviser charge is paid, you will be required to pay us any balance outstanding within 30 days.

#### **Charges for Ongoing Services**

We have a range of ongoing service options to ensure that your personal recommendation is reviewed frequently and remains relevant to your changing circumstances, and to enable you to contact us at any time with questions. The frequency of the charge will depend on the service you choose and is usually paid by standing order on the 1st of every month, or by an adviser charge through a financial product. You can cancel ongoing service (subject to any specific agreement we may have). Ask your adviser for more details, although our typical charges for ongoing service are as follows (and based upon initial investment amount):

- **Investments up to £100,000** – ongoing advice charge is up to 1% a year
- **From £100,001 to £350,000** – ongoing advice charge is 0.75% a year
- **From £350,001 to £999,999** – ongoing advice is 0.60% a year

Pension Drawdown policies have a minimum ongoing Adviser Charge of 0.75% of fund value.

#### **Examples of costs in £s**

*If we advise and implement a £100,000 investment for you, we would charge £3,000 (3%) for that service. Should you wish to receive the advice but then decide against the implementation, the minimum fee of £1,000 would be charged. Should you require full ongoing advice and annual planning meeting, we would charge 1% per year (£1,000) although the actual figure would fluctuate as the value of the investment changes; for example, if the investment grew to £150,000 the annual charge would become £1,500.*

#### **Insurance**

- A fee. The exact amount will be agreed in writing before we begin any work.
- No fee for advising and / or arranging Term Assurance, Mortgage Protection Assurance, Critical Illness Insurance, Private Medical Insurance, Permanent Health Insurance, Buildings and/or Contents Insurance, Accident, Sickness and Unemployment Insurance.

## Mortgages

- A fee. The exact amount will be agreed in writing before we begin any work
- No fee.
- A fee of £..... for arranging the mortgage, payable on application. This is in addition to any commission we may receive from the lender.

You will receive a key facts illustration when considering a particular mortgage which will tell you about any fees relating to it.

### Refund of fees

If we charge you a fee, and your mortgage does not go ahead, you will receive:

- A full refund if the lender rejects your application.
- A refund of £..... if your application falls through.
- No refund if you decide not to proceed.

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## 5. Who regulates us?

Formula Ltd of 4 The Pavilions, 31 Brighton Road, South Croydon, CR2 6EB is authorised and regulated by the Financial Conduct Authority (FCA). Our Financial Services Register number is 417720. Our permitted business is advising and arranging Mortgages, Life Assurance, Pension products, and Retail Investment Products (such as authorised unit trusts, Open-Ended Investment Companies, Individual Savings Accounts, and onshore and offshore investment bonds). You can check this Register by visiting the FCA's website [www.fca.org.uk/firms/systems-reporting/register](http://www.fca.org.uk/firms/systems-reporting/register) or by contacting the FCA on 0800 111 6768.

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## 6. What to do if you have a complaint

If you wish to register a complaint, please contact us:

In writing: Formula Ltd, 4 The Pavilions, 31 Brighton Road, South Croydon, CR2 6EB

By phone: Telephone: 0208 731 2300

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.

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## 7. Are we covered by the Financial Services Compensation Scheme (FSCS)?

We are covered by the FSCS. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

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## Investment

Most types of investment business are covered for £50,000.

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## Insurance

Insurance advising and arranging is covered for 90% of the claim, without any upper limit. For compulsory classes of insurance, insurance advising and arranging is covered for 100% of the claim, without any upper limit.

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## Mortgages

Mortgage advising and arranging is covered for up to a maximum of £50,000.

Further information about compensation scheme arrangements is available from the FSCS. [www.fscs.org.uk](http://www.fscs.org.uk)

## **Formula Ltd's RETAIL CLIENT AGREEMENT (Terms of Business)**

This agreement is issued on behalf of **Formula Limited** of 4 The Pavilions, 31 Brighton Road, South Croydon, Surrey, CR2 6EB who can be contacted at info@formula .org.uk or called on 0208 731 2300.

### **Authorisation Statement**

Formula Ltd is authorised and regulated by the Financial Conduct Authority (FCA) whose address is 25 The North Colonnade, Canary Wharf, London, E14 5HS. Our Financial Services Register number is 417720, which you can check on the FCA's register at their website [www.fca.org.uk/firms/systems-reporting/register](http://www.fca.org.uk/firms/systems-reporting/register) or by contacting them on 0800 111 6768.

### **Client Categorisation**

Each client with whom the firm does business is categorised to identify the level of regulatory protection to be applied. We believe in providing our clients with the highest level of regulatory protection available and we propose to classify you as a Retail Client for Investment purposes.

**For business / commercial clients** (also known as 'Micro Enterprises') **and Charities or Trusts**, your level of Regulatory Protection may vary from that of a private individual, hence parts of this document may not apply to you. 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 in English both verbally and in writing for the sending and reception of orders. To avoid any doubt instructions should be issued in writing.

### **Services to be provided**

With regards to investments that we have arranged for you, these will not be kept under review (unless otherwise agreed) but we will advise you upon your request, subject to an agreed fee. However, we may contact you in the future by means of an unsolicited promotion should we wish to contact you to discuss the relative merits of an investment or service which we feel may be of interest to you.

On issue of this letter any subsequent advice or recommendation offered to you will be based upon your stated investment objectives, acceptable level of risk and any restrictions you wish to place on the type of investments or policies you are willing to consider. We will issue you a suitability report to confirm our recommendation.

**Formula Ltd does not handle clients' money.** We never handle cash or accept a cheque made out to us, unless the cheque is in settlement of charges or disbursements for which we have sent you an invoice.

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 practicable 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, then forward them to you.

### **Restrictions**

Unless advised to the contrary, we will assume that you wish to place no restrictions on the types of investment we may recommend and in which you may subsequently invest. We will assume that you wish to place no restrictions on the markets in which transactions are to be executed.

### **Advice and Instructions**

Any advice given to you by us shall be in writing. 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. We may, at our discretion, refuse to accept instructions although such discretion shall not be exercised unreasonably. We will record all transactions on our files which, along with copies of relevant documentation, will be retained by us for a period of not less than six years. You have a right to inspect copies of contract notes, vouchers and entries in our books or computerised records relating to your transactions. We reserve the right to withhold copies of these records if information to other parties would be disclosed.

### **Material Interest**

We will act honestly, fairly and professionally. 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, from 31<sup>st</sup> December 2013 we are prohibited from accepting any payment of commission or other non-monetary benefits from a product provider, for new investment business.

### **Right to Cancel**

We will inform you of your statutory right to cancel. The Distance Marketing Directive normally grants you 30 days in which you may cancel a life or pension contract, or 14 days for an investment. However there will be occasions where no statutory rights are granted, however this will be explained before any contract is concluded.

### **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 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 Financial Conduct Authority 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 responsible 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 0208 731 2300 or in writing at our office address.

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.

#### Complaints

Covered in section 6 on page 4, above.

#### Law

This Client 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. Any person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

#### Force Majeure

Formula 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.

### CLIENT DECLARATION AND 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.

Please tick this box if you do not consent to Formula Limited processing any such sensitive data.

Please tick this box if you do not wish Formula Ltd to contact you for marketing purposes by email/phone/post/text

#### **REMUNERATION CHOICE FOR INVESTMENTS / PENSIONS / SAVINGS**

- Payment of a fee (by cheque or BACS).
- Payment by deduction from the product.
- Combination of the two above (e.g. an initial invoiced fee for the advice & implementation followed by a deduction from the product for the payment of the ongoing service).

#### **REMUNERATION CHOICE FOR MORTGAGES, EQUITY RELEASE AND PURE PROTECTION ONLY**

- Payment of a fee (by cheque or BACS).
- Formula Ltd to be paid by commission from the provider.

<b>Client signature(s)</b>		
<b>Client name(s)</b>		
<b>Date of Issue</b>	/ /2014	
<b>Issued by</b>		On behalf of Formula Ltd