

Client Services Document...

Advice • Service • Costs



Prism Financial Advice Ltd
Independent Financial Advisers

Introduction

Choosing to take financial advice at important times in your life can be one of the most rewarding steps you can take when looking to put your finances on a sound footing and build a secure financial future for yourself and your family.

The choices you make can affect your future lifestyle and standard of living, so you want to get them right and in order to make informed financial decisions; you need to be armed with the facts.

Adviser Choice

Since 1st January 2013 there are only two types of financial adviser in the UK that can advise you on regulated investment products and services, 'Independent' and 'Restricted'.

These designations are laid down by the financial services regulator, the Financial Conduct Authority (FCA) and are designed to give consumers greater clarity around the scope and structure of the advice they will receive.

At outset, the financial adviser should make clear whether their recommendation will be based on a comprehensive and fair analysis of the market and will be unbiased and unrestricted (Independent) or confirm any limits to the choice of providers and/or products that will be considered (Restricted).

This is a very important consideration when taking financial advice as the type of adviser you choose will dictate the scope of advice you receive.

"A financial adviser should help you create a strategy and financial plan that meets your short, medium and long-term needs which in turn will prepare you for those important life events."

Initial Advice

When taking financial advice of whichever type, 'Independent' or 'Restricted' it should be made clear by the adviser, the services he/she is offering and the likely cost to you for providing those services.

You will need to discuss and agree those services and costs prior to the commencement of any work so as all parties have a clear understanding of their obligations and expectations.

Costs & Charges

Whenever or wherever you take financial advice there will almost always be a cost involved, which you the consumer will need to pay in one form or another.

Whilst costs and charges are very important and it is understood that no one wants to pay more than is fair and reasonable, they are only one part of your deliberations when deciding the way forward.

"When clients consider which is more important, the costs involved in setting up and holding an investment over a number of years, or the returns and benefits they could get from it, they generally conclude that the latter is more important"

Ongoing Advice

If you engage a financial adviser to look after your financial arrangements on an ongoing basis there is also likely to be a cost for providing that service.

The cost will be dependent on the scope, complexity and activity required in delivering the chosen services and as with the initial advice; you will also need to agree them prior to the commencement of any work.

Prism's Approach

At Prism we have a very simple philosophy when providing financial advice to clients which puts them at the centre of our advice and service delivery:

"We will take the time to listen and understand your concerns, your needs, your priorities and your objectives and work with you to build a financial plan that will address these areas and give you confidence and peace of mind"

This document covers in detail the services we offer, our approach to advice and our charges when providing that advice. If after reading it you are unsure about any aspect of it, please ask us for clarification.

Taking Financial Advice

For many people, choosing a financial adviser with the right credentials to help them plan a secure financial future can often seem like a daunting prospect given today's fast moving financial world and the ever changing adviser and advice landscape.

Making the right choice of adviser today can shape your financial world tomorrow, so it's important to take your time and consider your requirements and options before deciding on the way forward.

Taking Financial Advice

There will probably be times in your life when you're not sure what to do with your money or what decisions you need to make to secure your future financial well-being.

If you have little or limited experience of dealing with finances or you're not sure about making a decision, it may be helpful to get professional financial advice.

We all have individual financial needs, so it is important that any advice you receive is bespoke to you, easy to understand and helps you to achieve your financial objectives.

There are many life events that can have an impact on your financial security. These events may include starting a family, buying a home, changing jobs, redundancy or securing a sound retirement income to name but a few.

Whatever the circumstances one thing is very clear, sound tailored advice will help you to meet these challenges and put you in control.

“When it comes to making life-changing financial decisions, taking financial advice can help you build a secure financial future”

Independent Advice

One of the big advantages of taking financial advice from an Independent Financial Adviser (IFA) is that they will undertake a comprehensive and fair analysis of the whole of the market in order to make their personal recommendations to you.

An IFA is bound by regulation, which requires them to provide advice most suited to your personal requirements and your risk outlook.

When financial products and services are being considered they must take into account the benefits, charges, flexibility, service standards and the financial strength of the recommended providers.

IFAs must be authorised and regulated by the Financial Conduct Authority and are obligated to offer what is termed 'suitable advice'.

This means they have to have a clear understanding of your personal circumstances and your financial needs and objectives before they provide you with specific recommendations. "Know your customer".

In addition, when recommending a product or service they have to provide written reasons why they think that it is right for you – again to make sure that you fully understand what is being proposed before committing yourself to anything.



Prism Financial Advice Ltd

We understand that everyone's circumstances are unique. Getting to know you and understanding your financial goals is central to the way we work and crucial in developing tailored solutions which will meet your short, medium and long-term needs.

Our advice process allows you to consider our recommendation free from pressure or obligation giving you time and space to make informed decisions.

Background

Prism Financial Advice Limited is authorised and regulated by the Financial Conduct Authority to provide Independent Financial Advice.

We have many years' experience of advising both private and corporate clients on a wide range of financial planning issues such as:

- Family Protection
- Savings & Investments
- Pensions
- Estate Planning
- Mortgages
- Long Term Care

In short, our advisers have the breadth of knowledge and experience to meet your needs at whatever stage of life you are at.

We will only make recommendations to you after we have understood your requirements in full and sourced the right solutions for you from the whole market.

We will not place any restrictions on our choice of product or provider when carrying out our research.

Trust & Confidence

We understand that people prefer to do business with people they like, but more importantly, they demand to do business with people they trust.

At Prism, we value the trust our clients place in us and take it as a huge compliment and responsibility.

Over the years we have built up a strong reputation for providing sound and bespoke advice to many thousands of clients, however, we are never complacent about our position and continually strive to deliver improvements in everything we do.

We believe our advice should stand on its own merits and be open to scrutiny, which is why we encourage clients to put it to the test before making any decisions.

Experience & Qualifications

We are committed to the highest standards of knowledge and professionalism, so all of our advisers have gained the 'Diploma in Regulated Financial Planning' with many having additional qualifications in specialist subject areas.

On an ongoing basis each adviser must annually apply for and receive a 'Statement of Professional Standing' (SPS) from an authorised and accredited body by demonstrating that they have kept their knowledge and skills up to date through continuing professional development.

We will always take the time to fully understand your financial needs and objectives before we make any recommendations to you.

Treating Customers Fairly

Treating customers fairly is the principle that guides the way we deal with those who request our advice and support. For us it's not just about what we do; it's also about how we do it.

In practice, it means that we work closely with each client and treat them as individuals and not just a number; we believe that is the only way to deliver a first class service.

The Right Solutions

When we provide advice to you, we want you to have total confidence and peace of mind in what we recommend.

We regularly review and evaluate what solutions are available for our clients, and only recommend those which meet our high standards.



Initial Advice & Service

As an adviser who is genuinely committed to giving you best advice, we have a clear methodology when providing tailored solutions. Whether it's saving for the future, looking to build a secure retirement income or protecting the financial wellbeing of yourself and your family, we can help.

Financial peace of mind for you and your family has never been more important and in today's complex and uncertain world it's never been more necessary

Step 1 - Fact Find Meeting

Before we begin to discuss your requirements in detail, we will explain who we are, what services we offer and, based on the type and scope of advice you need, how we charge for that advice.

At the meeting we will gather personal and/or business information to get a clear picture of your current situation and future requirements so that any areas needing attention can be discussed and agreed with you prior to us commencing any work.

If, after the fact-find meeting and discussion you engage us to provide you with advice and recommendations, we will confirm to you, our fees for providing that service and on what basis they will become payable. On agreement to proceed we will then move to step 2 of our advice process.

Step 2 - Research

To ensure that we have a clear picture of your financial position we use the facts gathered at the initial meeting to carry out specific research, which may include obtaining details of current arrangements from employers, product providers, government agencies etc.

Any research would be done under a letter of authority from you and within data protection guidelines.

Only when we have the necessary information can we move to step 3 of our advice process.

Step 3 - Analysis

From the research information received we carry out a thorough analysis of the data using analysis tools, internal specialists and outside resources.

Our analysis covers a range of data including investment performance, costs, product features and benefits, as well as product terms which would highlight the potential consequences of any course of action recommended.

When we have the results of our analysis, we move to step 4 of our advice process where we formulate our advice and recommendations and construct your tailored financial planning report.

Step 4 - Report

The financial planning report will document our understanding of your current position and agreed objectives and it will outline specific recommendations and a course of action to help you achieve your goals.

We want you to consider our recommendations at your leisure so we will generally send the report to you some time before the follow up meeting. This gives you time to read and digest its contents and highlight any areas you would like further information and clarification prior to moving to step 5 of our advice process.

Step - 5 Presentation

At this stage of our advice process we will go through the financial planning report and supporting documentation in detail.

We will explain our recommendations in full, the rationale behind them and how they will meet with your current and future needs/objectives. We will also outline the costs and charges associated with each course of action.

Throughout our attendance to you we will answer any questions you may have so that you are entirely satisfied with what is being proposed.

If after we have presented our recommendations in full and it involves us putting in place a course of action, we will move to step 6 of our advice process.

Step 6 - Implementation

When all the paperwork is complete it will be passed to our administration team for processing who will confirm its receipt to you and commence implementation.

The administration team will keep you informed throughout the whole process and track the applications, ensuring that you receive the necessary policy documents/contract notes which register your ownership.



Initial Advice & Service

We understand and appreciate that you always have a choice of adviser to use when seeking financial advice. We are also fully aware that the costs associated with providing that advice are very important considerations when deciding who to engage for that task.

At Prism, our initial advice and service charges reflect the time, resource and costs involved in providing our services to you.

Initial Advice & Service Charges

Dependent on the type of advice and services required our charges will be levied on either a contingent or non-contingent basis in line with regulatory rules, so that you are aware of costs before committing to a course of action.

Non-Final Salary Pension Transfer Advice

For non-final salary pension advice our initial advice fee will be applied on a contingent basis, which means you will only pay our agreed fee when you have accepted our recommendations and asked us to implement them (in part or in full). The fee will be based on the value of the investment placed through us as detailed in the fee table for Non-Final Salary Pension Transfer Advice shown over page.

Final Salary Pension Transfer Advice

Unless there are truly mitigating circumstances (poor health and/or financial difficulty) final salary pension transfer advice, must be charged on a non-contingent basis as laid down by our regulator, the FCA. Again, this fee will be based on the value of the investment placed through us as detailed in the fee table for Final Salary Pension Transfer Advice shown over page.

As a business that believes in treating customers fairly and in an effort to

avoid you having to incur unnecessary costs we have developed a two-stage approach with regard to this type of advice (Abridged Advice & Full Pension Transfer Advice) in line with FCA guidance and direction.

Abridged Advice

Abridged advice provides a low-cost initial assessment as to the potential viability/suitability of transfer without you having to incur the cost of a full pension transfer analysis.

To provide our abridged advice service we charge a fixed fee which you will need to agree to before we commence work on your behalf. This fee will be payable once you have received our report outlining our recommendations.

If, after our initial assessment the advice is to retain the scheme, we will detail the rationale behind that advice, with no further cost incurred.

If, following our initial assessment and abridged advice the weight of evidence presented indicates that a transfer may be in your best interest, given your stated needs and objectives, you can request us to move to full pension transfer advice which will incur additional costs.



Full Pension Transfer Advice

The charge for providing this more detailed research and analysis is payable regardless of whether the final advice is to retain the scheme or transfer and must be paid whether you act on our advice or not. In these circumstances the initial cost of any abridged advice will be offset against the full pension transfer advice charge.

Poor Health / Financial Difficulty – FCA Rules

For those consumers who have what our regulator the 'FCA', term as 'life limiting medical conditions' and/or who are in 'serious financial difficulty' they have relaxed their rules so that those who would qualify under these criteria can access full pension transfer advice on a contingent basis.

Under the rules, to qualify for the 'life limiting medical conditions' exemption the consumer must be able to self-evidence their medical condition. The rules state, *'the evidence may take the form of existing documentation from a registered medical practitioner, including details of treatment. However, it is not expected that consumers should incur extra cost or significant time in providing this evidence.'*

To qualify for 'serious financial difficulty' exemption the consumer must be in serious financial difficulty or would be put into serious financial difficulty if they had to pay for advice on a non-contingent basis. The rules state, *'for those consumers who do not have the means to pay for advice which would*

General Financial Advice

When paying for financial advice it is important to make a clear distinction between 'cost' and 'value'. Whilst the cost must be acceptable to you, it's the value of the advice that provides greater rewards.

The cost of advice should always be considered in relation to the advice and service provided.

include those who would be likely to be forced into debt if they had to pay for advice on a non-contingent basis.'

They will be deemed to have met the test for receiving advice on a 'contingent basis'.

If you qualify for one, or both of the FCAs contingent charge criteria, when receiving final salary pension transfer advice, you will only pay our agreed fee when you have accepted our recommendations and asked us to implement them (in part or in full).

General Financial Advice (Table 1)

Table 1 to right illustrates our contingent fee charging structure which will apply to all non-final salary pension transfer advice and recommendations.

Final Salary Pension Transfer Advice (Table 2)

Table 2 to right illustrates our non-contingent fee charging structure which will apply to all final salary pension transfer advice and recommendations.

General Financial Advice (Table 1)

Investment £	Fee %
£1,000 - £249,999	3.00%
£250,000 - £299,999	2.50%
£300,000 - £349,999	2.40%
£350,000 - £399,999	2.30%
£400,000 - £449,999	2.20%
£450,000 - £499,999	2.10%
£500,000 - £549,999	2.00%
£550,000 - £599,999	1.90%
£600,000 - £649,999	1.80%
£650,000 - £699,999	1.70%
£700,000 - £749,999	1.60%
£750,000 - £799,999	1.50%
£800,000 - £849,999	1.40%
£850,000 - £899,999	1.30%
£900,000 - £949,999	1.20%
£950,000 - £999,999	1.10%
£1,000,000 +	1.00%

Final Salary Pension Transfer Advice (Table 2)

Investment £	Fee %
£1,000 - £249,999	3.50%
£250,000 - £299,999	3.00%
£300,000 - £349,999	2.90%
£350,000 - £399,999	2.80%
£400,000 - £449,999	2.70%
£450,000 - £499,999	2.60%
£500,000 - £549,999	2.50%
£550,000 - £599,999	2.40%
£600,000 - £649,999	2.30%
£650,000 - £699,999	2.20%
£700,000 - £749,999	2.10%
£750,000 - £799,999	2.00%
£800,000 - £849,999	1.90%
£850,000 - £899,999	1.80%
£900,000 - £949,999	1.70%
£950,000 - £999,999	1.60%
£1,000,000 +	1.50%

Note:

Defined Benefit/Final Salary Pension Transfers Only - This specialist pension transfer advice is charged at a higher initial fee to cover the increased research, analysis, documentation, and regulation costs inherent in providing advice in this area.

Minimum fee for Defined Benefit Transfer Advice £3,000.



Ongoing Advice & Service

Reviewing your financial arrangements on a regular basis is vital if they are to remain fit for purpose and meet your ongoing needs and objectives. A plan that was perfectly fine at outset may become less so some years later as personal and other changes have an impact.

In order to meet these challenges we aim to provide a level of ongoing advice and support to clients to improve and enhance their future financial wellbeing.

Periodic Financial Reviews

At agreed intervals we will carry out a personal financial review with you to assess your current and future financial needs and objectives to ensure your plans remain suitable.

A financial review offers the perfect opportunity for you and your advisor to re-evaluate your goals and investment strategies in light of any changes to your personal circumstances, discuss your portfolio in detail, and assess its continued suitability to deliver against your ongoing needs.

Following the review, we will provide you with a written report outlining our findings together with a recommended course of action, if required.

Personal Financial Portal

We will provide you with access to a password protected personal financial portal where you will receive a range of client specific information to keep you fully informed about your investments held and managed through us.

Portal information will include regular portfolio performance alerts, up to date analysis and valuations of each investment, periodic newsletters and budget updates and a secure messaging facility which links directly to your adviser.

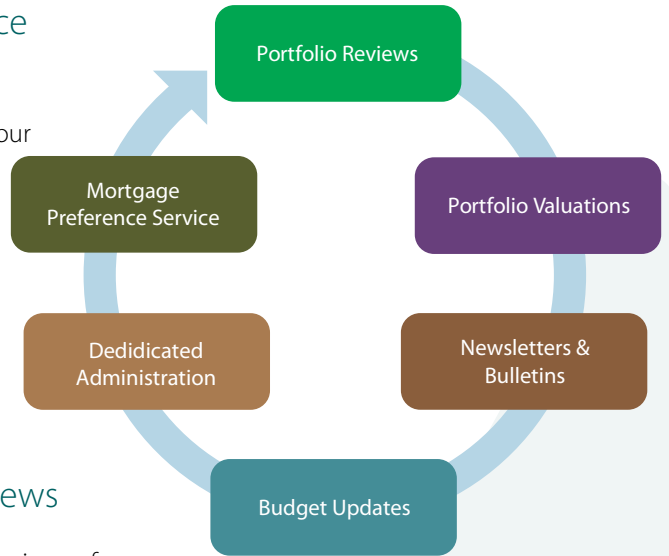
Mortgage Preference Service

We will give you access to our 'Independent Mortgage Preference Service' where you will be entitled to a discount of between 25% - 100% on our standard mortgage advice fee. This offer is also open to family members and friends.

Prism Portfolio Reviews

We will carry out periodic reviews of our portfolios and where appropriate make recommendations to help deliver sound performance potential.

If changes are required that affect your portfolio we will write to you outlining the changes required and where appropriate get your agreement to make those changes.



Dedicated Administration

We will assign a dedicated administration team to you so that you have a point of contact with access to your files and who can help you with any queries you may have.



Ongoing Advice & Service

All financial advisers will make a charge for providing an ongoing service to clients – however the charges can vary greatly dependent on the range of services chosen and the frequency of their delivery.

When we are engaged by clients, we take the time to discuss and agree the level of ongoing service they require and the charges we will make for providing that service.

Ongoing Advice & Service

Once we have taken your instruction and implemented the recommendations outlined in your financial plan (in part or in full) we will agree with you how we will look after your financial arrangements on an ongoing basis.

To cover the cost of providing this service, we will set our charge based on the total investment amounts you have placed through us, the range of products administered and the frequency and complexity of the work involved.

As with the initial advice, we will not begin to take this charge until we have discussed and agreed it with you and you have signed our 'Ongoing Advice & Service Agreement' to confirm your acceptance.

Ongoing Advice & Service Charge

The 'Ongoing Advice & Service Charge' is an annual charge which is facilitated by the product provider and paid monthly from the investments held with them under our agency at a rate of 1/12 of the prevailing percentage.

The 'Ongoing Advice & Service Charge' percentage will reflect the value of your assets held under our agency at outset and on each periodic review. See Table 3 opposite.

Our ongoing charges are banded rather than tiered so you will only pay the percentage rate based on the value of your entire portfolio rather than in incremental stages.

Examples

Based on a portfolio value of £50,000, an ongoing charge of 1.15% of this amount would mean that it would cost £575 per annum to provide our ongoing services agreed for that level of investment ($£50,000 \times 1.15\% = £575$).

Based on a portfolio value of £340,000 an ongoing charge of 0.97% would apply to the entire amount.

Ongoing Advice & Service Charge (Table 3)

Investment £	Fee %
£1,000 - £249,999	1.15%
£250,000 - £299,999	1.00%
£300,000 - £349,999	0.97%
£350,000 - £399,999	0.94%
£400,000 - £449,999	0.91%
£450,000 - £499,999	0.88%
£500,000 - £549,999	0.85%
£550,000 - £599,999	0.82%
£600,000 - £649,999	0.79%
£650,000 - £699,999	0.76%
£700,000 - £749,999	0.73%
£750,000 - £799,999	0.70%
£800,000 - £849,999	0.67%
£850,000 - £899,999	0.64%
£900,000 - £949,999	0.61%
£950,000 - £999,999	0.58%
£1,000,000 +	0.55%



Regulatory Matters

Prism Financial Advice Limited is directly authorised and regulated by the Financial Conduct Authority, which means that we account to them directly for the way in which we operate as a business and discharge our services to clients.

We work within a regulatory framework designed to protect you 'the client' so that you can have peace of mind when seeking financial advice.

Regulatory Status

Prism Financial Advice Limited, Prism House, 13 Keel Row, The Watermark, Gateshead, Tyne & Wear, NE11 9SZ is authorised and regulated by the Financial Conduct Authority (FCA). Firm Reference No 426165.

You can check our details on the FCA's register at <https://www.fca.org.uk>

Companies Act Disclosure

Registered in England No: 05303532
Registered Address:
Prism House,
13 Keel Row,
The Watermark,
Gateshead,
Tyne & Wear,
NE11 9SZ.

Client Categorisation

In providing investment services to you, we will categorise you as a retail client. 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 always mean that you will have a right of access to the Financial Ombudsman Service.

Conflict of Interests

Prism Financial Advice Ltd offers advice in accordance with that described in this document but occasions may arise where we or one of our other clients have some form of interest in business being transacted for you.

If this happens or we become aware that our interests or those of one of our other client's conflicts with your interests, 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.

Termination of Authority

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

Termination is without prejudice to any services already provided / transactions already initiated, which will be completed according to the Client Agreement unless otherwise agreed in writing.

You will be liable to pay for any transactions made or carried out prior to termination and any adviser charges or other fees which may be outstanding.

Withdrawal Rights

In the case of many retail investment products – such as life assurance contracts, personal pension schemes, investment bonds, and collective investment arrangements (e.g. unit trusts), a right to withdraw or cancel the contract within a specified period is normally provided. Details of such rights are ordinarily contained in the product literature (e.g. Key Features Document) and/or we may provide details of such rights in a separate communication.

In the case of any non-retail investment products e.g. an ISA wrapper, we will inform you in writing of any right to withdraw or cancel you may have or, if it is the case, we will inform you in writing that no such rights will apply.

Investment Risk

The value of investments can fall as well as rise and past performance is not necessarily reliable indicator of future returns. You could get back less than you've paid in.

Regulatory Matters

Prism Financial Advice Limited is bound by regulation to work on your behalf and adhere to the principles of treating customers fairly. It is our belief that tailored advice backed up by ongoing support is paramount in delivering sound client outcomes.

Our aim is to be the adviser of choice when it comes to you choosing someone to provide independent financial advice.

Best Execution Policy

It is in the interests of our clients and Prism Financial Advice Ltd that we obtain the best possible result when placing orders with other firms (e.g. third-party brokers) for the execution of client orders or when transmitting orders on behalf of clients for particular investments – e.g. shares.

We are required under the Rules of the Financial Conduct Authority to take all reasonable steps to provide 'best execution' when carrying out such transactions.

Where we place or transmit orders for such investments on behalf of our clients, we may utilise the services of a third-party broker and base our decision to place or transmit an order on the price and cost of execution of the order.

For orders in collective investment schemes (e.g. unit trusts), however, the price of units or shares in the scheme is normally set by the scheme operator or manager and as such we have little influence over the price available.

Full details of our best execution arrangements are provided in our Best Execution Policy, a copy of which can be provided on request.

Client Money

Prism Financial Advice Ltd does not handle clients' money. We never accept a cheque made payable to us or handle cash (unless it is payment in settlement of adviser charges or disbursements for which we have sent you an invoice). If you do send us money, this may delay your transaction as we may have to return this money to you.

Data Protection

Please refer to the separate Privacy Notice that we have issued to you which sets out how we collect and use data about you.

Financial Services Compensation

We are covered by the Financial Services Compensation Scheme (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.

Further information about compensation scheme arrangements is available from the FSCS at <https://www.fscs.org.uk>

Complaints

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

In Writing:

Write to
Prism Financial Advice Ltd,
Prism House,
13 Keel Row,
The Watermark,
Gateshead,
Tyne & Wear
NE11 9SZ

By Telephone:

0191 461 9400

By Email :

complaints@prismadvice.co.uk

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



Head Office

Prism Financial Advice Limited
Prism House
13 Keel Row
The Watermark
Gateshead
Tyne & Wear
NE11 9SZ

T: 0191 461 9400

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Prism Financial Advice Ltd
Independent Financial Advisers