

# CLIENT AGREEMENT

## (Terms and Conditions of Business)

**Important reading in connection with regulated products:**

Please read in connection with the documents "Key Facts about our services" and the "Key Facts about the cost of our services" (the latter relates to investment business only) and any fee agreement that we issue.

### Confirmation of receipt of these terms and other important documents

We will ask you to sign to confirm that you have received important documents and are aware of how we will use your personal information. This will be in the form of a Checklist and Declaration.

### Commencement of terms of business

These terms of business will commence on the date of their receipt.

### Regulation and Status

Arlington Financial Limited of 26 Victoria Road, Hartlepool, TS26 8DD is authorised and regulated by the Financial Services Authority (FSA). Our FSA Register number is 425305. You can check this on the FSA's Register by visiting the FSA's website [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) or by contacting the FSA on 0845 606 1234.

### Client category

For investment business, it is a requirement of the Financial Services Authority that clients are categorised into one of three categories (Retail, Professional or Eligible Counterpart). We have categorised you as a 'Retail Client' for investment business. However, you have the right to request a different categorisation if you wish. 'Professional Clients' and 'Eligible Counterparts' receive a lower level of consumer protection and should these categories apply we will confirm limitations in writing before acting for you.

Where relevant, for mortgage business you will be categorised as a 'Customer' and for insurance business you will be categorised as either a 'Retail Customer' or a 'Commercial Customer' depending on your circumstances.

### Financial Objectives (Demands and Needs)

Following the issue of this agreement any subsequent advice or recommendation offered to you will be based on your stated objectives (demands and needs), acceptable level of risk and any restrictions you wish to place on the transaction. Details of your stated objectives will be included in either the suitability report or demands and needs statement, we will issue to you to explain and confirm the basis of our recommendation and point out any key disadvantages. There may be exceptions to this, for example, business transacted on a non-advised or execution only basis (directly on your instructions whereby you will not have requested nor received investment advice, or where pre-prepared questions are used to determine the product and provider) or on a restricted advice basis (the firm's recommendations were restricted by the fact that not all relevant information was made available). If these situations exist, we will make it clear to you in any subsequent correspondence; however you will appreciate that our responsibility to you will be limited accordingly.

### Services and products not regulated by the FSA

Some of the products and services we provide are not currently regulated by the FSA and include, but are not limited to arranging and advising on certain types of mortgages (e.g. 'Buy to let' or Commercial mortgages) and some offshore schemes and investments. **Because advice given on these products is not regulated by the FSA you will not have any rights to financial redress under the Financial Ombudsman Service or Financial Services Compensation Scheme with regard to any future disputes.**

### Restrictions

If you want to restrict the type of investment or service covered by these terms of business, please let us know in writing as soon as possible, otherwise we shall assume that no restrictions apply.

### Ceasing premiums

In certain circumstances, if regular premium payments are stopped in the early years, then this could result in us having to reimburse commission to the product provider concerned. We therefore reserve the right to recover from you any balance of commission which may be outstanding.

### Payment for Services

Please see our "key Facts" documents which explains the options available. If we agree to charge you a fee for any work this will be agreed in writing separately via our "Fee Schedule".

### Collateral Title Transfer Agreement

Please note that where we agree to charge you a fee, in some circumstances, our recommendations will result in commissions or other benefits being paid to us in respect of the transactions we arrange for you. Under such circumstances, the commission or benefit generated will be used to offset the fee due. Please note that should the commission generated exceed the amount of the fee due, you agree to us retaining the excess commission under a Collateral Title Transfer Agreement, as collateral to secure payment for future work to be carried out by ourselves on your behalf.

### Registration of investment / retention of policy documents

Where we arrange an investment, we will register these in your name unless otherwise agreed in writing. All contract notes and documents of title in respect of your investment will be forwarded to you, unless otherwise instructed in writing, as soon as practicable after being received by us. Where a number of documents relating to a series of transactions are involved, we will normally retain the documents until the series is complete and then forward them to you.

### Client Instruction

We prefer that any instructions be given in writing. If any advice, request for instruction or instructions are given orally, then they must be confirmed in writing, to avoid possible disputes. We may refuse at our discretion to accept certain instructions, although such discretion will not be exercised unreasonably. When we have arranged any transactions 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.

### Conflict of interest and material interest

Occasions can arise where we, or one of our other clients, may have some form of interest in business, which we are transacting for you. If we become aware that our interests or those of one of our other clients conflict with your interests, we will inform you and obtain your consent before we carry out your instructions

### ID Verification

As part of our regulatory duties, we are obliged to verify as a minimum, the identity, and place of residence, source of funds and source of wealth of each investor. This process may require sight of certain documentation. We are unable to forward any applications or money to third parties/product providers until our verification requirements have been met. We take no responsibility for any delay in investing where Identity Verification is outstanding. In circumstances where sufficient verification is not received in a timely manner after we have received completed applications, the application(s) and any monies may be returned to you uninvested.

### Regulated Mortgages - Our Process Explained

If we are advising you about mortgages, at commencement of the process we will issue you with this document and the Key Facts about our Services document. We will then complete a detailed fact-finding questionnaire to enable appropriate advice to be given to you about your mortgage and possibly insurance requirements. Once we have established a suitable lender that meets your circumstances, we will provide you with a Key Facts Illustration (KFI), which details the product we have recommended and the costs involved in setting up your regulated mortgage contract. Once we have made our recommendations to you, we will confirm our advice in writing, in the form of a Suitability report. These recommendations will also include any implications of taking out a mortgage. You should safeguard this Suitability report, as it will be an important record of our discussions. Details of the loan will also be confirmed in your lender's formal offer. These documents will enable you to make informed decisions and it is our aim to help you with this process. **All documents should be read and understood and we invite any questions or concerns you may have relating to the advice given.**

### Receiving payments from clients

**Arlington Financial Limited does not handle client monies.** We never handle cash or accept a cheque made out to us unless it is a cheque in settlement of our charges or disbursements which we have previously disclosed to you (normally through a fee schedule). Crossed cheques for investments should only be made payable directly to the investment company and to the relevant third party for various ancillary fees (for example mortgage lender, surveyor or solicitor). You should decline to give any money to, or write cheques payable personally to an individual adviser. Individuals that represent Arlington Financial Limited are not to handle client money and any receipt by them personally of such a payment from you will not be regarded by us as being a transaction for which we will have any responsibility.

### Risk Warnings

You are advised that because investments can fall as well as rise, you may not get back the full amount invested. Past performance is not a guide to future performance. Other key risks will be included within our suitability report and provider literature.

### Regulated Mortgage Contracts:

Our assessment of whether you can afford to enter into a regulated mortgage contract is based on your current circumstances and on current interest rates, both of which may change in the future. You need to be aware that such variables may affect your ability to meet the mortgage payments, which could result in your property being repossessed. Remember:

- YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.
- The actual rate available will depend upon your circumstances. To understand the features and risks, ask for a personalised illustration.
- Debt consolidation: think carefully before securing other debts against your home.
- Foreign currency mortgages: changes in the exchange rate may increase the sterling equivalent of your debt.

### Fees resulting from third party introductions

There will be occasions when clients are introduced to us from third parties, for example accountants or solicitors. Under such circumstances, we may rebate part of the commission we receive or part of the fee that we charge you, back to the introducer, as payment for making the introduction. Our documentation will not show what proportion of commission or fees will be rebated to introducers, as this responsibility will be with the introducer.

### Complaints Procedure

The firm maintains an internal written complaints procedure, a handout summarising this process is available on request. If you have a complaint (whether oral or written) about the firm or a service it has provided then this should first be directed to our complaints officer at the address above. We promise to deal with your complaint in a fair and objective manner. Our "Key Facts about our services" document has more information in particular it explains the limits and access to the Financial Ombudsman Service.

### Termination

Termination is without prejudice to any transactions already initiated, which will be completed according to these terms of business unless otherwise agreed in writing. You may terminate your instructions to us at any time. We reserve the right to require such termination to be in writing. We may terminate this agreement by giving you a minimum of fourteen days notice. No penalty shall be payable on any termination but we shall be entitled to remuneration for work undertaken prior to such termination. Any such termination shall be subject to completion of any transactions, which are in progress at that time.

### Additional information requirements:

#### Distance Communications

Where you are likely to do business with us at a distance i.e. we communicate exclusively by telephone, post or fax then it is very important that you read the following points in addition to those above. Where you are likely to do business with us at a distance i.e. we communicate exclusively by telephone, post or fax then it is very important that you read the following points in addition to those above.

- I. The firm will provide you with a service as detailed in our client agreement, "Key Facts" document(s) and Fee Agreement (Please read carefully)
- II. The total price that we charge for our services is set out in either our Key Facts about the cost of our services or Key Facts about our services documents together with our fee agreement please ask us if you are unsure as to any aspect of our pricing. There will be other charges and expenses imposed by the providers of insurance, mortgage and investment products which will be detailed separately.
- III. Please note there is the possibility that other taxes or costs may exist that are not paid through the firm or imposed by it.
- IV. There are no specific additional costs imposed by the firm for dealing exclusively at a distance.
- V. You should note that some of our recommendations may involve investments that can fluctuate in value for example depending on financial markets, these fluctuations will be outside of our control and you should therefore consider carefully before entering into this type of contract. Our recommendations may also involve mortgages where the interest rate can fluctuate, for example depending on the Bank Rate. Please take care to read the warnings issued in this document and any provider literature. If you are unsure then please ask us to explain more detail.
- VI. The firm does not place any specific limitations on the period for which the information provided remains valid. If you are unsure if something still remains valid then please ask and we will clarify.
- VII. Any contractual agreement with ourselves to provide an ancillary advisory service (as specified within our fee schedule) will end upon completion of the work or last for a period (as set out in our fee agreement) if longer.
- VIII. The provisions of any contractual agreement to provide an ancillary advisory service and the relationship created by it shall be governed by English Law and subject to the exclusive jurisdiction of the English courts.
- IX. Any such contract is supplied in English Language and will be communicated in English Language.
- X. Where it applies and relating specifically to any contractual agreement with ourselves to provide an ancillary advisory service to you there will be a right to cancel our fee. This right to cancel will last for a period of 14 days from when we agree terms in writing with you. You may cancel by sending your request in writing addressed to the firm. In the event of any dispute, unless there is clear written evidence to the contrary, we will treat the date cited for cancellation as being the date when notice was given, posted or otherwise sent. If you do not exercise your right to cancel then the fee we charge cannot be returned at some later date.

For the avoidance of doubt, please note that you do not have a right to cancel a regulated mortgage contract concluded with a lender. Also, any cancellation provisions relating to a particular investment or insurance product are integral to the provider's product and where they apply will be detailed separately in the provider's literature.