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## 2021 Service Charter

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- Service Proposition
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Issued

# Terms of Engagement

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Bluecoat Wealth Management Ltd is a member of Best Practice IFA Group Limited, a network that promotes high standards by providing resources, training and support. Best Practice IFA Group Limited is authorised and regulated by the Financial Conduct Authority (FCA), registration number is 223112.

## *Introduction*

This document provides an overview of our Firm, our services and remuneration packages. We will discuss these with you, prior to making recommendations, so that you understand the initial costs and ongoing costs of the services being provided.

## *Advice Services*

The firm is authorised to advise on and arrange Life Assurance, Pensions, and Investments, and we are bound by the rules of the FCA.

We offer advice on an “**Independent**” basis. This means that we provide unbiased, unrestricted advice based on a comprehensive and fair analysis of the relevant market, giving due consideration to the full range of retail investment, pension and life products available in the marketplace which may be suitable for you

## *Call recording*

All telephone calls are recorded for regulatory and training purposes and these will be referred to as part of our advice records. All call recordings will be used to minimise ambiguity in our discussions or instructions received and are encrypted for security and integrity purposes. These records will be kept in line with regulatory and statutory requirements and will be retained for a period of at least 6 years.

In order to meet our regulatory obligations; calls concerning advice and transactions may not be carried out via our adviser’s mobile phone number, and any such calls will need to be conducted through the recorded office number stipulated.

## *Advice options*

We offer a variety of advice options including:

- No Advice (for one-off transactions instructed by you)
- Focused Advice (approaching limited aspects of financial planning only)
- Full Advice (Full Financial Review based on all aspects of financial planning)

## *Transacting business*

By signing these terms of business, you are giving us permission to accept paper, electronic and verbal instructions to transact business on your behalf. This will be especially relevant to switching investment funds. Verbal instructions will only be taken when received via landline telephone. Any instruction received will be considered genuinely given and duly authorised.

## *Termination*

You or we may terminate our authority to act on your behalf at any time without penalty, which must be given in writing. The termination will be without prejudice to the completion of transactions already initiated, if this is the case. Where transactions are effected before termination, charges for services accrued shall be settled to the date of notification.

## *Client Money*

The firm does not handle client’s money. We never accept a cheque made out to us (unless it is a cheque in settlement of fees, charges or disbursements for which we have sent you an invoice) or handle cash.

## *Customer Classification*

Each client with whom the firm does business is categorised to identify the level of regulatory protection applied. We believe in providing our clients with full regulatory protection and we propose to classify you as a ‘Retail Client’ for investment purposes. Where you have been classified as anything other than Retail, this may affect the level of protection available to yourself from the Financial Ombudsman Service, though these restrictions will be highlighted to you at the time of classification.

## *Investment Objectives and Restrictions*

After issuing this document, any subsequent advice or recommendation offered to you will be based on your stated objectives, acceptable level of risk and any restrictions you wish to place on the type of investments, policies or companies you are willing to consider. Details of your stated restrictions and objectives will be included in your Suitability Report that confirms our recommendation. Unless confirmed in writing, to the contrary, we will assume that you do not wish to place any restrictions on the advice we give you.

#### *Data Protection*

We collect and process your personal data (as such term is defined in the EU General Data Protection Regulation 2016/679 ("GDPR")) in the course of providing our services. We are a data controller (as the term is defined in the GDPR) of such personal data. Full details of how we process personal data can be found in our Privacy Notice, at [www.bluecoatwm.com](http://www.bluecoatwm.com).

We may collect and process personal data in relation to your health, where you provide this either in a written application or by speaking with an adviser. This data will be collected and processed in accordance with our Privacy Notice, and used solely for the purpose of researching and advising on one or more products to suit your needs and assisting you with the application for and ongoing management of such products. We may also pass this data to Best Practice IFA Group Limited and third party service providers so that they may carry out the services that they provide to us. In order to collect and process this data, we require your consent by signing the separate GDPR Consent Form provided to you. This consent can be withdrawn at any time. **Please note that we cannot provide a full range of services without such consent, and withdrawal of consent is likely to require us to cease providing our services to you.**

**Please tick this box to confirm you understand and consent to our processing of personal data relating to your health and our passing such special category data to Best Practice IFA Group Limited and third party service providers.\*** *Health information is typically required for mortgage and protection advice, along with some investment advice areas such as pensions.* ☐

From time to time we send our clients information promoting our services, or other similar services in which we believe you might be interested. If you would prefer not to receive this information, please tick the box below. Alternatively, please contact The Data Protection Officer on 01403 334455 or in writing at Best Practice IFA Group Ltd, Holmwood, Broadlands Business Park, Langhurstwood Road, Horsham, RH12 4QP.

**PLEASE TICK THIS BOX IF YOU DO NOT WISH FOR US OR ANY COMPANY ASSOCIATED WITH US TO CONTACT YOU FOR MARKETING PURPOSES BY E-MAIL, TELEPHONE, POST OR SMS.** ☐

**\*where client is under the age of 16 consent must be given by either the parent or legal guardian for this data to be processed.**

#### *Material Interest*

Occasions can arise where we, or one of our customers, will have some form of interest in business that we are transacting for you. If this happens, we will inform you in writing and obtain your consent and detail the steps we will take to ensure fair treatment, before we carry out your instructions. We have arrangements in place to ensure our clients are treated fairly, and we have a conflict of interest policy in place to help us manage the risks. You may ask for a copy of this policy at any time.

#### *Benchmark Capital*

Best Practice IFA Group, of which we are a member, is part of Benchmark Capital Limited, which is majority-owned by Schroders plc. In the interest of disclosure, the companies that fall under Benchmark Capital Limited include Fusion Wealth Limited, Fusion Funds Limited and Bright Square Pensions which may feature in recommendations made to you. Additionally, as Benchmark Capital is associated with Schroders, you may receive independent advice recommendations for funds that are managed by Schroders (including Cazenove Capital Management). Fusion Wealth offer a discretionary fund management investment solution which may contain funds associated to the Schroders Group where the funds help to meet the objectives of the model, Fusion Wealth also offer a range of investment funds. For clarity the use of Fusion Wealth or its investment solutions, Fusion Funds, Bright Square Pensions Schroders or Cazenove funds is not mandated and would only be used where it is a suitable solution to your financial objectives. All recommendations are made for the best interest of our clients, not the business, and Benchmark Capital group aims to create cost effective solutions and efficiencies which can benefit both consumers and our members. A board of directors have been appointed to maintain oversight and control of the companies within Benchmark Capital, and procedures are in place to monitor and safeguard our consumer's best interests.

#### *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. However, there will be occasions where no statutory rights are granted, although this will be explained before any contract is concluded.

#### *Complaints*

Our complaints procedures are available on request. If you wish to register a complaint, please contact us:

**....in writing** Write to The Compliance Director, Best Practice IFA Group Ltd, Broadlands Business Campus, Langhurstwood Road, Horsham, West Sussex, RH12 4QP

**....by phone** Telephone 01403 334455

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service. Financial Ombudsman Service (FOS) further details of the FOS can be found at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) or by contacting them on 0300 123 9 123.

### *Compensation Scheme*

We are covered by the Financial Services Compensation scheme (FSCS) if we cannot meet out our obligations. This is dependent upon the type of business and the circumstances of the claim and eligibility of the claimant. Most types of investment / pension business and mortgages are covered by up to a maximum of £85,000.

Further information about this compensation scheme arrangement and limits that apply to the various types of business can be found on the FSCS website - [www.fscs.org.uk](http://www.fscs.org.uk) or by contacting them on 0800 678 1100.

### *Law*

These Terms of Business are governed and shall be construed in accordance with English Law and the parties shall submit to the exclusive jurisdiction of the English Courts.

### *Regulation*

MIFID II has introduced the requirement for Legal Entity Identifier's (LEIs) to be obtained for clients who are companies, charities or trusts. If you are a client who is a legal entity or structure, including a company, charity or trust, you will need to make arrangements to obtain an LEI code if you want the firm to continue to act on your instructions or make a decision to trade on your behalf from 3 January 2018 onwards. Your adviser will be able to provide further guidance on the application process.

## **Our Services**

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It is important that you know what to expect in terms of the services we provide. We aim to be professional, clear, and fair in our dealings with you, and will always act in your best interests.

### *Initial Consultation*

We will meet with you face-to-face to discover important information about 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 your objectives, and a discussion about the next steps if we are going to work together.

### *Research and Analysis*

Should you decide to proceed, further to our initial consultation, we will ask you to sign this Agreement formalise your permission for us to commence chargeable work. At this stage, we will begin analysing your current position where we need to consult with your professional advisers, or insurance, pension or insurance companies, we will ask you to complete a letter of authority. Once we have all the necessary information, (dependent upon companies providing it in a timely manner), we analyse it and consider whether your existing arrangements are in line with your objectives, or whether other solutions are required.

### *Financial Planning Report*

Your Financial Planning Report will set out your current position, your objectives, and our recommendations for the solution to meet your objectives. We will meet with you to discuss your Report and answer any questions that you may have. At this point you can take your report away to implement yourself or instruct us to move to implementation.

### *Implementation*

Once you are ready to proceed, and we have agreed your initial priorities, we will implement the recommendations. We will help you complete the relevant paperwork and liaise with product providers to ensure that your applications are dealt with correctly and in a timely manner.

### *On-going Services and Reviews*

Financial Planning, is inherently an evolving, ongoing process as your circumstances, taxation and legislation change. Our investment solutions centre around asset allocation, periodic rebalancing and client mentoring, to weather the turmoil and emotions of changing stock market conditions. We therefore strongly recommend that all clients make use of our ongoing services, which includes a yearly review with your advisor either via telephone, video conference or face-to-face.

In some instances, depending on the size and complexity of your portfolio, you may not require on-going management services. In the absence of a specific agreement to provide on-going services, your portfolio will not be monitored nor advisory rebalancing recommendations made, and our solution may become unsuitable as a result of a change in your circumstances or legislation.

## How we charge

You will always know our fees before you decide 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, considers our firm's exposure to regulatory, commercial and financial risk.

Our Initial Consultation meeting is complimentary. This gives new clients, and us, a chance to get to find out more about each other, and decide if it will be mutually beneficial to work together.

If you wish to implement our recommendations yourself, we will charge you for our Financial Planning Report. Otherwise, its cost is covered by our implementation fee.

## Cost of Initial Services

Initial Consultation (1st meeting)	Complimentary at our expense.
Research, Analysis and Financial Planning Report, charged if not implementing recommendations through Bluecoat. If implementing our recommendations, these costs are covered by our implementation fee.	<p>£300 - £3,000 depending on complexity, for instance;</p> <p>Risk profile report &amp; amended asset allocation £300</p> <p>Report on ISA and Personal Pension recommendation £575</p> <p>Complete Financial Plan including cashflow planning £800</p> <p>Defined Benefit Pension report £1200</p> <p>Report containing all of the above plus Estate Planning &amp; inter-generational wealth planning £3000</p> <p>We will advise you of the cost prior to commencing work</p>
Product implementation	Pensions & Investments from 0.25%-2% of value of sum invested dependent on sum invested, see table below (minimum £1,500)
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 via the product provider.	

### Hourly rates

Occasionally, we are asked to carry out work on an hourly rate basis, for a specific piece of work, such as preparing complaints, or work funded by an employer. In these instances, we charge an hourly rate of £275 per hour for advisers, and £80 per hour for non-advisory staff. In all such cases, we will give an estimate of costs, and obtain agreement, prior to starting any work.

## Scale of Implementation Fees

Tier 1	Tier 2	Tier 3	Tier 4
£0 - £250,000	£250,001 - £500,000	£500,001 - £1m	£1m and over
2% Subject to minimum fee of £1,500 (max T1 fee £5,000)	1% (max T2 fee £7,500)	0.5% (max T3 fee £10,000)	0.25% Subject to "Decency charge" – see below
<b>"Decency Charge"</b> - regardless of investment holdings, we apply a cap to overall initial charges of <b>£25,000</b> .			
Tiers are cumulative over the unbroken period of ongoing advice fees. For example, if a client initially invests £500,000 receives ongoing advice, and invests an additional £225,000, after their fee-free £25,000 allowance, we would charge 0.5% on £200,000 (£1,000).			
A sliding scale of fees applies, meaning that the relevant fee or fee percentage is applied progressively. Examples as follows;			
<b>Example;</b> Client with total funds to invest of £345,000; Tier 1 fee = £5,000 Tier 2 fee (£95k x 1%) = £950 Total Fee £5,950			

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.

*Our Fees do not include;*

Will Writing, Trust advice, complex tax calculations/advice. Wills and Trust services (not tax advice) are provided by Bluecoat Wills & Trusts Ltd.

*Refunds and Cancellation Policy*

Fees are payable after 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 services may be cancelled upon request. Please also see your Rights to cancel above, in respect of cancelling individual products or policies.

Should a refund be required due to any element of dissatisfaction on your part, this should be approached via our normal Complaints procedure as outlined above. We will try to resolve the issue to your satisfaction, which may include offering a discretionary refund.

## Cost of On-going Management Service

Financial Planning is inherently an evolving, ongoing process as your circumstances, taxation and legislation change. Our investment solutions centre around asset allocation, periodic rebalancing and client mentoring, to weather the turmoil and emotions of changing stock market conditions. We therefore strongly recommend that all clients make use of our ongoing services, central to which is an Annual Review which monitors progress towards achieving your objectives and ensures that our advice remains appropriate to your needs.

Our typical fees are shown below;

**Service Charge; 1% per annum**, based upon the value of your portfolio. **Example;** for a portfolio valued at £350,000, the annual cost of on-going management would be £3,500 and receive our Investment Management service level.

In return for our fee, the typical services and benefits we can provide include;

Service	Foundation	Investment Management	Wealth Management	Family Wealth Service
Minimum portfolio	To be agreed	£250,000	£500,000	£1,000,000*
Fee-free annual investment‡	NIL	£10,000	£25,000	£50,000
Complimentary Second Opinion Service for friends and loved ones	NIL	1 per annum	2 per annum	4 per annum
Annual review	Products & portfolio only	Financial Planning via Skype	Financial Planning usually in person	Meetings as required minimum annual
Go-Green Service	Compulsory for all clients	Compulsory for new clients, preferred existing	Preferred for all clients	Optional
Inter-generational wealth planning	-	-	-	Yes
Free-phone telephone number	-	-	-	Yes
Advisory Portfolio re-balancing	Annual	Half-yearly	Every 4 months	Quarterly
Cashflow modelling on request	-	One-off basic	Annual basic	Advanced
Valuations	Annual	Half-yearly	Quarterly	Quarterly

\* Combined family wealth under management

‡ Applies per tax year.

It should be noted that the above list is not exhaustive, and there may be many more features and options of service that can be made available to you on request. Correspondingly, not all services may feature as part of any one specified investment product.

## Opting Out

You may decide to "opt-out" of any on-going management service, which includes annual reviews. You are free to do so, subject to giving 90 days notice in writing 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 equity risk than you wish to accept
- If you use a Wrap Platform the provider may apply a charge if you do not have a nominated adviser on your account. Typically, this is 0.5% per annum
- Changes to your circumstances, taxation or legislation may mean that our recommendations are no longer appropriate; if you are not availing yourself of our on-going service, we will not be held liable for any resulting losses.
- Any additional money invested will be treated as if you are a new client reverting to Tier 1 on our implementation fee scale.

You may opt back in to on-going services at any time.

## Client Declaration

**This document represents our standard Terms of Engagement, 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.**

### Fee Agreement

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 the initial investment amount and/or on-going contract value, due to the ease of calculation, we will not confirm the fee in specific monetary terms.

**You should seek legal advice in respect of your own specific requirements to ensure the validity of this agreement.**

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.

**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	<input type="checkbox"/>
Tick this box if you agree to pay our initial Fees by cheque/bank transfer	<input type="checkbox"/>

**On-going Management Services;** please opt in or out of on-going services below

Tick this box if you do not require any on-going services. Your investments will not be kept under review, and any services you request in future may be subject to further charges	<input type="checkbox"/>
Tick this box if you agree to pay our agreed fee for on-going management services, by annual/monthly deduction from your investment	<input type="checkbox"/>
Tick this box if you agree to pay our agreed fee for on-going management services, by annual/monthly Direct Debit	<input type="checkbox"/>
Tick this box to accept or opt in to our Go-Green Service	<input type="checkbox"/>

<b>Customer Name(s)</b>		
<b>Customer signature(s)</b>		
<b>Date signed</b>		

