

# Kelvin Financial Planning

## Service Levels & Fee Agreement

### **Contact Details**

0141 204 3272

2<sup>nd</sup> Floor, 176 Bath Street, Glasgow, G2 4HG

[www.kelvinfp.com](http://www.kelvinfp.com)

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## Company Background

**The purpose of this document is to provide a breakdown of the services available to you as a client of Kelvin Financial Planning Ltd. We will discuss the most appropriate service option with you at your introductory meeting, the service option you select will have a bearing on the cost of the service. This document will also explain these costs.**

Kelvin Financial Planning Ltd was established in 2011. The founding directors had previously worked together in an informal basis through a Glasgow based firm of Independent Financial Advisers. When that firm gave up their Independent status, the decision was made to combine their collective efforts so that their clients could continue to receive advice on a truly Independent basis.

Since establishment, the firm has experienced stable growth, which has included the takeover of an established Glasgow based firm, which offered Independent Financial Advice. Additionally, the firm has purchased new office premises on Bath Street and enjoyed growth in staff numbers from the original four Directors to eight staff in total.

The firm has strong links with other professional services firms including solicitors and accountants. We commonly work closely with our clients' other professional advisers to ensure their goals are met. This is commonly the case when advising on Inheritance Tax Planning or ensuring maximum tax efficiency through pension planning.

The firm is proud to offer completely Independent Financial Advice without any outside influence from product providers or conflict of interest. We have a detailed menu of service, which ensures our clients have a clear expectation of what level of service they receive.

Kelvin Financial Planning, 2<sup>nd</sup> Floor, 176 Bath Street, Glasgow, G2 4HG is authorised and regulated by the Financial Conduct Authority. Our FCA registration number is 568257. The Financial Conduct Authority can be contacted at the following address: 25 The North Colonnade, Canary Wharf, London, E14 5HS.

Kelvin Financial Planning is permitted to advise on and arrange (bring about) deals in investments, pensions, pension transfers and opt-outs, mortgages and non-investment insurance.

## Our Staff

**Our aim is for all clients to receive a high level of advice as well as administrative support from Kelvin Financial Planning.**

We work on a team basis with advisers spending the majority of their time, face to face with clients. Our Client Support Staff will typically act as a point of contact for clients when advisers are unavailable.

### Advising Staff

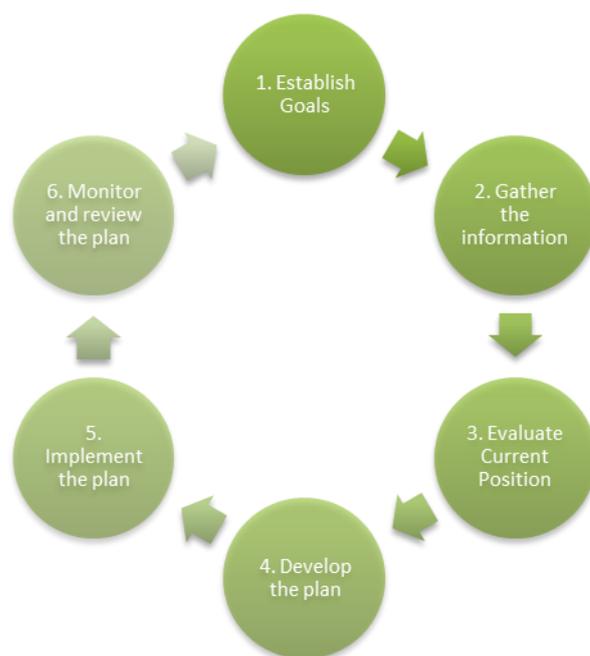
Name	Job Title	Qualification	Role
Michael Jackson	Director	CFP	Certified Financial Planner
Chris Malcolm	Director	Dip PFS	Independent Financial Planner
Laura Finnie	Compliance Director	Dip PFS	Head of Compliance Independent Financial Planner

### Client Support Staff

Name	Job Title	Qualification	Role
Kirsteen MacKay	Paraplanner	BA Financial Services	Technical support for adviser, creating reports, research
Gemma Brown	Administration Manager		Administration Manager
Paula Sutton	Administration Manager	BA Financial Services	Administration Manager

## Financial Planning Process

Each client has his or her individual goals and preferences, as such each individual recommendation is produced on a bespoke basis. We follow a consistent, logical process when working with clients and this is summarised below –



### **1 Establish your goals in life**

Goals can be short term, medium and longer term in nature. We will help you to identify your goals and prioritise them. We will also help you to quantify how much these goals will cost, when you wish to achieve them.

### **2 Gathering the information**

This is essentially fact gathering. We will ask you to bring along information relating to your assets and liabilities as well as your income and expenditure.

### **3 Evaluating your current position**

Once we have collected your relevant information we will provide you with a 'family balance sheet'. This is essentially a ledger of assets and liabilities and is confirmation of your 'starting position'. Additionally, we will assess how close you are to achieving your financial goals and calculate any shortfalls if they exist.

#### **4 Develop the plan**

Once your current position has been established and any shortfall or risks to you achieving your goals have been identified, we will develop a plan to meet your objectives. This planning exercise will often include a series of planning points and recommendations. Once the outline of the plan has been developed and agreed with you, a report will be produced which will include our recommendations.

#### **5 Implement the plan**

Having committed to the plan the next step is to implement the recommendations. Where financial products have been recommended, Kelvin Financial Planning will implement all administration on your behalf. If one of the recommendations included the services of another professional, we will be happy to assist where appropriate.

#### **6 Monitor and review the plan**

It is important to monitor and review the recommended plan. The service option that you have selected will determine the level of ongoing monitoring and service you receive, however, we recommend that all clients commit to some level of ongoing service.

### **Client Benefits**

The benefit of following this approach are summarised below –

- Have more control and confidence that you are going to achieve your goals
- Reduced stress with removal of uncertainty
- Peace of mind that you are not leaving things to chance

## Typical Client Experience – Step by Step

In the next few pages we will describe a 'typical' client experience, assuming that they are new clients to the firm. We will then move on to describe the review process for existing clients.

### 1<sup>ST</sup> Meeting

- The initial meeting is completely free and without obligation to become a client.
- Initial meetings are typically held in our office at 2<sup>nd</sup> Floor, 176 Bath Street, Glasgow.
- Clients are requested to bring along a copy of ID along with a recent bank statement / utility bill to confirm their address.
- Clients will be asked to provide a breakdown of income and outgoings as well as assets and debts.
- During the initial meeting we will complete stages 1-3 (see diagram on page 5) of the financial planning process –
  - Establish Goals
  - Gather the information
  - Evaluate current position
- We will also discuss our client service options to assess the most suitable service options for you.
- At the end of the first meeting, in the majority of cases, we will be able to tell you what costs will apply for you to become a client and receive financial planning advice. We will also confirm this to you in writing, towards the rear of this document.
- Assuming you are happy to move forward, we will ask you to sign the relevant documents, either at the meeting, or by return mail.
- Where appropriate, we will obtain your consent to act as you agent, in the event that you decide to become a client. We will use this consent to confirm information relating to any existing financial products that you own.
- We will agree timescales for completing our work and if appropriate how we will keep you informed of progress

### 2<sup>nd</sup> Meeting

- The 2<sup>nd</sup> meeting will take place once all fees have been agreed and relevant documents have been provided
- Between 1<sup>st</sup> and 2<sup>nd</sup> meeting Kelvin Financial Planning will have written to any pre-existing policy providers to inform them that we are now your adviser. We all also have verified all relevant policy information.
- Your adviser will also have provided you with a risk based questionnaire and you will have been requested to complete this exercise and send it to us in advance of the 2<sup>nd</sup> meeting.
- Stage 4 of the financial planning process will also have been completed (Develop the Plan). This work will typically have been completed using a lifetime cashflow tool, the benefits of which will be introduced during the 1<sup>st</sup> meeting.

- There will often be a range of scenarios to discuss and during the 2<sup>nd</sup> meeting we will typically discuss the benefits and risks associated with each scenario. We would usually plan to have identified the most appropriate course of action by the end of the 2<sup>nd</sup> meeting. We now have a plan in principle.

### **Following 2<sup>nd</sup> Meeting**

- Once the 2<sup>nd</sup> meeting is complete and the outline plan agreed in principle, the advice team will prepare a written report which includes your recommendation and associated projections and illustrations
- The recommendation is based on the financial planning assumptions and calculations. It will also include an investment recommendation where appropriate.
- This part of the exercise is completed at our office and will usually be completed within 1 week of the 2<sup>nd</sup> meeting.
- Once completed, we send the written report to you for consideration. We will contact you on the day we send the written report to you to let you know it has been despatched. We will also seek to diarise our 3<sup>rd</sup> meeting to able implementation of the plan.

### **3rd Meeting**

- The 3<sup>rd</sup> meeting is typically an implementation meeting.
- We will finalise any discussion relating to the recommendations and also arrange any administration relating to the implementation. Upon completion of the administration we will agree any outstanding action points and agree your annual review month for the year ahead (if appropriate)

### **Post Implementation – Annual Review**

- Once implementation is complete we will contact you to confirm that is the case
- Throughout the year, you will receive either 6 monthly or quarterly investment reports, depending on your service option
- You will also be sent correspondence relating to any significant budgetary announcements.
- Your adviser will be available to you by telephone, email or face to face meeting, depending on your service option
- Your portfolio will be managed on a day to day basis, in line with your agreed objectives and within risk parameters.

## Annual Review Meeting – What does it entail?

The format for review meetings will vary but the agenda may include some or all of the following:

- ❖ **Discuss points you wish covered**
  - Including specific items that you wish to discuss to the agenda.
- ❖ **Review of your portfolio**
  - We will review the performance of your portfolio.
- ❖ **Strategic Planning**
  - A discussion surrounding any portfolio changes or other financial planning needs.
- ❖ **Collate up-to-date information**
  - The adviser will gather current information relating to your circumstances.
- ❖ **Lifetime Cashflow Plan**
  - We will create a base plan or update an existing plan looking at planning for your desired goals and objectives.
- ❖ **Protection Review**
  - We will be able to look at issues which may affect your family such as life cover and mortgage protection.
- ❖ **Inheritance Tax Planning**
  - We will be able to review your current Inheritance Tax planning strategy.
- ❖ **Other Areas**
  - You will be able to discuss any other areas where you have outstanding queries or are interested in further information.

## Client Service Options

For Clients who require ongoing service we have our Kelvin Wealth Management Comprehensive Planning Service.

The table below details our Comprehensive Planning Service for those clients requiring ongoing service.

	Comprehensive
<b>Annual Ongoing Fee*</b>	1% of invested assets with minimum of £1,000
<b>New Business Fee*</b>	1% with minimum of £1,000 for new clients
<b>Top Up Fee</b>	1% of new contribution
<b>Bed &amp; ISA</b>	No charge
<b>Fund switches</b>	No charge
<b>Face to Face Review Meeting</b>	Minimum of one per annum
<b>Portfolio Statement</b>	Quarterly
<b>Lifetime Cash Flow Modelling</b>	Yes
<b>Bespoke Portfolio</b>	If Required
<b>Client Portal</b>	Yes
<b>Full Access to adviser by email/phone</b>	Yes
<b>Annual Tax statement for investment portfolio</b>	Yes

\*Please refer to our Key Facts Document for full details and examples of initial and ongoing charges.

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Clients who have 'one off' needs or require advice on a specific issue can make use of our project work service option. Clients requiring transactional services such as mortgages advice or annuity advice often prefer to work on this basis. The fees for this work will be agreed with you in advance.

## Kelvin Project Work

We may undertake one-off pieces of work for clients. This may include clients wishing to receive advice on their retirement options or for arranging mortgage or personal insurance. A specific fee will be agreed in advance. Please refer to our Key facts document for details regarding minimum fees for mortgages and equity release.

For protection work including life cover, mortgage protection and income protection we will receive commission from the product provider. This will be disclosed to you in the illustration you are presented with. These products normally have a clawback period of this commission if the product is cancelled in the early years. **If the policy is cancelled, or lapses due to non-payment of any regular premiums by the Proposer of the contract, which results in the commission being clawed back, we reserve the right to invoice you for the portion of the commission that is clawed back from us.**

The Kelvin Project Work service option is a transactional service only and there will be no ongoing/proactive service. Should you contact us to request further advice we will do our best to assist you. However, a fee may be payable for this additional advice. Any applicable fee would be agreed in advance.

## Important Information

### Regulatory Status

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Kelvin Financial Planning is permitted to advise on and arrange (bring about) deals in investments, pensions, pension transfers and opt-outs, mortgages and non-investment insurance.

We may also advise on products and services which are not regulated by the Financial Conduct Authority. We will tell you where this is the case.

### 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 covered by the Financial Services Compensation Scheme.

### Conflict of Interest

Kelvin Financial Planning offers advice in accordance with that disclosed to you in our initial Discloser Document. Occasions may arise where we or one of our other clients have some form of interest in business being transacted by you. If this happens or we become aware that our interests or those of one of our other clients conflict 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 transactions already initiated, which will be completed according to this document unless otherwise agreed in writing. You will be liable

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to pay for any transactions made or carried out prior to termination and any fees which may be outstanding.

## **Right to Withdraw**

In the case of a non-packaged product a direct equity ISA for instance, 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.

## **Client Risks**

We will communicate appropriate risk warnings prior to providing products or services. These are for your benefit as you should understand any risks prior to making an investment. 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.

## **Accounting to You**

Unless in exceptional circumstances, (such as execution only case) we will confirm to you in writing the basis for our reason for recommending the transaction executed on your behalf.

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 to you all documents showing ownership of your investments as soon as practicable after we receive them; where a number of documents relating to a series of transactions is involved, we will normally hold each document until the series is complete and then forward them to you.

## **Investment Objectives & Restrictions**

Following the issue of this document, any subsequent advice or recommendation offered to you will be based on 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. Details of your stated investment objectives will be identified during our discussions with you and confirmed in the suitability report that we will issue to you to confirm 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.

## Best Execution Policy

It is in the interests of our clients and Kelvin Financial Planning 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. 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 of collective investment schemes (e.g. unit trust), however, the price of units 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.

## Complaints

If you wish to register a complaint, please write to Kelvin Financial Planning, 2<sup>nd</sup> Floor, 176 Bath Street, Glasgow, G2 4HG or telephone 0141 204 3272. A summary of our internal complaints handling procedures for the reasonable and prompt handling of complaints is available on request and if you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service (FOS). Further information about FOS is available from their website <http://www.financial-ombudsman.org.uk>

## Anti-Money Laundering

We are required by the anti-money laundering regulations to verify the identity of our clients, to obtain information as to the purpose and nature of the business which we conduct on their behalf, and to ensure that the information we hold is up-to-date. For this purpose we may use electronic identity verification systems and we may conduct these checks from time to time throughout our relationship, not just at the beginning.

## Law

This client agreement is governed and shall be construed in accordance with **Scots** Law and the parties shall submit to the exclusive jurisdiction of the **Scottish** Courts.

## Data Protection Statement

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 FCA 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.

We may also contact you 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 commission or alleged commission 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 in writing at Kelvin Financial Planning Ltd, 2<sup>nd</sup> Floor, 176 Street, Glasgow, G2 4HG.

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 legitimate purposes. 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.

We are legally obliged to verify the identity of our customers and retain these records.

We will retain records after our business relationship has ended for legal and regulatory purposes.

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.

## Service & Fee Agreement

This agreement confirms the level of service and fee that we will charge for the agreed financial planning services which we will provide. Please note that ongoing service can be cancelled at any time by either party giving notice in writing.

### Initial Fee Options

#### Implementation Fee Basis

Initial Fee	1% of the investment amount subject to a minimum of £1,000.
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#### Hourly Rate Basis – Agreed at outset

Director	£150 per hour
Adviser	£150 per hour
Administrator	£75 per hour

### Ongoing Service Fee Options

Service Level	Ongoing Fee
Comprehensive	1% of invested assets subject to a minimum of £1,000.
Project	N/A

We confirm that the agreed initial fee for the financial planning services discussed and the agreed level of ongoing service and ongoing annual fee is as follows:

**Fee Agreement:**

<b>Initial Fee (£)*</b>	
<b>Ongoing Service Level</b>	
<b>Ongoing Service Fee (%)**</b>	

**\*The initial fee becomes payable, in full, once work has commenced but shall be invoiced on the completion of agreed work. The fee is payable even where recommendations are not implemented.**

**\*\*The amount of annual ongoing charge may increase as funds grow. You may cancel this ongoing service at any time in writing to us.**

**Your Consent**

This is our standard client agreement upon which we intend to rely. We recommend you read these terms carefully before signing them. If you do not understand any point please ask for clarification. I hereby authorise the transfer of information, as described above on a confidential basis when warranted between such third parties. I agree that The Client Agreement will come into effect from the date of acceptance of this agreement.

**Please confirm your consent to us, and any company associated with us, processing sensitive personal data and if you are happy for us to contact you for marketing purposes by e-mail, telephone or post.**

**Please tick one box only:**                      YES                       NO

<b>Client 1 Signature:</b>	
<b>Print Name</b>	
<b>Client 2 Signature:</b>	
<b>Print Name</b>	
<b>Adviser Signature:</b>	
<b>Date</b>	

## Service & Fee Agreement (Kelvin FP Copy)

This agreement confirms the level of service and fee that we will charge for the agreed financial planning services which we will provide. Please note that ongoing service can be cancelled at any time by either party giving notice in writing.

### Initial Fee Options

#### Fixed Fee Basis

Initial Fee	1% of the investment amount subject to a minimum of £1,000.
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#### Hourly Rate Basis – Agreed at outset

Director	£150 per hour
Adviser	£150 per hour
Administrator	£75 per hour

#### Ongoing Service Fee Options

Service Level	Ongoing Fee
Comprehensive	1% of invested assets subject to a minimum of £1,000.
Project	N/A

We confirm that the agreed initial fee for the financial planning services discussed and the agreed level of ongoing service and ongoing annual fee is as follows:

**Fee Agreement:**

<b>Initial Fee (£)*</b>	
<b>Ongoing Service Level</b>	
<b>Ongoing Service Fee (%)**</b>	

**\*The initial fee becomes payable, in full, once work has commenced but shall be invoiced on the completion of agreed work. The fee is payable even where recommendations are not implemented.**

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**Please confirm your consent to us, and any company associated with us, processing sensitive personal data and if you are happy for us to contact you for marketing purposes by e-mail, telephone or post.**

**Please tick one box only:**                      YES                       NO

<b>Client 1 Signature:</b>	
<b>Print Name</b>	
<b>Client 2 Signature:</b>	
<b>Print Name</b>	
<b>Adviser Signature:</b>	
<b>Date</b>	

## Level of Financial Experience

Please provide the answers to the following questions regarding your previous experience and knowledge of different types of investment products.

Type of Investment	Currently Hold	Previously Held	Received Advice
Savings Account			
Cash ISA			
Stocks and Shares ISA			
Personal Pension			
SIPP			
Income Drawdown			
Annuity			
Direct shares			
EIS, VCTs			
IHT planning using trusts			
Structured products			
Regular savings accounts			
Any other investment			

### Have you opted for any of the below service options previously?

	Client 1	Client 2	
Have you ever sought advice previously?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Have you every carried out a transaction without seeking advice	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	

### Level of Experience of Financial Services

Please select the option from the list below which you feel best describes your experience of advice received and products purchased within financial services.

I have no knowledge of investments, as this is my first investment.	
I have a reasonable knowledge of investments and have previously owned an investment or pension contract.	
I have a strong knowledge of investments and take an active interest in following investment markets.	

**Client One:** .....

**Client Two:** .....

**Date:**