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## **Bread and Butter Advice Limited** **Terms of Business**

**Bread and Butter Advice Limited** is a subsidiary and Appointed Representative firm of True Bearing Limited. True Bearing Limited is authorised and regulated by the Financial Conduct Authority (FCA).

The Financial Conduct Authority (FCA) is the independent watchdog that regulates financial services. This document has been designed to be given to consumers considering buying certain financial products. Use this information to decide if our services are right for you.

### **Our services**

Bread and Butter Advice Ltd. is a restricted advice service. We are able to act on your behalf in advising you on investments, pensions, annuities, mortgages and non-investment insurance contracts. We offer products and services as follows:

- **Investments** - we have selected specific investment strategies. This means that we will offer you solutions from a restricted range. You may ask us for a list of the types of products we advise on.
- **Pensions in accumulation** – we will offer you pension solutions from the whole of market to best match your ‘savings for retirement’ need.
- **Pension vesting options** – we offer annuities and drawdown contracts from the whole of market to maximise your income potential.
- **Non-investment protection contracts** - we offer non-investment protection products e.g. term assurance, income protection and critical illness from a range of insurers.
- **Mortgages** – we also offer a comprehensive range of mortgage products.
- **Equity Release** – we offer equity release products from the whole of market
- **Buy-to-Let** – we offer consumer and business buy to let mortgages from the whole of market
- **Long term care** – we offer specialist Long Term Care planning from the whole of market.



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We offer you an initial discussion (at our expense) at which we will describe our services more fully and explain the payment options. If you decide to go ahead, we will:

- Gather and analyse personal financial information about you and your needs and objectives;
- Recommend and discuss any action we think you should take and, with your agreement, arrange relevant solutions for you.

### **Your aims and objectives**

Unless we notify you in writing to the contrary, we will be treating you as a “retail client”. This means that you are afforded the highest level of protection under the regulatory system and should have the right to take any complaint to the Financial Ombudsman Service.

Any advice or recommendation that we offer to you, will only be given after we have assessed your needs and considered your financial objectives and attitude to any risks that may be involved. We will also take into account any restrictions that you wish to place on the type of products you would be willing to consider.

We will confirm to you in writing the basis of our recommendation in a Suitability Report, which we will issue to you following our recommendation, along with details of any special risks associated with the product recommended.

Full details of the products we may recommend to you including, for example, the minimum duration of the product, information on the right to cancel or whether no right to cancel arises, and any other early termination rights and penalties, will be covered in the relevant product disclosure information you will receive before conclusion of any contract. Specifically for mortgage products, clients are free to request this information, in the form of a Key Features illustration, at any time.

We will issue any documentation/recommendations and any other communication to you in English (unless agreed otherwise).

In executing or transmitting orders on your behalf to third parties, we will take all reasonable steps to ensure that we obtain the best possible result for you in terms of best execution.

We may also on occasion, advise on other financial products which are not regulated by the FCA under the Financial Services and Markets Act 2000. The Financial Services Compensation Scheme does not apply to any of these products.

Under the terms of this agreement, we may if appropriate advise you on investments which are not readily realisable, such as property. We would draw your attention to the risks associated with these investments as there is a restricted market for them. In some circumstances it may therefore not be possible to deal in the investment or obtain reliable information about its value.

Please note that any products we have arranged for you, will be reviewed with you at agreed service intervals. We may also contact you in the future by means of an unsolicited promotion



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(by telephone, post, or email) should we wish to discuss the relative merits of a particular product or service which we feel may be of interest to you.

Please be aware that investments can fall as well as rise, and that you may not get back the full amount invested. The price of investments we may recommend may depend on fluctuations in the financial markets, or other economic factors, which are outside our control. Past performance is not necessarily a guide to future performance. Specific warnings relevant to the investments, or investment strategies, we recommend will be confirmed to you in your Suitability Report.

#### **Referrals**

Clients may be referred to Bread and Butter Advice Ltd. from companies with whom we have a professional connection e.g. Solicitors and Accountants. Advice given by Bread and Butter Advisers is based solely on information gathered by the Adviser directly from the client. This advice is not influenced by the professional connection, other than by facts given by that firm with the permission of the client. Bread and Butter Advice Ltd. is responsible for the financial advice and not the referring firm.

#### **Client money**

Bread and Butter Advice Ltd. is not permitted to handle client money and we cannot accept a cheque made out to us (unless it is in respect of an item for which we have sent you an invoice such as an agreed fee) or handle cash.

#### **Documentation**

We will endeavour to make arrangements for all your investments to be registered in your name unless you first instruct us otherwise in writing. All policy documents will be forwarded to you as soon as practicable after we receive them. If there are a number of documents relating to a series of transactions, we will normally hold each document until the series is complete and then forward them to you.

#### **Cancellation rights**

In most cases you can exercise a right to cancel, by withdrawing from the contract recommended to you. In general terms you will normally have a 30 day cancellation period for a life, pure protection, payment protection or pension policy and a 14 day cancellation period for all other policies. However, for mortgages, in most circumstances you will not be able to exercise a right to cancel, unless it is concluded at a distance (i.e. not face to face advice), at which point you may have a 14 day cancellation period.

The start of the cancellation period will normally begin when you are informed that the contract has been concluded or, if later, when you have received the contractual terms and conditions. Instructions for exercising the right to cancel, if applicable, will be contained in the relevant product disclosure information which will be issued to you.

If you cancel a single premium contract, we may require you to pay for any loss you might reasonably incur in cancelling it which is caused by market movements. This means that, in



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certain circumstances, you might not get back the full amount you invested if you cancel the policy.

### **Additional protection**

Bread and Butter Advice Ltd. is an Appointed Representative firm of True Bearing Limited which is authorised and regulated by the Financial Conduct Authority ('FCA'), 25 The North Colonnade, Canary Wharf, London, E14 5HS. Bread and Butter Advice Ltd's FCA Register number is 585311. Our permitted business is advising on and arranging pensions, savings and investment products, mortgages and non-investment insurance contracts. You can check this on the FCA's Register by visiting the FCA's website [www.fca.org.uk/register](http://www.fca.org.uk/register) or by contacting the FCA on 0800 111 6768.

In the event that you are dissatisfied with a recommendation we have made you may be entitled to make a complaint. We have a complaints procedure that is available on request. If you wish to register a complaint, please contact our Principle Firm at:

**In writing:** The Compliance Officer  
True Bearing Ltd  
2 Buckshaw Court, East Terrace Business Park  
Euxton Lane  
Chorley, Lancashire  
PR7 6TB

**By phone:** 0844 770 7726

**By e-mail:** [helen.lupton@truebearing.co.uk](mailto:helen.lupton@truebearing.co.uk)

For your further protection if you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service ('FOS'). Full details of the FOS can be found on its website at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

### **Business buy-to-let mortgages**

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

Alternatively, where your complaint relates to products or services purchased online, or by other electronic means such as by email, you may refer your complaint to the online dispute resolution (ODR) platform at <http://ec.europa.eu/odr>.

### **Financial Services Compensation Scheme**

As both consumer and business buy-to-let mortgages are not regulated by the Financial Conduct Authority, you will not have any recourse under the Financial Services Compensation Scheme.



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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.

Most types of investment business are covered for up to a maximum of £50,000. Insurance advising and arranging is covered for 90% of the claim, without any upper limit. Mortgage advising and arranging is covered for up to a maximum limit of £50,000.

The maximum depositor compensation limit is £75,000 per person with effect from 1<sup>st</sup> January 2016. Compensation limits apply to individuals not accounts. This means that for joint accounts the limit applies to each named account-holder. So for example, if you have a joint account with your spouse or partner, you could **each** make a claim of up to £75,000 under the deposit limits.

Any debit balances or other due but unpaid amounts owed by investors will be deducted from the total amount payable.

Further information about compensation scheme arrangements is available from the FSCS.

**[www.fscs.org.uk/consumer](http://www.fscs.org.uk/consumer)**

***Please be assured we treat complaints very seriously.***

#### **Conflict of interests**

We will endeavour always to act in the best interests of you our client. However, circumstances can arise where we, or one of our other clients, may 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 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.

We obtain professional support services from Threesixty services LLP, who provide us with regulatory and business advice. Threesixty are supported by product providers, fund managers and platforms, through the provision of training resources and occasionally through commission payments made direct to them, which can be used to offset our own fees to them. In the event that Threesixty is remunerated through commission, this will be disclosed in the literature provided to you, and in no way will it affect the charges you pay.

#### **Pennine Wealth Solutions LLP**

Pennine Wealth Solutions is a service framework company created to develop investment solutions. Bread and Butter advisers may be non-voting members in Pennine Wealth Solutions LLP.

#### **Disclosure of charges/fees**



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All charges/fees will be fully disclosed to you. These will be disclosed in summary form before we undertake any work for you. The precise charges relating to any recommendations we make will be confirmed in your Suitability Report or relevant product disclosure information that is provided to you.

There is no additional cost to you for using a means of distance communication.

### **Data Protection**

Your personal information is very important to us. We will endeavour to take all due care to protect this information. We would like to highlight below a few matters relating to your information that you should be aware of;

- Some services are provided to us by third parties such as processing business or obtaining compliance or regulatory advice, which warrant the disclosure of more than just your basic contact details. You agree that personal information held by us may be disclosed on a confidential basis, and in accordance with the Data Protection Act 1998, to any such third parties. You also agree that this information may be transferred electronically, e.g. email and you agree that ourselves, or any such third party, may contact you in future by any means of communication which we consider appropriate at the time.
- Product Providers, Lenders and Investment Managers may administer your policy, any existing policies you may have with them and provide other services, from centres in countries outside Europe (such as India and the USA) that do not always have the same standard of data protection laws as the UK. However, they are required to put a contract in place to ensure that your information is adequately protected, and they will remain bound by their obligations under the Data Protection Act even when your personal information is processed outside Europe.

### **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

### **Jurisdiction**

This agreement is governed by and should be interpreted in accordance with English law and you agree to submit to the non-exclusive jurisdiction of the English courts.



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### **Legal and accounting advice**

Bread and Butter Advice advisers are neither qualified to render legal or accounting advice, or to prepare any legal or accounting documents. It is hereby understood and agreed that the onus is on you, the client, to refer to a suitably qualified professional any point of law or accountancy that may arise during the course of discussions with us.





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## **WHAT WILL YOU HAVE TO PAY US FOR OUR SERVICES?**

Bread and Butter Advice Limited will receive remuneration via fees or commission, as detailed on the following pages. Your adviser will be happy to talk you through the options. We do not offer the option of an hourly fee basis.

We will not charge you until we have agreed with you how we are to be paid. We will also tell you if you have to pay VAT and if there are other costs that might arise in connection with the services we provide to you.

### **Initial Fees**

Payment is by invoice, and can either be paid directly by you or in some cases can be paid for via a product provider. We do not accept payments by cash. Please note that if you choose to pay by deduction from a financial product this could reduce the amount left for investment.

The fees become payable prior to issuance of any advisory report, or before implementation.

Once we have agreed that we can help you achieve your financial goals there is a lot of work to do. We need to gather information, both from you and any providers you already have transacted business with in the past. We need to analyse that data and identify any gaps. This is the start of our working relationship.

To be clear our minimum fee for a new client is £345 although this may be higher as your circumstances become more complex.

### **The Advisory report**

We will develop a plan for you, tailored to your circumstances and goals, and make recommendations to match those goals. For this there is a minimum fee of £595 although this may be higher depending on the complexity of your requirements. For specialist areas of advice we have different minimum fees, and we will always agree the specific fee with you before commencing the work;

- Long Term Care reports £695
- 1<sup>st</sup> retirement income assessment £595
- Subsequent retirement income assessment £495
- Equity release/buy to let report £695
- Occupational pension transfer assessment £1,995

We will tell you where VAT is applicable on any of our fees.

### **Implementation Fees**





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You can pay for our advised services on the basis of adviser charging, fees or a combination of the two. Our charges relating to new work e.g. client take-on, new investments and one off reviews are as follows;

Assets	Percentage	Equivalent monetary terms
Up to and on the first £100,000	3%	£300 per £10,000
Between £100,001 and £250,000	2%	£200 per £10,000
Between £250,001 and £500,000	1%	£100 per £10,000
Over £500,000	0.5%	£500 per £100,000
Minimum fee	£345	

What does this mean in reality?

Assets under advice amount	Charge as %	Charge in £
£10,000	3% however minimum fee applied	£345 minimum fee
£20,000	3%	£600
£80,000	3%	£2,400
£150,000	3% on first £100k then 2%	£4,000 (£3,000 on first £100k, then £1,000 on remaining £50,000)
£300,000	3% on first £100k, then 2% on next £150k, then 1% on remaining £50k	£6,500 (£3,000 on first £100k, then £3,000 on next £150k, then £500 on remaining £50k)

You may also pay our adviser charges via deductions from the financial product(s) that you might invest in, where the product/platform provider allows this. Please note that if you choose to pay by deduction from a financial product this will reduce the amount left for investment and may, depending on your circumstances, have other consequences. If you select this option we will discuss the implications of using this payment method with you prior to putting it in place.

If your investments are held on a platform you may choose to pay our adviser charges out of the funds held with the platform cash account (where the platform provider offers this facility). If this method is selected it is important that sufficient funds are maintained in the account to cover our adviser charges as and when they become payable. We will discuss the implications of using this payment option with you prior to putting it in place.

Please note (as referred to in the table above) a minimum charge may be applied even if you choose not to invest in a product. We reserve the right to charge you for services provided prior to cancellation.

Paying by instalments (regular premium contracts only)



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Where you invest in a regular premium contract e.g. where contributions are made on a monthly, quarterly or annual basis, you can choose to pay your adviser charge in instalments (note that the option to pay in a single payment is still available). Our normal approach will be for the payment to be spread over a maximum of 12 months. Exact details will be confirmed in writing with you.

Where you are investing in a product you can choose to have your adviser charge deducted from the product through instalments (where the product/platform provider is able to offer this facility). Although you may pay nothing to us up front that does not mean that our service is free. You still pay us indirectly through deductions from the amount you pay into your product. These deductions could reduce the amount left for investment and may, depending on your circumstances, have other consequences. If you select this option we will discuss the implications of using this payment method with you prior to putting it in place.

Where you have opted to pay our adviser charge by instalments these payments are linked to the on-going payment of agreed regular contributions into your plan (until the agreed adviser charge has been paid in full). In the event that the regular contributions to your plan are not maintained (until the agreed adviser charge has been paid in full) we reserve the right to request full payment of any outstanding balance of the charges for our services.

#### Protection business

You can pay for our advised protection services by fee, commission or a combination of both. In relation to non-investment protection contracts, if you wish us to work on a fee basis the fee will be based on a fixed cost agreed with you at outset. Any commission can be used to offset this fee. Any surplus will be refunded to you. Where we are paid by commission we will tell you the amount before we carry out any business for you.

In respect of any regular premium policy which we have arranged for you, should you subsequently cease to pay premiums on the policy and in consequence we are obliged to refund the commission that has been paid to us, we reserve the right to charge you a fee representing the amount we have to repay, for a period of up to four years after commencement of the policy. We will confirm the exact amount that will need to be repaid by you and the timescale over which it will need to be repaid in the suitability report we will send you when a recommendation is made. We will not charge any such fee if you exercise your right to cancel in accordance with any cancellation notice sent to you by the life insurance company.

#### Mortgage, Buy-to-Let and Equity Release services

Our mortgage services are designed to provide you with the best mortgage solution for your needs. We advise on mortgage products, this means that we will make a recommendation for you after we have assessed your needs.

We offer a comprehensive range of mortgages, Buy to Let mortgages, and equity release products from across the market, but not deals that you can only obtain by going direct to a lender.



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This means that we source the recommended mortgage from the range of mortgages available to “intermediary” firms. Certain lenders may offer products directly to the public, rather than via an intermediary firm, with more favorable terms. Accordingly our recommendation to you will be based on the most suitable mortgage product incorporated within the range available to intermediary firms. We offer mortgages in the non-business and business markets on a first charge basis in both markets. We do not offer second charge mortgages.

You should note that where we provide services in relation to increased borrowing on an existing mortgaged property there may be alternative options available to you that may be more appropriate. For example, you may be able to obtain a further advance from your existing lender, or obtain an unsecured loan for the additional funds. Where your existing mortgage is a first charge against the property, a second charge mortgage may be available and where the existing mortgage is a second charge a first charge loan may be available.

**Please note that unlike most mortgage advice, the advice given on buy to let mortgages is not regulated by the Financial Conduct Authority (FCA).**

In relation to mortgage and equity release business, we charge a fee of £495 per mortgage, £695 per Buy-to-Let mortgage, and £695 for equity release. In addition to the fee we charge you, we may receive commission from the mortgage lender, which will be disclosed on the Key Facts Illustration / European Standardised Information Sheet you will receive relating to your chosen mortgage. Please note that if the mortgage or loan does not proceed, then the Bread and Butter Advice fee will still be payable by you.

#### **Example based on a £100,000 mortgage or Equity Release application**

- Commission from mortgage provider £450  
PLUS
- Fee payable directly by you £495

#### **Example based on a £100,000 Equity Release or Buy-to-Let Mortgage**

- Commission from provider £450  
PLUS
- Fee payable directly by you £695

We will confirm to you in writing the basis of our recommendations. We will also provide you with a ‘Key Facts’ Illustration (KFI) or an European Standardised Information Sheet (ESIS) which is a personalised description of the costs and features of the mortgage / product that we are recommending. You may ask us to provide you with additional KFIs or ESISs for any mortgage / product for which you are eligible.

**Bread and Butter Advice Limited does not offer ‘non-advised’ or execution only services**



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### **On-going services**

A good plan always needs revisiting to make sure it is on track. We can offer you an on-going service designed to provide periodic reviews to ensure that recommended products remain relevant to your circumstances. Our charges relating to on-going services are as follows;

For any contract you wish us to provide the ongoing service for, we will charge;

- 1% per annum based on the invested amount. For example based on assets of £50,000, we will charge £500. This amount will fluctuate as the fund value changes over time and may increase or decrease year on year. This can either be paid direct by you, or where available and agreed with you, by deduction from your investment.

These on-going charges start to accrue after implementation of any recommendations. If you chose to pay your on-going fees by deduction from an investment, or other contract, product providers will typically pay these fees to us monthly or quarterly after the contract is in force. If you chose to pay your on-going advice fees directly to us, we will invoice you at each annual review, or more regularly by agreement.

We have one service level;

- You will receive an annual call via phone and email to review your current situation (this booked appointment will typically last ¾ hour).
- We will send an updated valuation of the plans to be reviewed before the annual review call.
- We will be available to talk you throughout the year, for informal financial conversations. These may total 1 hour per year.
- We will email appropriate financial information that we feel you should know about, on an ad hoc basis.

Payments for the above services can be made either by direct debit or by deduction from your investment on a monthly basis. The service can be cancelled with 30 days notice by simply informing us in writing or by email. You will be liable to pay for any transactions made prior to ceasing the service, and any fees outstanding, if applicable. Once set up, on-going services can be cancelled by you at any time by simply informing us in writing. We would then cease the service charge and provide no more services to you. Please note that we reserve the right to charge you for services provided prior to cancellation.

### **Ceasing your relationship with Bread and Butter Advice Limited**

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 these terms of business unless otherwise agreed in writing. You will be liable to pay for any transactions made prior to termination and any fees outstanding, if applicable.



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**Your Consent**

This is our standard terms of business upon which we intend to rely. For your own benefit and protection you should read these terms carefully before signing them. Please sign both copies of this letter, and return one copy to us. If you do not understand any point please ask for further information.

I authorise the transfer of information, on a confidential basis when warranted between any such third parties. I acknowledge that the Terms of Business Letter will come into effect from the date of issue. I also confirm that **I AM / I AM NOT** happy to give Bread and Butter Advice Ltd my express consent to contact me by telephone to discuss advising on or arranging financial or insurance products in future.

Client Name(s) \_\_\_\_\_

Client signature(s) \_\_\_\_\_

Date of issue \_\_\_\_\_

Date signed \_\_\_\_\_

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