

Davidsons IFA – Terms of Business

This document is issued on behalf of Davidsons Independent Financial Advisers Ltd (Davidsons IFA) of 23 Fore Street, Okehampton, Devon, EX20 1AN. We can be contacted at this address or on 01837 53855, or at advice@davidsonsifa.com.

Within this document, we aim to set out who we are and what we offer to our clients. This is a five-page document and should be read in conjunction with two other documents as appropriate:

Investment Clients: Investment Fee Agreement – *code DIFAIFA112018*
Mortgage Clients: Mortgage Fee Agreement – *code DIFAMFA112018*

Who are we?

Davidsons IFA is a firm of financial advisers directly authorised by the FCA with our main office in Okehampton, Devon. We believe in the principle of Independent Financial Advice, where the focus is on the client, not sales. Our client meetings are relaxed and can be in our office in Okehampton, at the client's home or work, or even online using our Skype service, Reckitt House. Either way, you can guarantee friendly, honest and above all independent financial advice.

Directors

Craig Davidson is our Managing Director and founder of Davidsons IFA. Craig has been in financial services for more than 25 years, working in London and Hong Kong. Having worked for a major high street bank in the UK, he established Davidsons IFA in February 2001 as a direct response to the growing need for honest, unbiased financial advice

Chris Hurley is Associate Director responsible for our mortgage department and is based in our Okehampton office full-time. He brings a wealth of experience to the role, including 30 years with a major high street mortgage lender. He generously shares this knowledge within the mortgage team creating the best possible environment for sourcing mortgage options.

Robert Smith is Associate Director in charge of our growing team of regulated advisers. With his experience in investments, life assurance, savings, pensions and inheritance tax planning, and having worked in retail banking for many years, he is well placed to lead our pensions and investment team.

Richard Sykes is our Associate Director based in our Wadebridge office. He will be looking after all our Cornish-based clients and be responsible for growing the business in the South West.

The Team

Within the team we have six regulated advisers dealing with pensions, investments and regulated financial products and two mortgage advisers, all supported by our growing administration team. Together we have built an enviable reputation for good honest straight-forward financial advice.

Authorisation Statement

Davidsons IFA is Authorised and Regulated by the Financial Conduct Authority. The Financial Conduct Authority regulates the financial services industry in the UK and their address is 12 Endeavour Square, London, E29 1JN. You can check this on the FCA's Register by visiting the FCA's website www.fca.gov.uk/register quoting our FCA number of 224407 or by contacting the FCA on 0800 111 6768.

Permitted Business

Our permitted business is advising on and arranging savings and investment products, pensions, mortgages and non-investment Insurance contracts.

Client Classification

Each client with whom the firm does business is categorised as to identify the level of regulatory protection. We propose to classify you as a 'Retail Client' for Investment purposes.

Communications

We will communicate with you in English, both verbally and written, for the purpose of sending and receiving instructions.

Scope of Service

We operate independently and therefore provide investment and mortgage advice from the whole market. Where we provide advice on protection products/life insurance, we will act as an intermediary and will provide you with a personal recommendation on the basis of a Fair and Personal analysis of the market. The only caveat to that is sometimes product providers and lenders offer certain deals direct to clients which are not available through intermediaries. Obviously we cannot advise on or arrange these direct-only offers.

Where you are increasing your borrowing we will consider the merits of both a new first charge mortgage and securing this by an additional mortgage on a second charge basis. You may also have the option of a further advance from your existing lender or borrowing through an unsecured loan but whilst these may be more appropriate for you, we will not consider these when making our recommendations to you.

We can provide you with a list of the providers we consider on request.

The Advice Process

Over recent years many financial advisers have changed the way they work, introducing new levels of fees and charging structures which involve paying fees for meetings and reports, even if you don't follow through with their advice. While we have always advocated fee-based advice, our view is meetings should be free and you should only pay a fee when we do something for you. We feel that is the fairest way to provide our service.

With that in mind, our service starts with gathering information from you regarding the areas of finance within which you would like us to act on your behalf. This could include information about your income, liabilities, existing policies and attitude to risk. We would normally gather this information during a face-to-face meeting, either in our offices or at your place of work or residence. This meeting is free with no obligation for you to deal with us. It gives us a chance to talk about what is important to you and allows you to decide whether or not you want to engage us.

Following that meeting, we will then carry out research to find suitable solutions for your needs, be that insurance related, mortgage, pension or investments. That will be undertaken by us in our office and based upon your stated investment objectives, acceptable level of risk and any restrictions you may wish to place on the type of investments or policies you are willing to consider. Once we have assessed your situation, we will provide a letter detailing our advice or recommendations. This may include quotes, price comparisons and/or full details of our investment research, including specific fund information.

It may be that at that point there is no further need for our services, either because our recommendation was to do nothing or you simply decide not to proceed. In that event, this agreement is terminated with no further obligation or fee due.

However, if you do wish to use our services, then we would normally suggest a second meeting during which we will discuss our recommendations in full and answer any queries or concerns you may have. If you choose to proceed with our recommendations, we will act on your behalf as intermediary between you and any product provider(s) with a view to arranging the product and managing ongoing information from the provider. At this point, our fees will become payable and we will produce a detailed advice report, outlining the background to the advice, your specific requirements, details of the features of any products recommended and why we believe they are suitable for your needs. We will also specify our fee both in percentage and monetary terms.

We will make arrangements for all your policies or investments to be registered in your name unless you instruct us otherwise in writing. We will forward to you all documents showing ownership of your policies or investments as soon as practical after we receive them. Where a number of documents are due involving a series of transactions, we would normally hold each document until the series is complete, then forward all documents to you.

Ongoing service

With regards to any investment-based solution, such as a pension or an ISA, it is important that you choose how your investment is reviewed going forwards. We offer three ongoing services – Discretionary, Bespoke or Transactional. With Discretionary, we work with our sister company, Davidsons Portfolio Management Ltd, to run your investments on a discretionary basis. That means we will build and manage the portfolio, picking funds and rebalancing when we feel it is right to do so, without preapproval from you each time. This is the most efficient and effective way to manage investments and the route we would recommend to most clients. We keep you up to date with quarterly valuation statements and you have full access to a Davidsons Adviser to discuss the performance at any time.

Alternatively, if you are a more experienced investor and you would like to pick your own funds, you can opt for our Bespoke service, where you make the fund selection and decide when to switch or rebalance. We will keep you up to date with the portfolio performance with six-monthly valuation statements and these will form the basis of the annual review meetings with an adviser.

Finally, we have a Transactional service where we will produce valuation statements annually and offer a review meeting to discuss the performance. Any changes to the portfolio or extra valuation statements ordered will incur transactional fees.

Whichever ongoing service is chosen, we cannot guarantee in any way the investment's performance.

Future Advice

As we cannot predict what advice you may or may not need in the future, we will only advise you upon your request. We will only contact you regarding products and services that we think may be of interest to you, but only if you have given us your express permission to do so.

Holding client money

Davidsons IFA does not handle clients' money. We never handle cash or accept a cheque made out to us unless the cheque is in settlement of charges or disbursements for which we have sent you an invoice.

Paying for services

We charge fees for our work. The amount of fee we charge depends on what work we undertake on your behalf. Our fees are detailed in our documents entitled “Fee Agreement” and “Mortgage Fee Agreement”, both of which should be read in conjunction with this document.

The only exception to this is non-investment insurance, such as life cover, where we are paid commission from the product provider. We will provide you with evidence of our policy research and details of the commission due before you commit to proceeding with any advice.

Material Interest

We will act honestly, fairly and professionally. This is known as conducting business under the ‘Client’s best interest’ regulations. Occasionally situations may arise where we or one of our other clients have some form of interest in business transacted for you. If this happens or we become aware that our interests or those of one of our other clients conflict with your interest, 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.

Rights 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 and this will be explained before any contract is concluded.

Complaints

If you wish to register a complaint, please write to Davidsons IFA Ltd, 23 Fore Street, Okehampton, Devon, EX20 1AN or telephone 01835 53855.

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 at www.financial-ombudsman.org.uk or by contacting them on 0800 023 4567.

Compensation Scheme

We are covered by the Financial Services Compensation scheme (FSCS) if we cannot meet our obligations. This is dependent upon the type of business and the circumstances of the claim.

Further information about the limits applicable to the different product types is available from the FSCS at <http://www.fscs.org.uk/what-we-cover/products>.

Law

This terms of business is governed and shall be construed in accordance with English Law and the parties shall submit to the exclusive jurisdiction of the English Courts.

Termination

The authority to act on your behalf may be terminated at any time without penalty by either party giving seven days notice in writing to that effect to the other, but without prejudice to the completion of transactions already initiated. Any transactions effected before termination and a due proportion of any period charges for services, shall be settled to that date.

Termination of this agreement will also terminate any ongoing service and any ongoing servicing fee.

Client consent

By instructing us to act on your behalf, you understand and consent to the above terms and hereby authorise the transfer of information, as described above on a confidential basis when warranted between such third parties. This client agreement will come into effect from the date of issue.