

# ABOUT OUR SERVICES AND COSTS AND HOW WE DO BUSINESS WITH YOU

## About this document

This document explains the service we offer, how you will pay for it and how we do business with you. It is also our standard agreement on which we intend to rely. Therefore, it is important that you read this document carefully and keep it safe for future reference.

If there is anything you do not understand, please ask for an explanation.

## Wesleyan Financial Services Ltd

Wesleyan Financial Services Ltd is the advice and distribution company of the Wesleyan Group of Companies. Wesleyan Assurance Society was founded in 1841 to help people overcome the financial problems brought on by the industrial revolution. Wesleyan Assurance Society began offering life assurance in 1855 and added to their range so that by 1927 they offered a complete range of insurance services which we continue to offer today.

Wesleyan Assurance Society is a mutual organisation which means it is owned by and run for the benefit of its members. The Society does not have any shareholders and any profits are either re-invested into the mutual organisation or used as internal finance to ensure the mutual is sustainable, safe and secure.

## Our Relationship with you

We act on your behalf and can offer you advice on savings, investments (including pensions), mortgages and insurance. We do not provide advice on long term care or equity release mortgages. In order for us to give you advice you must be UK resident for tax purposes. In addition you must be physically present in the UK when we give you advice, or we must be able to send our recommendations to a UK address.

## Our Service

For investments and pensions Wesleyan Financial Services Ltd will offer you advice on a limited number of products provided by Wesleyan Assurance Society and Wesleyan Unit Trust Managers. For protection we will offer you advice on a limited number of products provided either by one provider or a limited number of providers. This is known as restricted advice. For mortgages, we offer a comprehensive range of mortgages from across the market but do not offer deals which you can only get by going direct to a lender. We do not advise on second charge mortgages.

If your enquiry is in relation to additional borrowing we will provide advice on further advances as first charge borrowing only, i.e., we will consider the options for a further advance from your existing lender, or a remortgage to include the additional borrowing with a new lender. Other forms of borrowing we do not advise on are available; these include second charge mortgages and unsecured lending such as personal loans and credit cards.

## Investment Products

Wesleyan Financial Services will provide advice in relation to insurance based investment products provided by Wesleyan Assurance Society and Unit Trust products (including Individual Savings Accounts, Junior Individual Savings Accounts and Investment Accounts) provided by Wesleyan Unit Trust Managers.

### How we will provide our advice to you



<b>First Meeting</b>	<p>During this meeting your Financial Consultant will discuss with you:</p> <ul style="list-style-type: none"> <li>▶ the nature and level of our services and how you will pay us for your personalised solution</li> <li>▶ your current personal and financial circumstances;</li> <li>▶ your personal and financial goals for the short, medium and long term, and</li> <li>▶ your views on certain areas, such as how much risk you are prepared to accept with regards to your investments, your capacity to suffer financial losses and any restrictions on the types of product you will consider, which could impact your personalised solution.</li> </ul>
<b>Analysis of your requirements</b>	<ul style="list-style-type: none"> <li>▶ Your Financial Consultant will review any financial plans you currently hold and determine whether those plans meet your current and future needs, where known.</li> <li>▶ A personalised solution will be researched and prepared based upon your objectives and your views on how much risk you are prepared to accept and your capacity to suffer financial losses with regards to your investments, as well as your current and future circumstances, where known.</li> </ul>
<b>Presentation meeting</b>	<p>Your Financial Consultant will:</p> <ul style="list-style-type: none"> <li>▶ present your personalised solution to you</li> <li>▶ explain the benefits of the recommendation</li> <li>▶ include details of any costs, risks and disadvantages you need to be made aware of, and</li> <li>▶ discuss any queries you may have about any aspect of your personalised solution, either during or after the presentation meeting and review where necessary.</li> </ul> <p>If you are happy to accept your personalised solution, your Financial Consultant will work with you to implement it.</p>
<b>Report</b>	<p>You will receive a written Report which will:</p> <ul style="list-style-type: none"> <li>▶ detail your personalised solution</li> <li>▶ explain the benefits of the recommendation, and</li> <li>▶ include details of any costs, risks and disadvantages you need to be made aware of.</li> </ul>

## The cost of our services

We will answer any questions you have about our charges before you start paying them. We will not charge you until you have agreed these charges. If we ever need to repay any charges to you, we will do so within 14 days.

You may have to pay taxes and other costs relating to our service which we do not control. We cannot pay these on your behalf.

### Insurance

For providing advice and a recommendation for specified insurances (please see below), we will be paid commission by the insurance provider. Although you pay nothing up front that does not mean that our service is free as you still pay for our advice indirectly through product charges. Details of the commission we will receive be confirmed in your illustration and Suitability Report.

Insurance Products Provided		
Mortgage Protection	Income Protection	Whole of Life Assurance (non-investment)
Term Assurance	Locum Insurance	Gift Inter Vivos
Critical Illness Cover	Professional Expenses	Annuity

### Mortgages

For providing advice and a recommendation for a mortgage, we will be paid commission by the mortgage lender. Wesleyan Financial Services will receive a payment from Premier Mortgage Services for every mortgage submitted through them. Information on the levels of commission we may receive from different mortgage lenders is available on request. Although you pay nothing up front that does not mean that our service is free as you still pay for our advice indirectly through product charges. Details of the commission we will receive will be confirmed in your illustration, or European Standardised Information Sheet (ESIS), and Suitability Report. Your key facts illustration (or ESIS) will also tell you about any fees relating to a particular mortgage being considered.

### Savings, Investments and Pensions

We charge you for:

- ▶ our initial advice; and
- ▶ providing ongoing advice, if required; or
- ▶ providing ad-hoc advice on existing investments.

There may be other charges that apply to specific products and these will be confirmed in your illustration.

## Initial Advice Charge (only applicable if you purchase a Savings, Investment or Pension plan)

You will pay an 'Initial Advice Charge' on each new investment you make into the plan as a result of our advice. Although you pay nothing directly to Wesleyan Financial Services Ltd, we will receive this fee through your plan. Details of the fee will be confirmed in your illustration and Suitability Report.

### The Initial Advice Charge applies when as a result of our advice:

- ▶ you take out a new savings, investment or pension plan;
- ▶ you make regular payments into a plan;
- ▶ existing funds in a pension policy are selected for drawdown; or
- ▶ you top-up a savings or investment product you already hold with us.

We may change the Initial Advice Charge at any time in the future. When you take out a new savings, investment or pension product or top-up an existing savings, investment or pension product in the future, the Initial Advice Charge at that time will be applied.

We will waive any Initial Advice Charge which would apply for moving pension funds to Flexi-access Drawdown when as part of the same advice those funds have already been subject to an Initial Advice Charge within the previous 12 months.

We will reduce the Initial Advice Charge to 1% for moving pension funds in to Flexi-access Drawdown when as part of a separate piece of advice those funds have already been subject to an Initial Advice Charge within the previous 24 months.

The Initial Advice Charge covers all of our initial meetings as detailed in the 'Our Service' section above.

We use a tiered charging structure based on a percentage of your investments.

### Initial Advice Charge for Lump Sum Contributions

Investment Amount	Rate Applied	Example Costs
The first £250,000	3% of first £250,000	For an investment of £50,000 3% = £1,500
+	+	
Any amount above £250,000*	1% of any amount above £250,000*	For an investment of £550,000 3% of £250,000 + 1% of £300,000 = £7,500 + £3,000 = £10,500

\*Available for single premiums of £250,000 or more into one contract. Top ups of less than £250,000 into existing contracts which then take the total payment to £250,000 and premiums spread across multiple plans where the payment to each individual plan is less than £250,000 do not qualify for this discount.

## Initial Advice Charge for Regular Monthly Contributions

Investment Amount	Rate Applied	Example Costs
The first £2,083 per month + Any amount above £2,083*	3% of the first £2,083 per month + 1% of any amount above £2,083*	<p>For a £250 investment per month 3% = £7.50 per month. This equates to £90 per annum. Over 5 years the cost is £450 Over 10 years the cost is £900</p> <p>For a £5,000 investment per month 3% of £2,083 + 1% of £2,917 = £62.49 + £29.17 = £91.66 per month This equates to £1,099.92 per annum. Over 5 years the costs is £5,499.60 Over 10 years the cost is £10,999.20</p>

\*Available for payments of £5,000 or more per month into one contract. Increments to existing contracts which take the total monthly payment to £5,000 or a combined total of £5,000 or more spread across multiple contracts where each individual payment is less than £5,000 do not qualify for this discount.

Your illustration and Suitability Report will confirm the level of Initial Advice Charge you will pay based on your actual investment.

### Ongoing Advice Charge

If you opt into our Ongoing Advice Service, either when you take out the product or at a later date, you will pay a fee called the Ongoing Advice Charge. This will be applied to all Wesleyan investment and pension products you hold with us (with the exception of the exclusions shown below). Although you pay nothing directly to Wesleyan Financial Services Ltd, we will be paid this fee through your plan(s). Details of the fee will be confirmed in your illustration and Suitability Report. The Ongoing Advice Charge will apply to:

- ▶ new savings, investment and pension plans taken out after 30 December 2012;
- ▶ top-ups you make to existing plans (opened before 30 December 2012).

This charge will apply to all payments into plans made after 30 December 2012 whether or not we advised you on the initial investment, for example an additional contribution to your With Profits ISA made online.

## What service does the Ongoing Advice Charge provide?

We will contact you to provide you with the opportunity to receive a financial review at least once a year or you can request one at any time.

The review will include:

- ▶ A review of your financial circumstances and progress made towards your financial goals.
- ▶ A review of the tax efficiency of your investments.
- ▶ A review of your attitude to risk and the balance of your investment portfolio and we will make any appropriate recommendations.
- ▶ We will discuss the performance of your investments.

We will keep you informed about relevant changes to taxation, regulations or your professional entitlement and provide advice and guidance when you need it. We will notify you using Advice Alerts - you will only receive these if you provide us with a valid email address.

You will have the opportunity to contact your Financial Consultant throughout the year to discuss your financial situation.

We use a charging structure based on a percentage of your investments, which means the charge will increase as the fund grows.

### Rate Applied

0.5% of how much your investment is worth each year

This will be collected monthly as part of your product charge or by cashing in units you hold

The Ongoing Advice Charge is applied every year at the prevailing rate at the time

### Example Costs

For an end of year value of £30,000  $0.5\% = £150$  per annum. This equates to £12.50 per month

For an end of year value of £38,000

$0.5\% = £190$ . This equates to £15.83 per month

You can choose not to take the Ongoing Advice Service or opt-out (cancel) this service at any time. For details of how to cancel the Ongoing Advice Service please go to the Cancellation Rights section below.

We may change the rate we charge for the Ongoing Advice Service in the future. We will give you at least 90 days' notice in writing if any changes are applied.

Your illustration will include an example of the Ongoing Advice Charge you may need to pay in the future based on your actual investment and potential growth.

Please ensure you cancel this service if you become non UK resident for tax purposes as we cannot advise you in these circumstances.

## Hourly fee for ongoing advice

If you do not select the Ongoing Advice Service and you need further advice on your investments we will charge you by the hour plus VAT for any savings, investment or pension reviews and any further advice we give you. Please note the time it takes to complete a review depends on the complexity of your financial circumstances and whether we need to give you further advice. Your Financial Consultant will tell you how long they expect the work to take before they start the work.

### Rate Applied

£300 per hour plus VAT

### Example Costs

An annual review will usually take a minimum of six hours = £1,800 plus VAT

## Other charges

There may be other charges and fees which may be applicable to your investment, for example annual management charges, fund charges, platform charges and specific product charges. These additional charges will be detailed in your product documentation such as the Key Features Document and personal illustration.

## Your protection

Unless we write to you to tell you otherwise, we will treat you as a 'retail client'. This means that you are afforded the highest level of protection under the regulatory system.

### **Ownership**

'Wesleyan' is the trading name of the Wesleyan Group of Companies. Wesleyan Financial Services Ltd is wholly owned by Wesleyan Assurance Society.

### **Who regulates us?**

Wesleyan Financial Services Ltd is authorised and regulated by the Financial Conduct Authority. The Financial Conduct Authority is a financial services regulator.

Wesleyan Financial Services Ltd's permitted business is advising and arranging investments, insurance and mortgages and our Financial Services Register number is 134753. This can be checked by visiting the Financial Conduct Authority's website [www.fsa.gov.uk/register/firmSearchForm.do](http://www.fsa.gov.uk/register/firmSearchForm.do) or telephoning 0800 111 6768.

### **What to do if you have a complaint**

If you wish to register a complaint, please contact us:

In writing:

Wesleyan  
Compliance Department  
Colmore Circus  
Birmingham B4 6AR

By phone: 0121 200 3003

By email: [Compliance@wesleyan.co.uk](mailto:Compliance@wesleyan.co.uk)

Via our website: [www.wesleyan.co.uk/customer-services/makeacomplaint/](http://www.wesleyan.co.uk/customer-services/makeacomplaint/)

You can also fax your letter to us on 0121 200 9210

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service. Further information about the Financial Ombudsman Service can be found on their website [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

Alternatively, your complaint can be made via the Online Disputes Resolution website ([www.ec.europa.eu/consumers/odr/](http://www.ec.europa.eu/consumers/odr/)). Anything submitted via this portal is sent to the Financial Ombudsman Service for handling in the normal manner.



## The Financial Services Compensation Scheme

You may be entitled to compensation from the Scheme if we have provided advice that is deemed unsuitable and are subsequently unable to meet our obligations.

The level of compensation available depends upon the product involved. The maximum levels are detailed below:

	Products Covered	Cover
Investment	Investment advice provided by Wesleyan Financial Services on Capital Investment Bond (CIB), Flexible Savings Plan (FSP), Stocks & Shares ISAs, Junior Stocks & Shares ISA (JISA), Unit Trusts and Personal Pensions.	Most types of investment business are covered for 100% up to a maximum of £50,000 per person per financial organisation.
Insurance	Products listed under Insurance on Page 3	Advising and arranging insurances is covered for 100% of the claim, without any upper limit.
Home Finance	Mortgages	Advising and arranging mortgages is covered for 100% up to a maximum limit of £50,000

You are also protected in the event of your product provider failing. The maximum levels covered for Wesleyan products are as follows:

Provider	Product Type	Products Covered	Cover
Wesleyan Bank	Deposit	Cash based savings.	£85,000 per person per financial institution*
Wesleyan Unit Trust Managers	Collective Investments	Stocks & Shares ISA's, Junior Stocks & Shares ISA's, Unit Trusts	Most types of investment business are covered for 100% up to a maximum of £50,000 per person per financial organisation
Wesleyan Assurance Society	Insurance (investment)	CIB, FSP, With Profit ISA's and Personal Pensions	Covered for 100% without any upper limit where we can't meet our obligations to you.
Wesleyan Assurance Society	Insurance (personal)	Products listed under Insurance on page 3	100% with no upper limit**
3rd Party providers we recommend	Insurance (personal)	Products listed under Insurance on page 3	100% with no upper limit**

\*In limited circumstances you may be eligible for cover up to £1,000,000 for temporary high balances.

\*\*This includes protection of your claim where your claim has failed because your policy is not in force as a result of a failure by the intermediary, such as the intermediary failing to correctly pass on information or a premium.

The protection available for SIPP's is dependent on the type of investments held.

Further information can be obtained from the Financial Services Compensation Scheme's website [www.fscs.org.uk](http://www.fscs.org.uk)

## Using your personal information

Your personal information is very important to us. We will take all due care to protect this information. We will use your personal information in the following ways:

- ▶ to provide services and administer products
- ▶ for the prevention of crime
- ▶ for risk management purposes
- ▶ for quality monitoring and staff training; and
- ▶ for administration, audit, analysis and research purposes.

Your information will be shared with other members of the Wesleyan Group of Companies, its sub-contractors, agents and third parties for some or all of the purposes described above. We may also share your personal information with third parties for the following reasons:

- ▶ when we have a legal or regulatory obligation; or
- ▶ at your request or with your consent.

When you provide us with sensitive personal information, such as relating to your health or medical conditions, you consent to us processing that information where it is necessary and/or appropriate.

You also give your consent to your personal information potentially being processed in countries outside the European Economic Area. If this happens, we will ensure that the processing meets the requirements of the Data Protection Act 1998.

Please visit [www.wesleyan.co.uk](http://www.wesleyan.co.uk) if you would like to find out more about how we use and protect your information. Our website contains details about how to contact us if you believe the information we hold about you is incorrect, if you would like a copy of the information we hold about you or if you want to make a complaint.

Where you have provided information about another person (including any sensitive personal information) you confirm that you have their authority.

### Conflicts of Interest

We will always seek to act in your best interests. However, circumstances can arise where:

- ▶ we have some form of interest in business being carried out by you
- ▶ one of our other clients has some form of interest in business being carried out for you; or
- ▶ we become aware that our interests or those of one of our other clients conflicts with your interests.

If this happens, we will write to you to get your consent before we proceed with your instructions and outline the steps we will take to make sure you are treated fairly.

### Changes to this agreement

If we make material changes to the information in this agreement we will give you at least 90 days' notice in writing.

## Other important information

### **Language**

Any written or spoken communications with you will be in English.

### **Law**

This document will be governed by and construed in accordance with English law.

### **Legal and Accountancy Services**

Wesleyan Financial Services Ltd and its employees are not able to give you legal or accounting advice or to prepare legal or accounting documents for you. You may need to contact a solicitor or accountant if a point of law or accountancy arises during your discussions with us. We will not pay for the costs of any legal or accountancy advice.

We will set out the tax treatment of your premiums or contributions and encashment based on our understanding of the regulations at that time. However, how HMRC actually treat them is determined on a case by case basis. You may need to refer to an accountant for more specialised advice on the tax treatment of your policy.

### **Confirming your identity**

We are legally required to verify the identity of our clients, to obtain information as to the purpose and nature of the business which we conduct on your behalf and to ensure that the information we hold is up-to-date. For this purpose, we will need to see appropriate documentary evidence and/or we may use a credit reference agency, to provide electronic identity verification. We may conduct these checks from time to time throughout our relationship, not just at the beginning.

Any electronic searches completed for verification of identity will not affect your credit rating. Please note credit reference searches carried out by 3rd party lenders when considering actual or potential mortgage applications arranged by us on your behalf may leave a footprint. Multiple searches may temporarily affect your credit rating depending on the type of search undertaken.

### **Client Money**

Wesleyan Financial Services Ltd is not permitted to handle client money and we cannot handle cash or accept a cheque made out to us (unless it is in respect of a service you have requested us to provide for example ongoing advice via hourly fee).

### **Referrals**

Clients may be referred to Wesleyan Financial Services Ltd from companies with whom we have a professional connection. Advice given by us is based solely on the information that you have given us. The advice is not influenced by the professional connection, other than by facts given to us with your permission.

Wesleyan Financial Services Ltd is responsible for the financial advice and not the referring firm.

### **Introductions**

Wesleyan Financial Services Ltd cannot provide advice on deposit accounts including Cash ISAs. However, we may refer you to Wesleyan Bank Limited.

Wesleyan Financial Services Ltd does not receive a fee from Wesleyan Bank Limited and we will only provide them with relevant information to assist them in dealing with your query.

Wesleyan Financial Services Ltd is not responsible for any advice provided by the third party.

## Cancellation Rights

### Product Cancellation

In most cases, you can exercise your right to cancel by withdrawing from the contract. The cancellation period depends on the product we recommend and this cancellation period will be outlined in your Suitability Report.

If you cancel a single premium contract, for example an Investment Bond, or a regular premium contract, for example a Unit Trust, and the market:

- ▶ decreases - you might not get back the full amount you invested; or
- ▶ increases – you will not be entitled to the increase in value.

### This agreement

You or we may terminate this agreement and our authority to act on your behalf at any time, without penalty. Notice of this termination must be given in writing (to Wesleyan Financial Services Ltd, Colmore Circus, Birmingham B4 6AR) and will take effect from the date of receipt.

Termination will not affect any transactions already initiated which will be completed according to this document unless otherwise agreed in writing. You will be liable to pay for any transactions made prior to termination and any fees outstanding, if applicable.

### Ongoing Advice Service

You may terminate your agreement for the Ongoing Advice Service at any time. Notice of this termination must be given in writing (to Wesleyan Financial Services Ltd, Colmore Circus, Birmingham B4 6AR) and will take 30 days to process.

## Your Consent

This is our standard agreement on which we intend to rely. For your own benefit and protection, you should read these terms carefully. If you do not understand any point, please ask for an explanation.

By providing us with your personal information you consent to our processing your personal information for the above purposes.

Wesleyan Financial Services Ltd and the Wesleyan Group of Companies would like to contact you with information about products, services and special offers from us. If you do not want to be contacted for these purposes please advise us and we will amend our records. We do not sell your information to third parties. For information about this please visit [www.wesleyan.co.uk](http://www.wesleyan.co.uk).

To opt out of receiving marketing communications from us you can contact us on 0800 092 1990 or visit [www.wesleyan.co.uk](http://www.wesleyan.co.uk).

If you would like this document in Braille, large print or audio format, please contact 0345 351 2352.