



MITCHELL & COMPANY
SIMPLIFYING FINANCIAL PLANNING

Tel: 01737 215981
www.mitchellcompany.co.uk

Service Charter

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Terms of Engagement

Mitchell & Company (IFA) Limited is a firm of Independent Financial Planners and a member of the Best Practice IFA Group Limited, which is a network that promotes a high level of market standards through the provision of back-up resource, technology, training and support. Best Practice IFA Group Limited is authorised and regulated by the Financial Services Authority. The Registration number is 223112 and a full list of members can be found on the FSA register.

Introduction

This document is aimed at providing you with a brief overview of our firm and to introduce our services to you in more detail, from which you may then select the service and remuneration package that best suits your needs. We will discuss this with you so that you fully understand what is offered and how it will benefit you. Should you have any questions on any element of this please do not hesitate to ask us.

Advice Services

The firm is authorised to advise on and arrange Life Assurance, Pensions, Collective Investments, Individual Savings Accounts, General Insurance and Mortgages. We are bound by the rules of the FSA.

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

Advice Options

We offer a variety of advice options including:

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

Transacting Business

By signing these Terms of Business, you are giving your adviser permission to accept paper, electronic and verbal instructions to transact business on your behalf. This will be especially relevant to switching investment funds.

Termination

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. The termination will be without prejudice to the completion of transactions already initiated, if this is the case. Any transactions effected before termination and a due proportion of any charges for services accrued shall be settled to the date of notification.

Client Money

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

Customer Classification

Each client with whom the firm does business is categorised to identify the level of regulatory protection applied. We believe in providing our clients with full regulatory protection and we propose to classify you as a "Retail Customer" for investment purposes. Where the firm categorises a client as anything other than Retail, you may request re-categorisation to a category that provides a higher degree of protection. We reserve the right to agree to such re-categorisation on a case-by-case basis, however, where we agree to do so, it does mean that you will have a right to access the Financial Ombudsman Service.

Investment Objectives and Restrictions

Following the issue of this document, any subsequent advice or recommendation offered to you will be based on your stated objectives, acceptable level of risk and any restrictions you wish to place on the type of investments, policies or companies you are willing to consider. Details of your stated restrictions and objectives will be included in the Suitability Report 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.

Data Protection

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 a 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.

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 for processing, both manually and by electronic means, your personal data for the purposes of providing advice, administration and management.

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 on (01403 334455) or in writing at Sussex House, North Street, Horsham, West Sussex, RH12 1RQ. 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.

Material Interest

We offer independent advice but occasions can arise where we, or one of our customers, will have some form of interest in business that we are transacting for you. If this happens, or we become aware that our interests or those of one of our other customers conflict with your interests, we will inform you in writing and obtain

your consent before we carry out your instructions and detail the steps we will take to ensure fair treatment. We have arrangements in place to ensure our clients are treated fairly, and we have a conflict of interest policy in place to help us manage the risks. You may ask for a copy of this policy at any time.

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, although this will be explained before any contract is concluded.

Complaints

Our complaints procedures are available on request. If you wish to register a complaint, please contact us in writing to The Compliance Director, Best Practice IFA Group Limited, Sussex House, North Street, Horsham, West Sussex. RH12 1RQ. Alternatively, you can telephone 01403 334455. If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.

Compensation Scheme

We are covered by the Financial Services Compensation Scheme (FSCS) if we cannot meet out our obligations. This is dependent upon the type of business and the circumstances of the claim. Most types of investment / pension business and mortgages are covered by 100% of the first £50,000, with deposit accounts benefiting from protection of £85,000 and insurance covered up to 90% of the claim with no upper limit. Further information about this compensation scheme arrangement is available from the FSCS.

Law

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

Our Services

It is important that you know what to expect in terms of the services we provide, and that you understand our commitment to you in the provision of those services. We intend to be professional, clear, and fair in our dealings with you, and will always ensure that any service or advice provided is in your best interests.

Initial Consultation

We will meet you face-to-face, in order to capture important information about your current circumstances, your financial history, and your aspirations, priorities and objectives in terms of your financial future. We will also discuss your attitude towards “investment risk”, and our understanding of how such risks may affect you.

The consultation will close with a summary of our findings, and our suggested next steps towards a tailored, yet realistic, solution to your needs. There is no obligation to proceed at this stage, and no costs will have been incurred.

Research and Analysis

Should you decide to proceed, further to our initial meeting, we will ask you to formalize your permission for us to commence chargeable work for you by signing this Agreement. At this stage, we will begin to undertake the process of thoroughly analysing your current position based on our extensive knowledge of financial markets, and diligently researching potential solutions for your needs.

Should we need to consult with any professional advisers or financial service providers with whom you have an agreement, we will ask for your express consent to do so.

Report Preparation

When we have all the information we require, a full Financial Planning Report will be devised to paint a clear picture of your current position, and to outline a clear and thoroughly researched recommendation for the solution we believe to be in your best interests. We will arrange to meet with you to discuss our recommendations in full, and take you through our Report step-by-step. You are free to take the report away and give it due consideration before agreeing to move forward to the next stage.

Implementation

Once you feel that you are in a position to make a fully informed decision to proceed, and you have given us your consent to do so, we will begin the process of implementing our recommendations. We will assist you in completing all the relevant forms and ensuring your applications are processed by the relevant investment houses and providers in a timely manner.

On-going Services

Depending on the size and complexity of your portfolio once in place, you may or may not require on-going management services. It is important to be aware that, in the absence of a specific agreement to provide you

with on-going services, your portfolio will not be monitored unless you contact us to ask for a specific service.

Discretionary Management Facility

Where possible, we will offer you the opportunity to run your investments on a discretionary basis, this means that your portfolio will run in real time as there is no need to advise you every time an underlying change needs to be made. The obvious benefit of this approach is that trading can be done easily and efficiently and dealing charges will, in most cases be reduced.

Where you would like to apply for this service you will need to sign a discretionary agreement and we will inform you if there are any additional fees to pay.

A 'Holistic Plan'

We aim to provide all our clients with full holistic advice rather than limiting it to one product. This means that we will consider how all your plans and investments overlap and interact with one another in order to formulate the most efficient strategy for your needs. This can be concisely summarised by the phrase "the whole is more than the sum of its parts".

In order to construct an all-encompassing financial plan for our clients, we will consider Mortgages, Protection, Pensions, Savings, Investment, Income Protection, Taxation & Trusts.

How We Charge

You will always know our fees before you make a decision to proceed. We don't hide our costs and have a transparent charging structure, so you can be sure we are working efficiently for your benefit.

Our fees are based wholly upon the provision of our qualified and professional expertise; the time taken to analyse your circumstances and devise an appropriate strategy going forward; the design of an appropriate summary report to communicate this strategy to you; and also takes into account our firms exposure to regulatory, commercial and financial risk.

Should we undertake initial research towards your goals, but you subsequently do not proceed with our recommendations; we will raise an invoice for an agreed fee in order to recoup our costs. This payment will need to be made by cheque or bank transfer.

Should you agree to proceed and we go ahead with the implementation of your strategy, it can be arranged for your total fees to be deducted from the investment amount at outset, via the product provider. Alternatively, you may prefer to make your payment to us by cheque or bank transfer. Your choice can be made in the Client Declaration section of this document.

Cost of Initial Services

Initial Consultation (1 st Meeting)	Free of charge
Fees for research, analysis and implementing advice	3% of value of investment, subject to; Minimum fee of £500
Fees for on-going management services	1% of portfolio value, subject to; Minimum annual fee of £600

Should we undertake research and analysis work on your behalf, but you decide not to take up our recommendations, we reserve the right to charge you a fee to cover our time. This will typically be represented by a rate of £225 per hour, with a minimum fee of £500. We will estimate the total cost for you in advance of commencing work if you wish. You may ask us not to exceed a specified amount.

Scale of Initial Fees

Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
£0 - £100,000	£100,001 - £250,000	£250,001 - £500,000	£500,001 - £1,000,000	£1,000,001 +
3% (min T1 fee of £500 - max fee of £3,000)	2% (max T2 fee of £5,000)	1.5% (max T3 fee of £7,500)	1% (max T4 fee of £10,000)	0.75% subject to "Decency charge"

"Decency Charge" – regardless of investment holdings, we apply a cap to overall charges of **£25,000**.

A sliding scale of fees applies, meaning that the relevant fee or fee percentage is applied progressively. Examples as follows;

Example; Client with total funds to invest of £145,000;
Tier 2 fee (£145K x 2%) = £2,900

Invoice Procedure

Invoices are issued within 10 days of either an advice service being finalised and/or presented, or in the case of implementation fees, within 10 days of your product(s) being commenced.

What is not included in our fees?

Will writing, advice on trusts outside of a product and complex tax calculations/advice. In addition we will pass on any third party expense such as Capital Gains Tax (CGT) reporting or third party discretionary management fees which we may be invoiced on your behalf. If we do need to charge you for any of these services a fee will be agreed with you in advance.

Refunds and Cancellation Policy

Fees are payable subsequent to our Professional Advice Services being provided, and therefore refunds are not available in normal circumstances. Fees paid in respect of regular or annual services are not refundable; however, any on-going services may be cancelled upon request. Please also see your Rights to Cancel above, in respect of cancelling individual products or policies.

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

Cost of On-going Management Services

Whether you have a sizeable and complex portfolio of products, or one or two modest investments, it is important to consider how these should be managed going forward.

We can provide an on-going service designed to expertly maintain and monitor your portfolio. The benefit of this is to ensure that your objectives and attitude to risk are correctly aligned with your holdings over an extended period of time. In addition, on-going advice services ensure that developing and future financial objectives are taken in to account. Furthermore, aspects of your financial arrangements can change over time, including your goals and risk profile as well as the underlying asset's risk characteristics. On-going service can help adapt and position your arrangements to manage such changes and influencing factors.

The availability of some services is dependent upon the type of financial plan we implement for you. Our typical fee is shown below;

Service Charge; 1% per annum, based upon the prevailing value of your portfolio and subject to a minimum charge of £600 pa.

Example; for a portfolio valued at £150,000, the annual cost of on-going management would be £1,500.

Using a Wrap Platform or Custodian

With the advance in technology it is possible to notionally combine products and hold them together on a Wrap Platform. A Wrap Platform is merely a benign structure for holding your pension and investment plans in one place and it is not a plan in its own right.

Holding your investments in this way will give you greater functionality and much wider choice of funds, structured products, direct equities and gilts. One of the main attractions is the ability to negotiate discounts on the purchase of funds which can be passed back to your account to improve growth or buy funds at an institutional rate. A simple example of this is a share dealing account where a nominee will hold the shares on your behalf rather than holding all the paper certificates yourself.

As we are members of Best Practice, we are able to benefit from an extensive range of solutions and can choose from approximately 20 Wrap Platforms, most of which benefit from discounts due to the combined volume of business within the Group. A typical example would be a reduction in annual Wrap charge from 0.5% down to 0.35% and allow free switching, fund dealing and savings on the purchase of direct equities due to bulk trading capabilities.

A platform is not suitable in all cases especially if your existing contracts have penalties or a tax charge would apply on surrender. It is not possible for us to manage your assets either 'On Platform' or Off Platform for the same charge but services will differ as per the service descriptions overleaf.

Ongoing service description

	Off Platform	On Platform
Access to an adviser by telephone at all times	✓	✓
You will be able to call us for advice on your portfolio or any other financial matter at anytime during office hours. If your nominated adviser is not available you will be able to speak to another member of the team or request a call back within 48 hours.		
A face-to-face review or Web meeting upon any reasonable request	✓	✓
Almost all of your investment management is run from our office without the need to have a face to face meeting. However, we are holistic in our approach and would recommend regular reviews to ensure that our overall financial advice is consistent with your own goals and personal situation.		
On-going risk management	✓	✓
We will monitor the overall risk of your portfolio against your own risk level. As we have our own in-house technology this can be done off platform and we can advise you when a change in your underlying holdings is required.		
On-going tailoring to specific financial goals and objectives	✓	✓
If you inform us that your goals have changed we will remodel your investment portfolio to match your new investment term, appetite for risk or capacity for loss.		
Use of the Mitchell & Company client portal via www.mitchellcompany.co.uk	✓	✓

The Mitchell & Company client portal acts like a central hub for all of your reporting requirements which means you will be able to access consolidated valuations and your platform holdings in real time, off platform holdings may need to be valued manually.

Scanning and 'go green' service

✓

✓

Our scanning and go green service means that where possible we will ask providers for statements in PDF format and store these in your client portal. This will give you a paperless environment and access to your documents 24/7.

Add discretionary managed strategies

✗

✓

Discretionary strategies include Exchange Traded Instruments such as direct equities and Exchange Traded funds (ETF's). Although the ongoing costs are often very low, discretionary strategies can be expensive if bought on an advisory basis in isolation. Aggregation is extremely efficient when all clients are able to purchase the same holdings at the same time and we can instruct the platform to do this on our behalf.

Access to discounts on fund charges at institutional rates

✗

✓

Mitchell & Company is part of the Best Practice IFA Group which means we have access to institutional rates and rebates on funds which we buy on your behalf. The monetary value of the rebates varies widely, but typically equates to 0.5-1.0% per annum. We will collect these and return them to your account. In addition most of the initial charges on funds are removed completely; typically this results in a 3-5% discount on initial purchase or switch.

Access to real-time trading facilities

✗

✓

This service allows you to buy or sell directly held equities which you can hold in your own ISA, General Investment Account or Self Invested Pension. We will take your instructions on an 'Execution only' basis.

Capital Gains Tax alerts and reporting (CGT)

✗

✓

Our CGT service helps us to monitor your portfolio in real time and trigger alerts in order for us to manage taxation on your accounts. If this is not done each year then a tax charge of up to 28% may become payable on the final sale of securities within your account. Please note that a further charge will be payable if you require a full tax report which can be used to send to your accountant.

Automatic and on-demand re-balancing of funds

X

✓

Our wealth management proposition is “Vertically Integrated” which means we will seek to maintain your portfolio by buying and selling assets for many clients at the same time through bulk trading and setting certain tolerances on your portfolios. We can also do this for you on an advisory basis or even off platform, however, you will not benefit from bulk aggregation and extra dealing charges may apply.

Access to third party specialist portfolios

X

✓

In addition to our own portfolios we also have access to some outstanding external discretionary managers through our ‘Inspired Portfolio Range’. These portfolios are useful if you want direct equity, multi currency or overseas exposure. Typically these portfolios would be suitable for clients with over £200,000 and carry an additional fee.

Opting Out

You may decide to “opt-out” of any ongoing management service. You are free to do so, however, please take note of the following;

If your financial circumstances, objectives and attitude to risk changes over time, the structure of your portfolio may no longer be in your best interests.

As financial markets fluctuate, the way your assets are allocated in your portfolio may become unbalanced and ultimately expose you to more equity risk than you wish to accept.

Any negotiated discounts and subsequent rebates in respect of funds charges may cease should you opt out of on-going services. The monetary value of the rebates varies widely, but typically equates to 0.5-1.0% per annum.

If you use a Wrap Platform the provider may apply a charge if you do not have a nominated adviser on your account. Typically this is 0.5% per annum.

You may opt back in to ongoing services at any time.

Tax Efficient Fee Collection

Our fees are constant to give you absolute impartiality, however, as part of the overall financial planning process we will also take into account how best to charge for our service. In almost all cases this is best taken

from contracts which either obtain tax relief on creation or are taxed on exit because this effectively saves you this percentage in tax. For example, if our fee to manage your pension investments was £1,000 which was taken via the pension itself the net cost to you may be as low as £600.

Exceptions to the above are ISA's which do not receive tax relief but grow tax free (subject to the 10% tax credit) and are tax free on exit, therefore, it would be prudent to pay the annual management charge outside of the wrapper from a cash account. This would have added advantage of reducing the growth on the cash account which effectively saves paying savings tax of up to 40% on the amount of the fee.

By using the above you can save a large amount on the payment of overall fees by engineering the payment from tax efficient sources. The net effect of this approach can reduce fees by up to 40%.

Value Added Tax

As we act on your behalf as an intermediary our fees are presently exempt from VAT, which means we do not usually have to make an additional charge of 20%. If we do have to charge you for a service which is subject to VAT we will inform you in advance.

Potential Savings on VAT and Tax

If we combine the fact that we act as your intermediary and collect fees direct from a contract rather than ask you to write out a cheque for a service then the full savings becomes more apparent in the table below.

Type of service offered	Cost of advice for arranging a personal pension	Potential VAT	Tax Relief	Total Net Free
Fee only service for buying a product	£1,000	£200	Nil	£1,200
Fee for acting as intermediary deducted from pension fund	£1,000 extra paid into pension to cover fees	Nil	£400	£600
* Potential Saving				£600

* This example assumes that you are a 40% tax payer and have the ability to pay £1,000 into your pension rather than pay a cheque. This is our interpretation of the current tax law which is always subject to change and therefore there is no future guarantee that we can retain tax efficiency of future fee payment.

Client Declaration

This document represents our standard Terms of Engagement, upon which we intend to rely. For your own benefit and protection you should read these terms carefully before signing below. If you do not understand any point, please ask for further information.

Our typical charges are based on the Scale of Fees outlined above. This Agreement is designed to confirm and formalize our discussion regarding the services we provide.

Where our charges are based upon a percentage of initial investment amount and/or on-going contract value, due to the ease of calculation, we will not confirm the fee in specific monetary terms.

Where our charges are defined by an hourly rate, we will provide an estimate of the overall cost to you before proceeding.

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

An invoice in respect of Professional Advice Fees will be raised upon completion of the initial service, or upon completion of any associated transaction(s) or product(s), to meet the cost of our services to you.

Initial fees; please select one of the options:

Tick this box if you agree that our initial Fees are to be deducted from your investment	<input type="checkbox"/>
Tick this box if you agree to pay our initial Fees by cheque/bank transfer	<input type="checkbox"/>

On-going Managements Services; please opt in or out of on-going services below:

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

Communications

Tick this box if you would like to use our 'Go Green' service
(you will need to maintain a current email address and notify us of any change)

Customer Details

Customer Name(s)		
Customer Signature(s)		
Date of Issue		