

## CLIENT SERVICE AGREEMENT

To be read in conjunction with our Terms of Engagement.

### What We Do and How We Charge

We are a financial planning business, focused on helping you understand and plan for your financial future. This information is designed to give you an idea of:

- **What we do and how we do it as outlined under 'Our services'**
- **What it is likely to cost and how you can pay us**

This document provides details about our services and how we charge, so it's important that you read it fully. If there's something you don't understand please ask us to explain it.

### 1. Our Services

Whatever financial decisions you have to make, the first step towards making the right decisions is to establish a clear understanding of your financial needs. People seek financial advice for many different reasons so it's important that we understand exactly who you are and what you want to achieve. At our first meeting we'll gather information about you to help define your needs and priorities.

Our services include:

- **Mortgage advice:** Whether you're buying your first home, moving home or remortgaging, our mortgage services are designed to provide you with the best mortgage solution for your needs.
- **Protection planning:** Providing advice on the best way to protect your mortgage, your family and your financial future.

We'll only start work once we have agreed our services and charges with you. We'll give you our **Terms of Engagement** for mortgage and protection business, which is to be read in conjunction with this agreement.

### 2. Our Advice

#### Mortgage Advice

We advise on mortgages for non-business purposes and on first charge and second charge loans. We advise on a comprehensive range of mortgages from across the market, but not on deals that you can only obtain by going direct to a lender. Our recommendation will be from the most suitable mortgage product included within the range available to intermediary firms.

#### Protection Planning

Where we provide protection planning services, we are an insurance intermediary and will provide advice which is based on a fair and personal analysis of the market.

#### Alternative Finance Options

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 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.
- Where your existing mortgage is a second charge a first charge loan may be available.

- Unsecured lending.
- If you are looking to take out a retirement interest only mortgage, a lifetime mortgage may be available and more appropriate for you.

### 3. Our Charges

The way we are paid for our services may depend on the type of advice given. Typically, this will be:

- Mortgage business: fees agreed and paid by you and commission payable by the lender
- Protection business: fees agreed and paid by you or commission payable by the insurance provider or, a combination of fee and commission. The latter is based on a percentage of the total annual premium

Our actual charges and fees (in pounds and pence) will be agreed with you before we do any chargeable work and we will explain your payment options with you.

### Advice & Implementation Service

We provide advice on your mortgage and protection needs and objectives. To help you understand the processes involved, the basis around how we do that is detailed in the below table. You may just require help in a particular area on a one-off or ad-hoc basis, for example, you may just want us to review your current arrangements or you may just want a second opinion on advice provided by a third party.

Our charge will be based on the amount of work required to meet your needs.

#### Description for our Advice & Implementation Service

Our mortgage and protection services include:

- A free initial meeting to find out more about you
- Agreeing your financial goals and objectives
- Establishing your attitude to mortgage risk
- Reviewing your current arrangements
- Undertaking research to identify appropriate products
- Providing a personalised report and recommendations
- A face to face meeting or telephone call to discuss our recommendations
- Implementation of agreed recommendations

#### Arranging a New Mortgage or Remortgaging an Existing Mortgage Deal

If we are arranging a residential mortgage or remortgage on your principal residence, we will not charge you an advice fee for arranging your mortgage.

For arranging a residential mortgage or remortgage, we will be paid a commission by the chosen lender. The commission that we receive from the lender will be disclosed on the Key Facts Illustration or on a European Standardised Information Sheet which you will receive in relation to your recommended mortgage. The commission we receive from the lender covers the cost of researching the marketplace and providing you with a recommendation, completing the application process along with other required administration.

If we are arranging a mortgage on a second property, holiday home or buy to let property we will charge an advice fee of £295 per mortgage required.

If we are arranging commercial or development finance (such as building multiple properties or buying a property where no lender will provide a loan), we will charge in all cases an advice fee of 1% of the advance subject to a minimum of £995. An example, using a loan amount of £250,000 would equate to a fee of £2,500 payable by you.

## Description for our Advice & Implementation Service

Where we are charging an advice fee, it is payable on application and is non-refundable once we have secured an offer of advance for you.

### Arrangement of a New or Replacement Financial Protection Policy

Typically, we recommend and arrange protection plans on a commission basis. This is where the selected insurer will pay us a fee for recommending and implementing your plan without you having to pay us an explicit advice fee.

Where we are paid exclusively by commission, we will tell you the amount the insurers will pay us before we carry out any business for you.

We can work on a fee basis to recommend and implement protection plans rather than commission. If you choose this option, the advice fee will be £295 per plan in all cases.

Any commission that we receive from the product provider can be used to offset the advice fees charged. Any surplus will be retained by the Firm. The amount of adviser fee is based on a fixed fee of £295 per plan and commission is a percentage of the total annual premium. Details of commission payable to the firm will be provided to you in the Key Features Illustration.

Where commission is received, the Firm reserve the right to recover costs should payments of the premiums cease, in accordance with the Key Features Illustration provided to you.

## Payment Options

Charges can be paid in a number of ways:

- Cheque, card or direct debit with fees invoiced directly to you through by GoCardless
- Bank transfer
- We may receive a commission from a lender in relation to a mortgage product we have arranged for you. We'll tell you the amount before we carry out business for you
- We will receive commission in relation to a financial protection product we have arranged for you. The amount of commission is based on the premium paid, and we'll tell you the amount before we carry out business for you

**CLIENT FEE PAYMENTS:** Payments made by cheque are payable to "LJ Financial Planning Limited" or by bank transfer to LJ Financial Planning Limited using the bank details and reference which will be shown on your invoice.

**Any fees will be agreed in advance and may be subject to the addition of VAT. Fees are payable within twenty business days of the completion of the work.**

There may be additional costs and charges related to the mortgage product we recommend. You will receive a Key Features Illustration or a European Standardised Information Sheet when considering a particular mortgage which will tell you about any fees relating to it.