



## about our services and costs

Orkney IFA Ltd

PO Box 6209  
Off King Street  
Kirkwall  
Orkney  
KW15 1WQ

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### 1. The Financial Services Authority (FSA)

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The FSA is the independent watchdog that regulates financial services. This document has been designed by the FSA to be given to consumers considering buying certain financial products. You need to read this important document. It explains the service you are being offered and how you will pay for it.

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### 2. Whose products do we offer?

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#### Investment

- ☒ We offer products from the whole market.
- ☐ We only offer products from a limited number of companies.
- ☐ We only offer products from a single company.

#### Insurance

- ☒ We offer products from a range of insurers for Term Assurance, Mortgage Protection Assurance, Critical Illness Insurance, Private Medical Insurance, Income Protection, Accident, Sickness and Unemployment Insurance.
- ☐ We only offer products from a limited number of insurers.
- ☐ We only offer products from a single insurer.

#### Mortgages

- ☒ We offer mortgages from the whole market.
- ☐ We only offer mortgages from a limited number of lenders
- ☐ We only offer mortgages from a single lender.

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### 3. Which service will we provide you with?

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#### Investment

- ☒ We will advise and make a recommendation for you after we have assessed your needs.
- ☐ You will not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.
- ☐ We will provide basic advice on a limited range of stakeholder products and in order to do this we will ask some questions about your income, savings and other circumstances but we will not:
  - Conduct a full assessment of your needs;
  - Offer advice on whether a non-stakeholder product may be more suitable

## Insurance

☒

We will advise and make a recommendation for you after we have assessed your needs for Term Assurance, Mortgage Protection Assurance, Critical Illness Insurance, Private Medical Insurance, Income Protection, Accident, Sickness and Unemployment Insurance.

☐

You will not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.

## Mortgages

☒

We will advise and make a recommendation for you after we have assessed your needs.

☐

You will not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of mortgages that we will provide details on. You will then need to make your own choice about how to proceed.

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## 4. What will you have to pay us for our services?

### Investment

Not all firms charge for advice in the same way. We will discuss your payment options with you and answer any questions you have. We will not charge you anything until you have agreed how we are to be paid. **We have ticked the payment options we offer:**

☒

**Paying by fee.** Whether you buy a product or not, on completion of our work, you will pay us a fee for our advice and services. If we also receive commission from the product provider when you buy a product, we will pass on the full value of that commission to you in one or more ways. For example, we could reduce our fee; or reduce your product charges; or increase your investment amount; or refund the commission to you.

We will confirm the rate we will charge in writing before beginning work and we will tell you if you have to pay VAT. You may ask us for an estimate of how much in total we might charge. You may also ask us not to exceed a given amount without checking with you first

Our typical charges are:

#### Hourly Rate

Principal	£150-200 per hour
Financial adviser	£100-150 per hour
Administration	£25 per hour

#### Lump Sum

Individual financial review	£500
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#### Reviews

We will confirm what we will charge you in writing before beginning work. Our typical charges are:

Initial review: £250

Annual review: £150



**Paying by commission (through product charges).** If you buy a financial product, we will normally receive commission on the sale from the product provider. Although you pay nothing up front, that does not mean our service is free. You still pay us indirectly through product charges. Product charges pay for the product provider's own costs and any commission. These charges reduce the amount left for investment. If you buy direct, the product charges could be the same as when buying through an adviser, or they could be higher or lower. We will tell you how much the commission will be before you complete an investment, but you may ask for this information earlier. The amount of commission we receive will vary depending on the amount you invest and (sometimes) how long you invest, or your age.

For example,

- If you invest £10,000 in an Investment Bond we would receive commission of 4.5% of the amount invested (£450.00) and 0.5% of the value of the fund (approximately £50) every year.
- If you pay £100.00 per month into a personal pension (with a term of 25 years) then we would receive commission of £640.80
- If you pay £100 per month towards a whole of life policy then we would receive £1,620



**Paying by a combination of fee and commission (through product charges).** In some circumstances, we may charge you a combination of fee and commission. The fee will not exceed the rates shown in this document. We will agree the rate we will charge before beginning work and we will tell you if you have to pay VAT. The fee will become payable on completion of our work. You may ask us for an estimate of how much in total we might charge. You may also ask us not to exceed a given amount without checking with you first. We will tell you how much the commission will be before you complete an investment, but you may ask for this information earlier.

Where we charge a combination of fees and commission, our maximum rates are set out in the fee information and the commission sections above. **In addition to the above we may charge a fee on a different basis for a specific transaction or project but we will agree this with you in advance.**

## Insurance

☐

A fee.



No fee for Term Assurance, Mortgage Protection Assurance, Critical Illness Insurance, Private Medical Insurance, Income Protection, Accident, Sickness and Unemployment Insurance.

You will receive a quotation which will tell you about any other fees relating to any particular insurance policy.

## Mortgages

☐

No fee. We will be paid by commission from the lender.

☐

A fee of £250 for arranging the mortgage payable at the outset and 0.5% of the loan amount payable on confirmation of the mortgage offer, for example if you take out a loan of £100,000 you will need to pay £750. If you choose this option we will refund to you any commission we earn from the lender

☐

A fee of £250 for arranging the mortgage payable at the outset. This is in addition to any commission we may receive from the lender.

☐

A fee of £500 payable upon securing an Acceptance in Principle from a lender in respect of Sub-Prime mortgages of all descriptions. This is in addition to any commission we may receive from the lender.

You will receive a key facts illustration when considering a particular mortgage which will tell you about any fees relating to it.

## Refund of fees

If we charge you a fee, and your mortgage does not go ahead, you will receive:

- ☐ A full refund.
- ☒ No refund if you decide not to proceed, or if your application fails, or if the lender cancels acceptance because of information not disclosed by you.

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## 5. Who regulates us?

Orkney IFA Ltd of PO Box 6209, Off King Street, Kirkwall, Orkney, KW15 1WQ is authorised and regulated by the Financial Services Authority. Our FSA Register number is 431021.

Our permitted business is advising and arranging investments, pension transfers, insurance, mortgages, lifetime mortgages and home reversion plans.

You can check this on the FSA's Register by visiting the FSA's website [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) or by contacting the FSA on 0845 606 1234.

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## 6. What to do if you have a complaint

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

In writing: Write to Orkney IFA Ltd, Complaints Department, PO Box 6209, Off King Street, Kirkwall, Orkney, KW15 1WQ By phone: Telephone: 01856 876810

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

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## 7. Are we covered by the Financial Services Compensation Scheme (FSCS)?

We are covered by the 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.

### Investment

Most types of investment business are covered for 100% of the first £30,000 and 90% of the next £20,000 so the maximum compensation is £48,000.

### Insurance

Insurance advising and arranging is covered for 100% of the first £2,000 and 90% of the remainder of the claim, without any upper limit. For compulsory classes of insurance, insurance advising and arranging is covered for 100% of the claim, without any upper limit.

### Mortgages

Mortgage advising and arranging is covered for 100% of the first £30,000 and 90% of the next £20,000 so the maximum compensation is £48,000. Further information about compensation scheme arrangements is available from the FSCS.

## **Client Agreement**

This agreement is issued on behalf of Orkney IFA Ltd of PO Box 6209, Off King Street, Kirkwall, Orkney, KW15 1WQ who can be contacted at 01856 876810 or [info@orkneyifa.com](mailto:info@orkneyifa.com)

## **Authorisation Statement**

Orkney IFA Ltd is Authorised and Regulated by the Financial Services Authority. The Financial Services Authority regulates the financial services industry in the UK and their address is 25 The North Colonnade, Canary Wharf, London, E14 5HS. You can check this on the FSA's Register by visiting the FSA's website [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) FSA No. 431021 or by contacting the FSA on 0845 606 1234.

## **Client Categorisation**

Each client with whom the firm does business is categorised to identify the level of regulatory protection to be applied. We believe in providing our clients with full regulatory protection and we propose to classify you as 'Retail Client' for Investment, 'Customer' for Mortgage business, and classify you as a 'Consumer' for Insurance business.

## **Communications**

We will communicate with you in English both verbally and in writing for the sending and reception of orders.

## **Investment Services to be provided**

With regards to investments that we have arranged for you, these will not be kept under review but we will advise you upon your request. However, we may contact you in the future by means of an unsolicited promotion should we wish to contact you to discuss the relative merits of an investment or service which we feel may be of interest to you.

On issue of this letter any subsequent advice or recommendation offered to you will be based upon your stated investment objectives, acceptable level of risk and any restrictions you wish to place on the type of investments or policies you are willing to consider. We will issue you a suitability report to confirm our recommendation. Unless confirmed we will not place any restrictions on our recommendations.

Orkney IFA Ltd 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.

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

## **Mortgage and Insurance Objectives**

Following the issue of this letter, any subsequent advice or recommendation offered to you will be based on your stated objectives, acceptable level of risk and any instructions you wish to make regarding the type of mortgage or insurance policies you are willing to consider. Details of your stated objectives will be included in the Suitability or Needs and Demands Letter we issue to you confirming the reasons for our recommendations.

## **Restrictions**

Unless advised to the contrary, we will assume that you wish to place no restrictions on the types of investment, mortgages or insurances we may recommend and in which you may subsequently invest. We will assume that you wish to place no restrictions on the markets in which transactions are to be executed. A full listing of products is available from your adviser upon request.

## Disclosure of information

Our regulator, the Financial Services Authority, requires us to give advice which is based on your circumstances, needs and concerns. If you choose not to disclose all relevant information to us (non-disclosure) then our advice can only be based on the information you do disclose. We will confirm this to you in writing, and also confirm that our advice may have been different if you had disclosed all of the relevant information to us.

## Advice and Instructions

Any advice given to you by us shall be in writing. We prefer our clients to give us instructions in writing, to aid clarification and avoid future misunderstandings. We will, however, accept oral instructions provided they are confirmed in writing. We may, at our discretion, refuse to accept instructions although such discretion shall not be exercised unreasonably. We will record all transactions on our files which, along with copies of relevant documentation, will be retained by us for a period of not less than six years. You have a right to inspect copies of contract notes, vouchers and entries in our books or computerised records relating to your transactions. We reserve the right to withhold copies of these records if information to other parties would be disclosed.

## Material Interest

We will act honestly, fairly and professionally, known as conducting business in 'Clients 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.

*In accordance with the rules of our regulator, The Financial Services Authority, we are prohibited from accepting any payment (commission or other non-monetary benefits) which is likely to conflict with the duty of the firm to its clients.*

*The principals of Orkney IFA Ltd have a minority shareholding in Capital Reward Ltd. Capital Reward Ltd is a subsidiary of our compliance support company and generates its income from the placement of business with certain product providers. The business placed is intended to add value to the shares in that company and the long term aim is for the shares to be sold, thereby providing a deferred cash benefit to the shareholders. The existence of the shareholding and any potential benefit will in no way influence our recommendation in relation to the most suitable product or provider.*

*On request we will be pleased to provide you with a list of the providers from whom such benefits may be earned. We can also confirm that the provision of the shares and their potential benefits **do not affect your product terms.***

## 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, however this will be explained before any contract is concluded.

## Cancellation of your Policy outwith the Cancellation Period

If you cease to pay premiums on a policy and we are obliged to pay back any commission which has previously been paid to us, we reserve the right to charge you a fee equivalent to the amount clawed back by the provider.

## Mortgage Fees

If during the course of processing and assessing your application the lender discovers information which you withheld from us and which adversely affects your application, we reserve the right to charge you a fee, or to increase our fee to reflect work already done, or the extra work we may need to do, or we may reject your application. We will not do this without informing you first.

## **Data Protection**

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

“Processing” includes obtaining, recording or holding information or data, transferring it to other companies associated with us, product providers, the FSA or any other statutory, governmental or regulatory body for legitimate purposes including, where relevant, to solicitors and/or other debt collection agencies for debt collection purposes and carrying out operations on the information or data.

We may also contact you or pass your details to other companies associated with us to contact you (including by telephone) with details of any other similar products, promotions, or for related marketing purposes in which we think you may be interested.

The information provided may also contain sensitive personal data for the purposes of the Act, being information as to your physical or mental health or condition; the commission or alleged commission of any offence by you; any proceedings for an offence committed or alleged to have been committed by you, including the outcome or sentence in such proceedings; your political opinions, religious or similar beliefs, sexual life; or your membership of a Trade Union.

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 01856 876810 or in writing at PO Box 6209, Off King Street, Kirkwall, Orkney, KW15 1WQ.

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 purpose. 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.

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.

## **Law**

This Client Agreement is governed and shall be construed in accordance with **Scottish** Law and the parties shall submit to the exclusive jurisdiction of the **Scottish** 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.

## Declarations

### Disclosure of information by Clients:

- ☐ I/we confirm that we will accurately and fully disclose all information requested by Orkney IFA during the course of the Fact Find, or subsequently. If I am not willing to disclose all relevant information, Orkney IFA will confirm to me in writing that their advice is based on the information provided and may have been different if full disclosure had taken place

### Client consent

This is our standard client agreement upon which we intend to rely. For your own benefit and protection you should read these terms carefully before signing them. If you do not understand any point please ask for further information.

- ☐ Please tick this box if you do not consent to us or any company associated with us processing any sensitive data.

- ☐ Please tick this box if you do not wish for us or any company associated with us to contact you for marketing purposes by e-mail, telephone, post or SMS.

- ☐ I have chosen for the firm to be remunerated by:

- ☐ Payment of a fee.
- ☐ Payment by commission (or product charges).
- ☐ Payment by a combination of commission and fee.

Customer Name(s)		
Customer signature(s)		
Date of issue		

Please retain a copy of this page and the following TCF questionnaire on file.



# Treating Customers Fairly

Client(s): .....

The staff of Orkney IFA Limited is committed to ensuring that the principles of Treating Customers Fairly (TCF) are applied in all areas of our day-to-day business activities.

As part of applying those principles, it'll help us to understand why you approached Orkney IFA Limited for advice and we'd be grateful if you'd tick the most appropriate box below:

- ☐ Referral from a professional third party (e.g. lawyer or accountant).
- ☐ Referral from a third party (e.g. family or friend).
- ☐ You were already aware that Orkney IFA provides financial advice.
- ☐ You were made aware of Orkney IFA by our website or advertising.
- ☐ You found Orkney IFA through IFA Promotions or the FSA website.
- ☐ Any other.

Please feel free to add any additional information below: