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# CLIENT AGREEMENT



## CLIENT AGREEMENT FOR MCLAREN CAPITAL LIMITED

This agreement is issued on behalf of McLaren Capital Limited of PO Box 73, Petworth West Sussex GU28 8AR, who can be contacted at 0845 123 3804. Trading address: The Old Forge, Shackstead Lane, Godalming, Surrey, GU7 1RJ.

## AUTHORISATION STATEMENT

McLaren Capital Limited 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 25 The North Colonnade, Canary Wharf, London, E14 5HS. You can check this on the FCA's Register by visiting the FCA's website [www.fca.org.uk/register](http://www.fca.org.uk/register) FCA No. 521875 or by contacting the FCA on 0800 111 6768.

## PERMITTED BUSINESS

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

## CLIENT CLASSIFICATION

Each client with whom the firm does business is categorised to identify the level of regulatory protection. We propose to classify you as 'Retail Client' for investment purposes. Under certain conditions your circumstances might require us to offer you 'Professional Client' status.

## COMMUNICATIONS

We will communicate with you in English both verbally and written for the sending and reception of orders. Writing may include email, but not social media. To avoid any doubt, instructions should be issued in writing.

We prefer our clients to give us instructions in writing, to aid clarification and avoid future misunderstandings. If you contact us to buy or sell investments via email or text, we may contact you directly via another means to verify your instructions. 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.

## SCOPE OF SERVICES

We operate independently and therefore provide our services from the whole market. Our recommendation will be based on a sufficient range of retail investment products, instruments and structured deposits on the market to offer an independent service.

## SERVICES TO BE PROVIDED

With regards to investments that we have arranged for you, these will be kept under review and we will advise you upon your request together with providing regular updates.

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.

Our advice is based on the information that you provide which should be up to date, accurate and complete. If you refuse to provide relevant information needed for the advice service, we may refuse to proceed.



Where we agree to provide an ongoing review service, we will carry out the review at least twice a year. A major element of this service will be to continually assess the ongoing suitability of previous recommendations. To do this, part of the annual review will require you to confirm the information we hold about you to ensure it remains accurate and up to date.

McLaren Capital Limited does not handle clients' money. We never 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.

We do not execute any trades for you. Instead we place trades with third parties (investment managers for example), which execute the trades for you. The third parties are required to have a best execution policy. This means they must take all reasonable steps to ensure that they obtain the best possible result for you. Our procedures adhere to their policies and we monitor their adherence to those policies.

### PAYING FOR SERVICES

Not all firms charge for advice the same way. We will discuss your payment options with you and answer any questions you may have. We will not charge you anything until you have agreed how we are paid. We have outlined the basis of our charging structure below dependent on the work that we carry out for you. In some cases we operate on a time cost basis and others on a contingent basis. Either way we will write to confirm the method of charging prior to commencing our work.

### TYPICAL CHARGES

If we elect to charge on a percentage of Funds Invested Rate, the typical charges would be as follows:

▪ Investments up to £150,000	Fee for initial work and implementation is 3%
▪ Then from £150,001 to £500,000	Fee for initial work and implementation is 2%
▪ Then from £500,001 to £750,000	Fee for initial work and implementation is 1.75%
▪ Then from £750,001 to £1,000,000	Fee for initial work and implementation is 1.25%
▪ Investments over £1,000,000	Fee for initial work is 1%

By way of example:

- Someone investing £150,000 could typically pay £4,500 for the initial work

### OUR FEE OPTION

We will agree the rate we will charge before beginning work. We will tell you if you have to pay VAT. Our typical charges are:

▪ Principal/Director/Partner	£280 per hour
▪ Financial adviser	£150-£225 per hour
▪ Administration	£80 per hour

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.



## ONGOING SERVICES

We usually agree with clients to provide an agreed service for an indefinite period. In doing so we will agree the extent, frequency and level of that service with you. Usually, the service will entail keeping the investments and products you have under review and replacing them where necessary to ensure your objectives continue to be met. We will meet with you at least annually to do this work. Meetings may be held face to face, by telephone or via video conference.

We have a very structured approach to reviewing the investments that we manage for customers and dependent on the sum invested, we will review your portfolios at least twice a year and in some cases up to 4 times.

Our *typical* annual fees for investment of funds is as follows:

- Invested sums up to £250,000 is 1% of the assets we manage
- £250,001 to £1,000,000 is 0.85%
- £1,000,001 to £2,000,000 is 0.75%
- £2,000,000 and above is negotiable.

By way of example:

- Someone investing £150,000 could typically pay £1,500 for the annual advice
- Someone investing £1M could typically pay £7,500 for the annual advice

The cost of the service will fluctuate up and down depending of the value of your investment.

## WE ARE PAID BY COMMISSION ON NON-INVESTMENT PRODUCTS

If you buy a non-investment 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.

If you subsequently cease to pay premiums on the policy, and in consequence we are obliged to refund all or part of the commission that has been paid to us we reserve the right to charge you a fee.

## AGGREGATED COSTS AND CHARGES

If you enter into a transaction where third parties are involved, they will charge for their services. Typically, there will be 3 or 4 parties involved. By way of example, if we placed a £250,000 investment for you the annual charges might look like this:

Third Party	Percentage	Value
Platform	0.3%	£750.00
Product	May vary	
Fund	0.75%	£1,875.00
TOTAL	1.05%	£2,625.00

To this you will need to add our ongoing charges, which are set out earlier. We haven't added them here, because of the flexibility you have in how you pay us.

At this point, this is just an example. We have no idea of the actual costs. We will confirm the actual aggregated costs and charges based on our recommendations in our Engagement Letter or Suitability Report, just as soon as we know the figures, but before you sign any commitment documents.

## MATERIAL INTEREST

We will act honestly, fairly and professionally known as conducting business in accordance with '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 Conduct 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.

## RIGHT 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.

Additionally,

- 1.1. You may end your contract with us at any time.
- 1.2. We may terminate the contract:
  - 1.2.1. where we are unable to obtain your instructions/key information;
  - 1.2.2. where for whatever reason the relationship between us has broken down or
  - 1.2.3. where you have failed to pay our fees or disbursements on time;

We also reserve the right to suspend work in these circumstances until such time as the problem has been rectified.

- 1.3. Where agreed, you will be responsible for payment of all fees and disbursements for work undertaken or expenditure incurred up to the date of termination.
- 1.4. We are entitled by law to retain any documents or other property belonging to you until such time as all fees and disbursements that you owe to us have been paid.
- 1.5. Should any work we have undertaken be incomplete and fees in respect of it have been paid, we will complete that work.

## COMPLAINTS

Clients are at the heart of our business and delivering an outstanding service at all times is what we strive to do. However, we recognise that from time to time our clients may have cause to make a complaint. We are committed to dealing with complaints effectively and fairly in accordance with the Financial Conduct Authority's complaint handling rules and guidance. If clients have a cause to complain, a dedicated complaints handler, focussed on ensuring that the clients are treated fairly during the process, will deal with the complaints.

If our clients are not satisfied with the outcome of their complaint, they have the right to refer it to the Financial Ombudsman Service, free of charge, at the Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London, E14 9SR, or by going to their website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

## 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 as follows:

- Deposits 100% of £85,000
- Investments and Home finance is 100% of £85,000.
- Life & Pensions Intermediation £85,000

Further information about this compensation scheme arrangement is available from the FSCS.

Offshore investment is not covered by the FSCS but may have protection provided by the relevant offshore regulator. We will notify you of any cover that applies before transacting business for you.

## DATA PROTECTION

The information you have provided is subject to the relevant Data Protection Act. By signing the Privacy Notice 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 FCA 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. Please note that the company’s legal obligations under the UK’s anti money laundering regulations require us in all cases to process personal data for the purposes of preventing money laundering. This means in relevant circumstances your data may have to be released to national crime prevention authorities.

We will never 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, without getting your express agreement first.

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 committing or alleged committing 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.

At the end of our Privacy Notice you will need to provide consent to the transfer of personal information as outlined above. While you are entitled not to do so, the practical implication is that we will find it very difficult to work together efficiently if you do not, as all requests for information will need to go via you, and responses will need to come to us via you too.

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 0845 123 3804 or in writing at The Old Forge, Shackstead Lane, Godalming, Surrey, GU7 1RJ.

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.

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. Separately, we will issue you with a Privacy Notice. This provides additional information about the nature of our personal data processing activities including your rights of access to the personal information that we hold on you.

## LAW

This client agreement is governed and shall be construed in accordance with **ENGLISH** Law and the parties shall submit to the exclusive jurisdiction of the **ENGLISH** Courts.