



## Lowes Financial Management Limited Statement of Service

### PURPOSE

The purpose of this document is to fully explain our terms of service. You need to read this important document. It explains the service you are being offered and how we will be remunerated, including any payments you may be required to make.

Lowes Financial Management Limited's (hereinafter referred to as Lowes) contact details are as follows:

Fernwood House Clayton Road Jesmond Newcastle upon Tyne NE2 1TL	Telephone number: 0191 2818811 Fax number: 0191 2818365 Email: postmaster@Lowes.co.uk Website: www.Lowes.co.uk
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Lowes is authorised and regulated by the Financial Conduct Authority (FCA). Our FCA registration number is 114650. You can check these details on the FCA Register by visiting their website, <https://register.fca.org.uk/> or by contacting the FCA. The address is:

25 The North Colonnade Canary Wharf London E14 5HS	Telephone number: 0800 111 6768
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### Our Service Proposition

**Reliable advice is the cornerstone of our business. Our long term relationships with our clients rely on this and our quality of service. We have developed our services over more than 45 years of providing Independent Financial Advice to meet our clients' specific needs.**

Our range of services has been designed to support our clients to identify their financial goals and to provide a coherent plan of action to achieve them. Our services are tailored to individual client needs and include the following benefits as required:

- Ongoing access to a dedicated Independent Financial Adviser
- Genuine Independent Advice from a Chartered Firm
- Ongoing review of your investment funds
- Review meetings offered annually or more frequently where appropriate
- Quarterly client magazine, prepared entirely in-house to ensure relevance to our clients
- Access to your own portfolio via online reporting
- Valuation report of your portfolio, posted to you every six months
- Reviewing your protection needs and other financial protection issues
- Reviewing your plans for pension accumulation and for pension income
- Advice on the tax efficiency, of both your existing, and any new investments
- Investment portfolios, tailored to your attitude to risk, and constructed utilising the experience and expertise of our in-house investment management team
- Utilising appropriate 'tax wrappers' for you wherever appropriate, such as ISAs or pension plans
- Funds within your portfolio are monitored each month and you are informed of any changes we would recommend
- Access to market-leading financial products, often at discounted cost
- Advice on Trusts, Long Term Care, and Lasting Powers of Attorney
- Notification of investment opportunities that arise, should we deem them worthy of your attention

**This document is available in large print.**

## OUR SERVICES

We are permitted to advise on and arrange investments, pensions, life assurance and insurance. As Independent Financial Advisers, we can advise on products from the whole market place. As such we face no restrictions in being able to recommend the most appropriate products available. We may also advise on products and services that are not regulated by the Financial Conduct Authority.

**We offer independent advice and will advise and make a recommendation for you after we have assessed your needs. Our recommendation will be based on a comprehensive and fair analysis of the market. In delivering our services to you there are a range of steps that will typically be taken in order to ensure you receive the most from our advice process. They include:**

- An initial discussion (at no charge) when we will describe our services more fully and explain the payment options;
- we will discuss your attitude to risk and match this to our definitions which will be explained to you;
- agree on an investment strategy and on any other relevant aspects of financial planning to you we will gather and analyse personal information about you, your finances, your needs and objectives;
- select funds, investments, and other financial arrangements to meet your objectives, including the use of appropriate tax wrappers;
- confirm any formal recommendations to you in writing;
- if you wish to proceed, we will implement any agreed plan on your behalf, including handling paperwork and documentation, Lowes will not act without your express permission;
- ongoing monitoring of any investment funds, recommending any changes where appropriate;
- review meetings offered annually or more frequently where required, to ensure the ongoing appropriateness of your portfolio;
- portfolio valuation reports produced every six months and can be either posted or made available to you online.

Unless expressly stated to the contrary, Lowes will at all times communicate with you in English and in accordance with English law, and all parties hereby agree to submit to the exclusive jurisdiction of the English Courts.

When we have arranged any investments or products for which you have given instructions, we will not be obliged to give you any further advice but will be glad to advise you at any time you ask us to do so. Unless specifically requested to do so, we will not therefore carry out a review of any of the investments or products that you have already taken out or that we have arranged on your behalf. However, we will normally agree with you the level of service required for investment based products where a regular review is advisable.

Under the Joint Money Laundering Regulations 2003 and as subsequently amended, Lowes will verify the identity of all clients prior to any transaction taking place. A third party may be approached in order to confirm via electronic verification the identity of clients.

## CONFLICT OF INTEREST

Lowes maintains a website, which is designed to educate and assist other financial advisers with structured products. The site, which is not accessible by retail investors, is maintained with the financial support of several structured product providers. The service that we provide to you is in no way influenced by the financial support that is provided to maintain the website and we have in place robust systems and controls to ensure that this remains the case. Further details can be made available upon request.

## CLIENT CATEGORISATION

When providing investment services to you we will categorise you as a retail client. The level of regulatory protection available to you is determined by this categorisation and, as a retail client, you will be given the highest protection available.

## PAYMENT FOR OUR SERVICES

We need to be remunerated for our services, but not all firms charge for advice in the same way. We will discuss the payment options with you and answer any questions you have. We will not charge for advice or services until you have agreed how we are to be remunerated and our charges will be documented to you prior to the processing of the investment(s).

We will tell you if you have to pay any VAT on the fees that we charge.

### Investment - Advised Services

Your payment options:

We offer the option to pay for our services either as a percentage of the investments made and held on an ongoing basis, or on an initial fixed fee arrangement (which may then include ongoing fees on a percentage basis)

#### *Fees charged as a percentage of your investment*

The initial adviser fee will, where possible, be facilitated through the product provider. The deduction made by the provider for this fee will reduce the amount that is actually invested. Alternatively, you may pay for the initial fee by making a separate payment to Lowes at the time the investment is made. Ongoing fees are charged for the ongoing service that we provide. You have the right to cancel the ongoing fee at any time. Please ask your Consultant for more details. Our typical initial and ongoing fees are as follows:

- for investments and pensions, other than in structured investments, we will charge an initial adviser fee of typically 3% of the sum invested, plus an adviser fee of 0.75% of the value of the fund every year. On an investment of £10,000 the charge would therefore be a £300 initial fee, and c£75 every year. The on-going adviser fee will fluctuate with the value of your investment.
- if you invest £10,000 in a structured investment we will charge an initial adviser fee of 3% (£300), and no ongoing adviser fees, except when held within a SIPP, where an ongoing adviser fee of 0.75% (£75) will be charged every year.

- if you invest £10,000 in an annuity we will receive an initial adviser fee of between £150 (1.5%) and £300 (3%). There will be no ongoing adviser fee except in the case of an investment based annuity.

There may be other costs, platform fees etc, including taxes, that are payable through other parties (such as the product provider) that we may not be party to unless disclosed. Such charges are, normally, disclosed in relevant documentation.

#### *Fixed Fee arrangements*

You may alternatively pay for our initial advice on a fixed fee basis, the amount for which would be agreed at outset, and before any work commenced. This fee will become payable on completion of our work, usually when any recommendations are issued to you, and will be payable whether you buy any product or not.

You will be required to settle the payment of any fixed adviser fee within 30 days of the completion of our work.

#### Investment - Non Advised Services

We will occasionally offer and facilitate investments on a non-advised basis. If you wish to transact on this basis we will charge a fee or receive commission that may be the same as it would be if you had received advice from us. We always endeavour to facilitate advice if you have any doubts as to the suitability of an investment for you.

#### Insurance

Commission will be paid on any non-investment insurance contract i.e Term Assurance, Income Protection, Critical Illness cover. Prior to completing any application, you will be provided with an illustration which will disclose in cash terms the amount of commission which will be paid to Lowes

#### **RIGHT TO WITHDRAW**

In the case of many packaged investment products, a right to withdraw or cancel the contract within a specified period is normally provided. Details of such rights are ordinarily contained in the product literature and/or we may provide details of such rights in a separate communication. Our initial fees for brokerage and intermediation of such an investment will still be chargeable.

#### **ACCOUNTING TO YOU**

Unless there are exceptional circumstances, the reasons for recommending any transaction will be confirmed to you in writing. All your investments will be registered in your name unless you first instruct us otherwise in writing. We will forward to you all documents showing ownership of your investments as soon as practicable after we receive them; where a number of documents relating to a series of transactions is involved, we will normally hold each document until the series is complete and then forward them to you. All letters, cheques, documents of title, etc., will normally be sent by post to your last known address and shall be sent at your own risk.

#### **WHAT TO DO IF YOU HAVE A COMPLAINT**

You may complain to the Compliance Officer about any aspect of your dealings with us, at the following address: Lowes Financial Management Limited, Fernwood House, Clayton Road, Newcastle upon Tyne, NE2 1TL or phone on 0191 2818811.

Our complaints handling procedures for the reasonable and prompt handling of complaints is available upon request and if you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service at: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) or by contacting them on 0800 0234567.

#### **FINANCIAL SERVICES COMPENSATION SCHEME**

You may be entitled to compensation from the Financial Services Compensation Scheme (FSCS) if we are liable to you but cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

Deposits: From January 2017 deposits are covered for up to a maximum limit of £85,000 per person or £170,000 for joint accounts, per banking licence.

Investment: Most types of investment business are covered for up to a maximum limit of £50,000.

Insurance: Insurance advising and arranging is covered for 90% 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.

Further information about compensation scheme arrangements is available from the FSCS website at: [www.fscs.org.uk](http://www.fscs.org.uk).

#### **DATA PROTECTION STATEMENT**

The information you provide us is subject to the Data Protection Act 1998. For the purposes of providing advice, administration and management, you consent to us or any company associated with us processing, both manually and by electronic means, your personal data (including sensitive personal data). "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 (including by telephone) with details of any other similar products, promotions, or for related marketing purposes in which we think you may be interested.

If at any time you wish us or any company associated with us to cease processing your personal data, or contacting you for marketing purposes, please notify us. You may be assured that we and any company associated with us will treat all personal data as confidential and will not process it other than for legitimate purposes. 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 data held by us. You may be charged a fee (subject to the statutory maximum) for supplying you with such data.

In the event of any failure, interruption or delay in the performance of obligations resulting from breakdown, failure or malfunction of any telecommunications, computer system or from any other event or circumstance whatsoever not reasonably within Lowes' control, Lowes shall not be liable or have any responsibility of any kind, for any loss or damage incurred by the Client.

#### **TERMINATION OF AUTHORITY**

You or we may terminate our authority to act on your behalf at any time. Termination is without prejudice to any transactions already initiated that will be completed according to this Agreement unless otherwise agreed in writing. You will be liable to pay for any transactions made prior to termination and any fees that may be outstanding.

#### **Investment Client Terms**

I / We hereby agree to the engagement of Lowes Financial Management Limited and to meet the cost of the services provided, as detailed below.

Wherever possible I / we expect fees to be facilitated by the product providers and not by way of an invoice from Lowes and I / we hereby give authority to Lowes and relevant product providers to, where required, deduct agreed sums from my initial investment or sell funds in order to meet the agreed fees.

I / We understand that unless a separate payment is made for the adviser fee due, the initial adviser fees will be deducted from the amount to be invested.

I / We understand that the on-going adviser fees will be deducted from the investment value.

#### **Adviser Fees for Brokerage and Intermediation of Investments**

Initial:	Typically 3% of any new amount invested. On an investment amount of £10,000 the charge would therefore be £300;
On-going:	Typically 0.75% per annum of the value of the investment, for funds such as unit trusts and pensions. On a fund value of £10,000 the charge would therefore be £75. The on-going adviser fee will fluctuate with the value of your investment;
	Typically 0.0% of the value of fixed term investments such as structured products (except where held within a SIPP) and conventional annuities;

Whilst the above illustrates our typical fees, Lowes will detail to me / us any initial and on-going fees in any subsequent letters of recommendation to me / us. In addition, the provider charges associated with any product recommended will be outlined in the product literature made available prior to making any investment.

I / We hereby instruct the relevant product provider to pay Lowes the agreed on-going fee payment as specified above. Where a provider continues to pay Lowes a commission on any existing investment this should be taken into account and offset against any on-going fees due in respect of that investment.

For the purpose of paying on-going fees, unless specifically agreed otherwise, I / we authorise and instruct the relevant product providers to utilise sums in any appropriate cash holding, or to sell units/shares from my / our largest fund holding. Where possible, this should occur on a monthly basis.

Any sale of units may constitute a disposal for Capital Gains Tax purposes. Where possible any continuing trail commission will be paid towards our on-going advice fees.

I / We understand that unless specifically agreed otherwise, the entitlement to Lowes for the initial adviser fee due, arises when Lowes completes the administration and passes the documentation to the product provider, or if earlier, at the point the fee is remitted at your discretion.

I / We understand that my / our liability to Lowes in relation to their fees will be discharged on deduction of the fee by the product provider, who will hold the funds as agent to Lowes until payment is forwarded by them to Lowes.

Fees for Brokerage and Intermediation are not normally subject to VAT, however in the event that a service Lowes provides is subject to VAT, this will be charged at the prevailing rate.

**Lowes® Financial Management Limited Registered Office: Fernwood House, Clayton Road, Newcastle upon Tyne. NE2 1TL  
Registered in England & Wales, Number 1115681**