



## KGJ Insurance Brokers (Stourbridge) Ltd.

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### About KGJ Insurance Brokers (Stourbridge) Ltd, and how we work with you.

KGJ Insurance Brokers (Stourbridge) Ltd 2 Hagley Road, Stourbridge, West Midlands, DY8 1QG is authorised and regulated by the Financial Conduct Authority. FCA Number 116769

You can check this on the FCA's Register by visiting the website <https://register.fca.org.uk/> or by contacting the FCA on 0800 111 6768.

### Client Classification

#### Investment

KGJ Insurance Brokers (Stourbridge) Ltd classifies all clients as 'retail clients' for investment business, which means you are afforded all protections under the rules of the Financial Conduct Authority (FCA).

Should you wish to be classified differently for investment business, please discuss this with your adviser. Please note that should you wish to be considered as a different category of customer for investment business, such as a professional client or eligible counterparty you must inform us in writing. We will provide you with a new client agreement and you may lose a number of protections which will be outlined in that new agreement.

#### Non – investment and general insurance

KGJ Insurance Brokers (Stourbridge) Ltd classifies all clients as 'consumers' for non-investment insurance business, which means you are afforded all protections under the rules of the Financial Conduct Authority (FCA).

Should we need to classify you differently we will discuss this with you, however, you should aware that you may lose a number of regulatory protections which will be outlined in a revised agreement.

#### Mortgages

KGJ Insurance Brokers (Stourbridge) Ltd classifies all mortgage customers as 'clients', which means you are afforded all protections under the rules of the Financial Conduct Authority (FCA).

Should we need to classify you differently we will discuss this with you, however, you should aware that you may lose a number of regulatory protections which will be outlined in a revised agreement.

### Our Commitment to You

Prior to providing you with any advice we will take time to understand your current needs, circumstances and attitude to risk (where applicable). Any advice provided will be confirmed to you in writing.

KGJ Insurance Brokers (Stourbridge) Ltd takes all our regulatory responsibilities very seriously and we ensure that all our staff are required to demonstrate their competence to undertake their role and our business is structured in a manner that is designed to meet in full all the requirements set by our regulator, the Financial Conduct Authority, and under European Securities and Market Authority rules.

### Methods of Communication

Unless you advise us otherwise, we will communicate with you via the following methods of communication, Face to Face, E-mail, Telephone, Letter & Fax

### Language

Please note that all our communications and documents will be provided to you in English

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## Client Money

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

## Introductions to a Third Party

We may receive a fee for making introductions to third party product or service providers. Should we receive a fee we will confirm in writing to you what that fee will be.

When acting as an introducer, marketer or promoter of a scheme, no responsibility is accepted for any matters arising from the referral to the scheme product provider. It is your responsibility to ensure that you enter into separate Terms & Conditions with the third-party advisor.

## Data Protection

For details of our Data Protection statement and policy, please see our separate Data Protection Statement, which will be provided separately to you.

## Investment Permissions

KGJ Insurance Brokers (Stourbridge) Ltd is permitted to advise on and arrange (bring about) deals in investment contracts.

## Scope of Advice

### Independent Advice

We will only provide advice and make a recommendation to you having fully assessed your financial needs and objectives.

This means that we will spend some time discussing with you: what you want to achieve financially and see if the advice and services that we offer are going to be appropriate to address them.

It is important to us that you fully understand how we go about doing this, so please do ask us for more detail if anything is unclear to you.

### Our Investment proposition

We have constructed an investment proposition that has been designed over time to meet many of our client's needs.

Often our clients share common characteristics in terms of their financial circumstances and financial objectives. Where our investment proposition is not going to be suitable to meet your needs, we will look outside of this to find a bespoke solution that will.

We have close relationships with certain parties used within this proposition, which we describe below. Important information about KGJ Insurance Brokers (Stourbridge) Ltd & Tatton asset management PLC (TAM)

If we think that it would be in your interests, we will:

Invest, or recommend that you invest, in the products manufactured by Tatton Investment Management Ltd, Tatton Onshore Tax Strategies Ltd, Tatton Oak Ltd, Paradigm Mortgage Services LLP, Paradigm Partners Ltd and any other firm that TAM may acquire in the future that offers relevant products and/or services.

Use, or recommend that you use, the services of Tatton Investment Management Ltd, Tatton Onshore Tax Strategies Ltd, Tatton Oak Ltd, Paradigm Mortgage Services LLP, Paradigm Partners Ltd and any other firm that TAM may acquire in the future that offers relevant products and/or services.

Tatton Investment Management Ltd, Tatton Onshore Tax Strategies Ltd, Tatton Oak Ltd, Paradigm Mortgage Services LLP, Paradigm Partners Ltd (the “Companies”) are wholly owned subsidiaries of TAM.

KGJ owns 7,459 of the shares issued by TAM which is considered to be a minority shareholding. The value of these shares depends, at least in part, on how profitable the Companies are, and how profitable they are expected to be.

TAM’s shareholders may also receive a dividend payment from TAM, once or twice a year. How likely it is that a dividend will be paid, and how big that payment will be, also depends, at least in part, on how profitable the Companies have been.

In addition, KGJ owns 7,325 shares in Transact (Integrafin Holdings Ltd).

We have systems and controls in place to make sure that our shares in TAM or Transact do not create any possible disadvantage for you.

It is important to note that we have chosen to work with these parties because they offer products that are from across the whole of the market and are not selected unless they meet a rigorous selection process.

### **Financial Products**

In respect of the financial products that we use, we do not restrict ourselves to certain types of products.

We will look across a range of products which are called Retail Investment Products, we will also look at Cash ISAs, National Savings Products and structured products as well. We use research tools to select these products using criteria set to meet your needs and will not use pre-determined lists or only a small range of preferred providers. We aim to find the right product to meet your needs on each and every occasion.

### **Product Providers**

In respect of the product providers that we use: we do not restrict our advice to certain companies. Instead, we use research tools to help us find the company that provides the right products to meet your needs.

## **Conflicts of Interest**

We have a legal and regulatory obligation to take all appropriate steps to identify and to prevent or manage conflicts of interest from arising. In the event of any of our business interests or activities creating a potential conflict of interest we will ensure that we take all appropriate steps to manage the potential conflict by maintaining robust systems, controls and staff training. In the unlikely event that we are unable to prevent the potential conflict, we will fully disclose to you, the general nature and/or sources of conflicts of interest and the steps taken to mitigate those risks.

Further details of our conflict of interest policy are available upon request.

## **Best Execution**

It is our policy to transact your business in order to achieve the best possible results in terms of the:

- Price of products, providers and services
- Cost of advice
- Speed
- Size and Nature of the transaction
- Effectiveness of the Platform/ Provider/ Service Provider

## **Other Benefits We May Receive**

We will not receive any financial inducement or gift that will in any way compromise our ability to provide you with suitable advice.

## **Non-Investment and General Insurance Permissions**

KGJ Insurance Brokers (Stourbridge) Ltd is permitted to advise on and arrange (bring about) deals in non-investment and General insurance contracts.

We are an insurance intermediary and act on behalf of clients and not insurers.

## **Non-investment Insurance**

We offer products from a range of insurers on the basis of a fair and personal analysis of the market.

## **Which Service Will We Provide You With?**

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

## **What Will You Have to Pay Us for This Service?**

No fee, we will be paid commission by the provider.

We will provide details of the total remuneration payable, including any fees, commissions, charges, expenses and benefits.

## **Mortgage Services - Whose Products We Offer**

We offer a comprehensive range of mortgages from across the market, but not deals that you can only obtain by going direct to a lender.

## **Alternative Finance Options**

We offer the following alternative finance options:

- A further advance from an existing lender
- Consumer buy to let mortgage
- A second charge mortgage
- A re-mortgage
- An unsecured loan
- Bridging finance

## **Which Service Will We Provide You With?**

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

You may request an illustration from your adviser whenever our firm provides you with information specific to the amount you want to borrow following assessment of your needs and circumstances.

## **What Will You Have to Pay Us for This Service?**

A fee of £250 when you apply for a mortgage, we will also be paid a commission from the lender.

A fee of 0.75% of the amount borrowed, with a minimum of £250, example, for a mortgage of £100,000 our fee would be £750. A portion of this fee (£100) is required at the application stage. If this option is chosen then any commission we receive will be refunded.

For a second charge or consumer buy to let mortgage, a fee of £250 when you apply for a mortgage, we will also be paid a commission from the lender.

For a second charge or consumer buy to let mortgage, a fee of 0.75% of the amount borrowed, example, for a mortgage of £100,000 our fee would be £750. A portion of this fee (£100) is required at the application stage. If this option is chosen then any commission we receive will be refunded.

If you prefer that KGJ Insurance Brokers (Stourbridge) Ltd is not to receive commission from the lender then KGJ would charge you 0.75% of the amount borrowed, with a minimum of £250.

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

### **Refund of Mortgage Fees**

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

No refund of our fee if the lender rejects your application, this will cover our administration costs.

No refund of our fee if you decide not to proceed, this will cover our administration costs.

### **Equity Release Services, Bridging Loans, or more complex lending**

Equity release products are either lifetime mortgages or home reversion plans. Bridging Loans are short term secured lending.

### **Whose Products We Offer**

We offer a comprehensive range of Equity Release & Bridging products from across the market, but not deals that you can only obtain by going direct to a lender.

### **Which Service Will We Provide You With?**

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

You may request an illustration from your adviser whenever our firm provides you with information specific to the amount your equity release requirement following assessment of your needs and circumstances.

### **What Will You Have to Pay Us for This Service?**

For Equity Release, Bridging or more complex lending we charge £500 up front (non refundable) payable at the outset. We will also be paid commission by the lender.

Think carefully about the product and services you need. If you want information or advice on standard mortgages, please ask.

### **Consumer Credit**

We make no charge for any advice in relation to consumer credit activities.

### **Accounting to You**

We will forward to you any documents we receive in relation to business transacted as soon as practicable; 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.

### **Complaints**

If you wish to register a complaint, please contact us in writing at address at the front of this agreement or telephone us on 01384 390909.

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service. <http://www.financial-ombudsman.org.uk>.

## Compensation Arrangements

We have briefly set out some information about the Financial Services Compensation Scheme (FSCS) below. If you would like further information about compensation scheme arrangements, details are available at [www.fscs.org.uk](http://www.fscs.org.uk) or call 0800 678 1100.

Most of the products we advise on are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if product providers or we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

The actual level of compensation you receive will depend on the basis of your claim. The FSCS only pays compensation for financial loss. Compensation limits are per person per firm, and per claim category (listed below).

## Investments

Most types of investment business are covered for 100% of the first £85,000 per person per firm, so the maximum compensation is £85,000 per person per firm.

## Deposits

Money in accounts like current and savings accounts, including cash Individual Savings Accounts (ISAs) are covered up to £85,000 per authorised firm (£170,000 for a joint account). It should be noted that 'authorised firms' may have different brands. The FSCS will provide a £1million protection limit for temporary high balances held with your bank, building society or credit union if it fails.

A temporary high balance would apply when payments have been received in respect of specified life events, details of which can be obtained from FSCS.

## Protection, non-investment Insurance Mediation.

Protection is at 100% without limit, where the claim is in relation to a long-term care insurance contract that is a pure protection contract, or the claim is in respect of a liability subject to compulsory insurance.

In all other cases: 90% of the claim without limit.

## Mortgages

For claims against companies declared in default from 1st January 2010. Mortgage advising and arranging is covered for 100% of the first £85,000 so the maximum compensation is £85,000 per person per firm.

Please remember your home is at risk if you do not keep up repayments on a mortgage or other loan secured on it.

Also please note that the FSCS does not cover buy to let mortgages

## Our Service Levels, Initial Fees and On-going Payments

### Introduction

Before recommending a product, we will make suitability checks to ascertain your relevant knowledge, experience, objectives, financial situation and your ability to bear losses.

Prior to any transaction we will provide you with a suitability report outlining any recommendations we have made including the selling, holding or buying of investments.

To ensure that you are always fully aware of our advice costs and how and when you are going to be asked to pay for this, we will always confirm this verbally and in writing to you we will confirm the exact amount and your preferred payment method.

An hourly rate is available for cases that do not meet the standard criteria. The rate chargeable would be £150.00 per hour.

### **Lump Sum Investment Business**

It is our company policy to offer you a choice on how we are paid for the Implementation Fee on any lump sum investment business. You may pay us for our initial advice by way of a percentage of the funds invested, or a fixed fee.

Please note if you pay our fee by way of a separate cheque 100% of the investment amount will be invested.

### **Payment by Fee (Initial Advice)**

You may pay us for our initial advice by way of a percentage of the funds invested or fixed fee.

Please note if you pay our fee by way of a separate cheque 100% of the investment amount will be invested.

Example of our implementation fee as a percentage of the funds invested

<b>Example Investment</b>	<b>Typical charge is 3%,</b>	<b>Amount Invested</b>
£50,000	£1,500	£48,500
£100,000	£3,000	£97,000

Or as agreed

All figures quoted are purely for example, the actual fee paid will depend on the complexity of the work undertaken and will be confirmed to you when you sign this agreement.

### **Regular Premium Investment Fee**

We May charge a fee based on regular premiums

### **Termination of Our Service (Initial Advice)**

You or we may terminate our authority to act on your behalf at any time. You will be liable to pay for any advice or services that you have received prior to the date of termination. This means that where we have agreed the advice and services that we will provide for you and we have agreed to receive payment for these, either by means of a fee for investment business or by receiving commission from a provider for non-investment business you will have to pay us for any work we have completed up to the date of termination.

### **On-Going Service Option**

Once you have decided to implement your Financial Plan it is recommended to benefit from on-going monitoring and review.

Our ongoing service option incorporates a periodic suitability review of the investments we have recommended, this is to ensure the original recommendation remains suitable. This periodic assessment will be completed at least annually, however, the frequency may be increased when taking into account your risk profile and the types of financial products that have been recommended.

Example of ongoing advice charges

Example Investment Amount	Annual Service Charge	Example Annual Service Fee
£50,000	1%	£375
£100,000	1%	£750

The actual fee charged will vary depending upon how the investment performs and it will increase as the fund grows. We will provide you with information regarding the costs at least annually to help you understand the overall cost and the cumulative effect on the return of the investment.

### Termination of Our Services (On-Going Advice)

You, or we, have the right to cancel payment for our ongoing services

- **We would give you 1 months' notice and, upon request, could signpost you to alternative sources of financial advice. We will terminate any on-going payments to be received from product or service providers.**
- **You are asked to give 1 months' notice and we will terminate any on-going payments to be received from product or service providers.**

Where you hold assets within a WRAP or Platform, you need to be aware that there will be terms and conditions applicable, such as your agreement with the wrap provider in respect to facilitating our fees, which means you may need to instruct the wrap provider directly and arrange for the removal of assets from the WRAP or appoint another adviser who will be able to access your assets and provide further on-going advice to you.

We will be pleased to assist you at this time in cancelling our service to you, making sure that any WRAP or Platform provider is informed of this cancellation.

### Fee Agreement

Fixed Fee	
Fee as a percentage of the amount invested or transferred for implementation	
Fee as a percentage of funds under management for ongoing service.	



## Clients Consent

This is our standard 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.

I / we agree this agreement

Client Name(s)

Client Signature(s) .....

Date of receipt