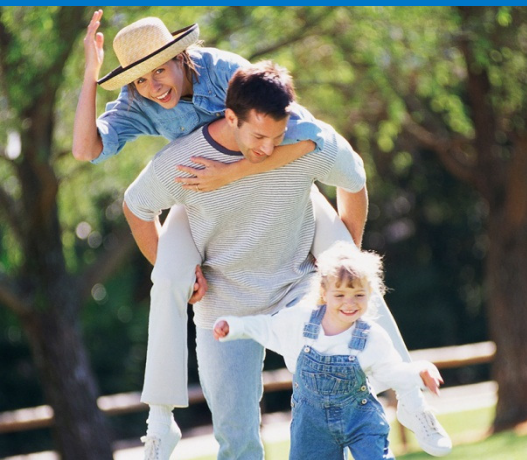


## **FALCON FINANCIAL ADVICE LTD**

### **HOW WE WORK WITH CLIENTS: OUR SERVICES AND FEES**



# HOW WE WORK WITH CLIENTS: OUR SERVICES AND FEES

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Appointing a financial adviser is an important decision, and for many people is the first step towards securing their financial future.

As independent financial advisers, our job is to make your money work for you, whatever your situation or your stage in life, so that you can live the way you want to. As you would expect from a professional firm of independent financial advisers, we have the depth and breadth of knowledge and expertise to provide practical, informed advice on all aspects of your financial affairs.

We understand that by appointing us as your independent financial advisers you are placing your trust in us. Our advisers are highly qualified and operate to strict ethical guidelines. Among other things they are required to:

- explain clearly the areas on which they advise and the services they offer
- act in your best interests at all times and with total integrity
- discuss and agree fees and payment options in advance, before undertaking any work you ask them to do.

We offer different levels of services, all of which have the flexibility to be tailored to suit your particular requirements and the complexity of your financial circumstances. They are set out in this brochure and your adviser will help you decide which is best for you.

To gain a complete picture of your overall financial position you must make sure you give us all the facts about your current circumstances, income, expenditure, savings, investments, insurance, and all other relevant information. This will enable us to research recommendations tailored to your financial needs and goals.

## CONTENTS

	Page
The advice process explained	3
Three simple steps: initial consultation, report and implementation	4
Ongoing advice service options: transactional, classic and premium	5
Our fees	6
Initial fees	7
Fees for ongoing services	9
Fees for ad hoc services	10

# THE ADVICE PROCESS EXPLAINED

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Taking financial advice can appear complicated. In reality, dealing with a professional, independent adviser makes it a fairly straightforward process, during which your adviser draws on their expertise and experience to recommend strategies that are suitable for you and your circumstances, enabling you to make informed decisions.

The process outlined below is explained in further detail in this brochure. However, it is useful to understand the main stages involved in providing financial advice and the decisions you will need to make.

## What your adviser does

## What you will need to decide

### GATHER INFORMATION

At your initial consultation your adviser will ask you about your current financial circumstances and arrangements and help you determine your financial objectives.

If we find you could benefit from financial advice, you will need to decide if you wish to proceed and, if you do, choose the type of report you require and agree the appropriate fees.

### RESEARCH AND RECOMMEND

Your adviser will research the most suitable financial solutions for you from all those available on the market, based on the information you provided at the initial consultation and as agreed with you. They will report on and recommend actions and products based on the objectives you agreed, and explain the associated implementation costs.

You will then need to decide whether to go ahead with the recommendations.

### IMPLEMENT

If you decide to go ahead, your adviser will implement your recommendations, subject to your approval, liaising with the various product providers involved.

### ONGOING ADVICE

Your adviser will ask you whether you would like to receive independent financial advice on an ongoing basis and, if you do, will explain the different services we offer.

You will need to decide which, if any, of our ongoing service propositions suits you best and agree the appropriate fee structure for providing this.

## THREE SIMPLE STEPS

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### INITIAL CONSULTATION

You will want to understand how we may be able to help you and whether you want to appoint us as your financial advisers.

Your adviser will ask you about your circumstances, current financial position and your financial goals, so they can understand the areas in which you may be able to benefit from advice. They also assess your attitude to risk using industry-leading fact-finding and risk analysis methods, which will help determine among other things which types of savings and investments may be suitable for you.

Your adviser will also explain the benefits of using our services and how we charge for them. Having gathered this information from you and discussed your needs, your adviser will ask you whether you want to proceed and, if you do, agree with you the type of report and recommendations you require (see below) and explain the fees payable for our services, which are set out on pages 7-12.

### FINANCIAL OVERVIEW

Your adviser will analyse all the information you supplied at your initial consultation and, based on your discussions about your current circumstances and financial objectives, will provide you with a written report identifying any action you should take.

The report will not include specific recommendations about providers, products or detailed actions to consider taking.

### FOCUSED RECOMMENDATIONS

Your adviser will analyse all the information you supplied at your initial consultation and, based on your discussions about your current circumstances and financial objectives, will provide you with a written report focusing on the specific issues you have asked us to assess. This will include a recommendation for the most suitable product, provider and, for investments, fund or portfolio, chosen from all those available, for the specific issues on which you have asked us to advise.

The report will not provide you with a comprehensive financial planning strategy.

### COMPREHENSIVE RECOMMENDATIONS

Your adviser will analyse all the information you supplied at your initial consultation and, based on your discussions about your current circumstances and financial objectives, will provide you with a written report with appropriate recommendations as to the action to take. These recommendations give you a comprehensive financial planning strategy. It is based on a complete review of your financial circumstances and existing arrangements, your objectives and attitude to risk, and includes recommendations for the most suitable product, provider and, for investments, fund or portfolio, chosen from all those available.

### IMPLEMENTATION

Once you have agreed the course of action to take we will implement our recommendation or financial plan, liaising with product providers on your behalf, dealing with all the paperwork and keeping you informed of progress until implementation is complete. You will need to provide us with accurate personal details to facilitate this process.

This stage may involve putting in place new arrangements and transferring, terminating or selling existing plans, policies, investments and other arrangements. It may involve signing additional paperwork, for example, such as Trust arrangements to help with family or estate protection.

## ONGOING SERVICE

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### FINANCIAL OVERVIEW

As your life changes, so do your financial goals. Getting married, moving home, having a family and approaching retirement are just some of the things that have an impact on your financial circumstances and arrangements. Plus, with frequent changes to legislation and market conditions, a financial plan can become outdated surprisingly quickly.

That is why many people choose to appoint Falcon Financial Advice Ltd as their long-term financial advisers –

they want to know that an expert financial adviser is keeping an eye on their financial arrangements and is available whenever required.

Once your initial recommendations have been implemented your adviser will ask you to choose the type of service you would like us to provide in the future. This is likely to depend on the value of your investments, the number and type of holdings, and your objectives, timeframes and personal preference. We offer three service options:

#### TRANSACTIONAL

Our Transactional service will suit you if you require a one-off transaction and do not need ongoing reviews or financial advice.

We will not send you valuations, information about legislative or economic changes, or provide you with any further advice and you will not normally have any further contact with your adviser.

We would, of course, be pleased to advise you on future issues for our usual fees should the need arise and you decide to contact us, for instance if you would like to review your portfolio or are approaching retirement.

*There are certain areas of advice where on-going reviews are required, for example; Pension Drawdown. Because of this, these contracts cannot be taken out on the Transactional basis.*

#### CLASSIC

Our Classic service will suit you if you require ongoing guidance, perhaps about a specific issue, and wish to build an ongoing relationship with a financial adviser.

This service includes an annual portfolio valuation. In addition, your adviser will offer you an annual financial review. This includes reassessing the appropriateness of your financial arrangements and identifying any financial gaps that have arisen as a consequence of changes to your financial goals or personal circumstances.

This service also facilitates additional reactive advice and communication, should you have additional financial queries for which you may require the professional opinion of your financial adviser, for instance an assessment of the interest rates on your savings account, credit card charges or simple taxation queries.

#### PREMIUM

Our Premium service will suit you if you require ongoing guidance and the complexity and/or value of your portfolio is likely to necessitate frequent reviews.

This service includes quarterly or half yearly portfolio valuations as deemed appropriate. In addition, your adviser will offer you regular financial reviews, to ensure that your plan takes into account changes in legislation, market conditions and your circumstances. These reviews include reassessing the appropriateness of your financial arrangements and identifying any financial gaps that have arisen as a consequence of changes to your financial goals or personal circumstances.

Depending on your requirements, we may introduce you to other professionals such as accountants or solicitors as appropriate.

## FEES

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As professional advisers we charge fees for our services. Once you have agreed with your adviser the work you would like us to undertake and discussed the costs involved, they will require you to sign a fee agreement before we carry out any work.

Our fees vary according to the complexity of your circumstances and objectives, the scope of the work required, the type and number of products we are implementing (eg investments, insurance, mortgages, etc). In addition, they take into account the regulatory responsibility we take for advice we give you. The fees set out on the following pages are the strict minimum we would charge for a client with very straightforward requirements. In practice, requirements are rarely straightforward and therefore fees may well be higher than the minimum stated.

Our fees are exempt from VAT if you intend to take out a financial product through us as a result of the advice we give you. If you require advice only (ie if you do not take out or intend to take out a financial product through us as a result of our advice) our fees are subject to VAT at the prevailing rate.

All fees are payable on completion of the agreed work.

**You may cancel or change the service you receive from Falcon Financial Advice Ltd at any time by sending an email or letter notifying us of your decision. If you do cancel or change the service, we will charge a pro rata fee for work already undertaken, or in the case of annual agreements, the proportion of the year that has elapsed.**

Falcon Financial Advice Ltd is an appointed representative of Lighthouse Advisory Services Limited. Invoices for our services are issued by and payable to Lighthouse Advisory Services Limited.

For any normal queries and advice, we recommend that you contact your usual adviser in the first instance. However, you can also contact our office – details are on the back of this brochure.

We may recommend that you take certain actions, for example making a Will or setting up a trust for inheritance tax planning, which require the services of other professionals such as a solicitor or accountant. Our Premium service includes referring you to such professionals if required.

The asset allocation (and therefore risk profile) of investments can change surprisingly quickly, especially in volatile markets. We use market-leading risk profiling to discover your attitude to investment risk, and industry-leading asset allocation modelling to ensure that your investments remain in line with your risk profile. This is part of the ongoing investment process within our Classic and Premium services.

## INITIAL FEES

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### STAGE 1: INITIAL CONSULTATION:

Exploring your current financial circumstances and aspirations: £175.

This cost may be borne by us at our discretion.

### STAGE 2: REPORT AND RECOMMENDATIONS:

Services	Financial Overview	Focused Recommendations	Comprehensive Recommendations
A summary of your current personal circumstances	✓	✓	✓
A summary of your current financial position	✓		✓
A summary of your financial goals	✓	✓	✓
Details of all your current policies, plans and holdings	✓	✓	✓
Areas where we recommend you take action	✓	✓	✓
A review of a specific issue of concern to you		✓	✓
Recommendations about a specific issue of concern to you, with specific provider and product or fund recommendations selected from all those available in the market.		✓	✓
A comprehensive review of all your financial arrangements			✓
Recommendations about all aspects of your financial arrangements, including product recommendations selected from all those available in the market			✓
<b>FEE</b>	<b>From £250</b>	<b>From £500</b>	<b>From £750</b>

Fees stated do not include VAT. Please note that the above fees are exempt from VAT if you take out a financial product through us as a result of the advice we give you. If you require advice only (ie if you do not take out or intend to take out a financial product through us as a result of our advice) the above fees are subject to VAT at the prevailing rate.



## INITIAL FEES (CONTINUED)

### STAGE 3: IMPLEMENTATION

The fees for implementing our recommendations vary according to the complexity and scope of the work required and the type of products we are implementing (eg investments, insurance, mortgages).

Your adviser will agree all fees with you before implementing any of the recommendations. At our discretion we may offset fees paid or due for stages 1 and 2 against the implementation fee. Our standard implementation fees are as follows:

Plan Type	Fee*
<b>Investments and pensions</b> Lump sums (including transfers): <ul style="list-style-type: none"> <li>– Up to £100,000</li> <li>– Up to £500,000</li> <li>– £500,000+</li> </ul> Regular contributions (new plans and top-ups)	A maximum of 3% of the amount invested  A maximum of 2% of the amount invested  A maximum of 1% of the amount invested  From £350 per plan, agreed on a case-by-case basis depending on the plan.
<b>Insurance-based products</b>	From £500 We may receive commission from product providers for insurance-based products. If this is the case we will disclose this to you and, at our discretion, we may waive our usual insurance implementation fee.
<b>Drawdown pension</b>	Up to 3% of the funds transferred, subject to a minimum of £1500.
<b>Annuity purchases</b>	Up to 3% of the purchase price, subject to a minimum of £950.
<b>Mortgages</b>	0.50% of funds released, subject to variation depending on the complexity and a minimum of £195. Certain mortgage providers pay introducer fees when funds are released which, at our discretion, we may offset against our fee. <b>Please refer to the document ‘ about our mortgage services and costs’ for details in respect of mortgages</b>

\* Such payment can either be taken from your investment by the product provider or paid directly by you. If it is taken from your investment by the product provider, the amount invested in your plan will be your payment minus the fee.

**For example, a typical implementation fee for advising on an investment utilising your ISA allowance and collectives is;**

Amount Invested	3%
£20,000	£600
£50,000	£1,500
£100,000	£3,000



## FEES FOR ONGOING SERVICES

Services	Transactional	Classic	Premium
Portfolio summary and valuation		annually	half yearly
Portfolio review*		annually	as required (at least annually)
Strategy review meetings*		annually	as required (at least annually)
Review of your attitude to risk*		annually	as required (at least annually)
Ongoing financial advice		✓	✓
Second opinion on general financial issues		✓	✓
Introduction to other professional advisers			✓
<b>Annual fee</b>	<b>£0</b>	<b>0.5% of current funds under management</b>	<b>0.75%-1.25% of current funds under management.</b>

If you choose to pay an on-going fee which is based on a percentage of the value of your investment, the fee payable will increase in line with the increase in value of your investment, or reduce if the value of your investment falls.

\* If as a result of a review new plans are required, standard implementation fees may apply.

### For example, our annual fee for our Classic service would be:

Amount Invested	0.5%
£20,000	£100
£50,000	£250
£100,000	£500

### For example, our annual fee for our Premium service would be:

Amount Invested	0.75%	1.25%
£20,000	£150	£250
£50,000	£375	£625
£100,000	£750	£1,250

Fees stated do not include VAT. Please note that the above fees are exempt from VAT if you take out a financial product through us as a result of the advice we give you. If you require advice only (ie if you do not take out or intend to take out a financial product through us as a result of our advice) the above fees are subject to VAT at the prevailing rate.

## FEES FOR AD HOC SERVICES

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We would be pleased to provide any of the services listed below for an additional fee if they are not already included in your service agreement.

<b>Portfolio summary and valuation</b> We will send you a written summary and valuation of your investments and current holdings.	<b>From £125</b>
<b>Portfolio review</b> Your adviser will review your current plans, policies, investments and other arrangements to ensure that they are still competitive and appropriate, and are on track to meet your objectives. This includes a review of the performance of your investments and recommending any changes that may be required*.	<b>From £250</b>
<b>Strategy review meeting, including financial review</b> Your adviser will carry out a comprehensive review of your circumstances, arrangements and objectives. They will reassess your strategy and attitude to risk, to ensure that your arrangements continue to meet your objectives. They will recommend any changes that may be required, recommending products chosen from all those available in the market. A review of your portfolio is included in this service*.	<b>From £500</b>

\* If as a result of a review new plans are required, standard implementation fees may apply.

Fees stated do not include VAT. Please note that the above fees are exempt from VAT if you take out a financial product through us as a result of the advice we give you. If you require advice only (ie if you do not take out or intend to take out a financial product through us as a result of our advice) the above fees are subject to VAT at the prevailing rate.

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