



## ***Combined Initial Disclosure Document***

Foundation Financial Planning as a trading style of  
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## **1. The Financial Conduct Authority (FCA)**

The FCA is the independent watchdog that regulates financial services. This document is designed by the FCA 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.

## **2. Whose products do we offer?**

### **INVESTMENT**

We offer products from the whole market.

### **INSURANCE**

We offer products from a range of insurers for i.e. Term Assurance, Whole of Life Insurance, Critical Illness, Private Medical Insurance, Mortgage Payment Protection, Income Protection Insurance. Please see our dedicated Insurance Disclosure Document (IDD)

We only offer products from a limited number of insurers. Ask us for a list of the insurers we offer insurance from.

We only offer products from a single insurer

### **MORTGAGES** – see separate Mortgage specific IDD

We offer products in the following 'relevant markets:

- Regulated mortgage contracts that are used for a non-business purpose; and
- Regulated mortgage contracts that are used for a business purpose.

We are not limited in the range of mortgages we will consider for you and can offer you advice on both first and second charge loans to include equity release and home reversion plans

We will provide you with a Mortgage IDD that is personalised to you once we have discussed your needs, objectives and the level of service you require. This will disclose the agreed remuneration and ways of paying us

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

- Independent Financial Advice - We will advise and make recommendations for you after we have assessed your needs. Our recommendations will be based on a sufficient range of retail investment products, MiFID instruments and structured deposits.
- Restricted advice – We will advise and make a recommendation for you after we have assessed your needs, but we only offer advice on limited types of products, or products from one company or a limited number of companies.
- No advice - 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.

#### INSURANCE

- We will advise and make a recommendation for you after we have assessed your needs for all types of non-investment insurance contracts, we deal in.
- 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.

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

#### INVESTMENT

We will ask you to pay for our services on the basis of an adviser charge, a fee, or a combination of both. An adviser charge is where the amount we receive is taken directly from your fund (if applicable), whereas a fee is where the amount is paid directly by you to us.

We will discuss your payment options with you and answer any questions you have. We will not charge you until we have agreed with you how we are to be paid.

All fee amounts quoted below are exclusive of VAT, expenses and disbursements; these will be added to the invoice if applicable. VAT may or may not be applicable.

#### Advised service

An advised service may not always involve a new investment recommended by us i.e. we may advise on your existing arrangements and you may pay us for this service via an adviser charge, a fee or a combination of both. There is more on our advised services later in this document.

## Initial advice service

Regardless of how our fee is paid, i.e. from your fund or paid directly from you, we will provide you with an initial advice service and this service will be appropriate for you, based on your requirements and circumstances at that time, so may involve financial advice and an investment. We will only ensure that any initial advice remains suitable for you moving forward, i.e. annually, if you choose to receive ongoing services from us.

## Ongoing services

In addition to our initial advice service, you may ask us to undertake an ongoing service to oversee and review your investment(s). Details of our ongoing services are outlined later in this document.

Our typical adviser charges are shown on Page 6.

We normally agree a fixed adviser charge before we start work for you, but if we do not agree a fixed adviser charge with you at outset, you may ask us for an estimate of how much in total we might charge for any service(s) provided. You may also ask us not to exceed a given amount without checking with you first.

From the above you will have gathered that the fees arising for our investment advice service are divided into two parts:-

1. The initial advice service or the advised service as referred to above, a one off charge to assess, make recommendations, set up the accounts and execute our recommendations etc.
2. The ongoing services process maintains the investment, oversees it and reviews it on an annual basis

## The initial advice service and how we calculate the fees arising for this process

Foundation Financial Planning work on three different hourly rates of **£75.00 per hour**, the lower rate, **£125.00 per hour**, the mid-rate and **£185.00 per hour**, the higher rate.

1. The *higher rate* of £185.00 per hour is the rate applied where we do work at the technical end of the advice continuum i.e. For Trusts, Tax, Retirement Options, Investment and Estate Planning
2. The *mid-rate* of £125.00 per hour is where all of the advice continuum is being assessed using the technical end, basic financial planning and administration i.e. Pension Accumulation and Individual Savings Accounts and Mortgage work
3. The lower rate of £75.00 per hour is where administration only is required

The hourly rates shown above will be applied appropriately. Typically, a combination of the hourly rates shown may be applied for administration, arrangement, advice and recommendations.

We will apply these rates or a combination of these rates in the most suitable and economical way for your circumstances

Whilst we supply our services at the rates shown above, the majority of the time we give you a 'project amount' to complete the tasks agreed with you. The 'project amount' is always lower than a combination of the rates shown above. The project amount may also take into account the following: -

- Additional advice required in the shorter term
- Follow-on advice required in the longer term
- Existing client loyalty discounts
- Or to show goodwill

Before any work on your behalf we will confirm the project amount to you.

Foundation Financial Planning does not make charges based on a percentage of your investment (ad valorem). Our charges are based on the fixed project rate which will reflect the level of complexity and the extent of the administrative undertaking. In almost all situations working in this way is more economic for you.

Before we provide any services to you, we will gather information about your circumstances and needs. This means information gathered from you directly and from the providers you are associated with. We will not make a charge for gathering the information.

We *will* charge to assess the information and this charge will be based on the complexities involved. Please note we will let you know how much the assessment will cost before we undertake this for you.

The assessment may lead to us recommending an economical re-arrangement of your existing investments in-situ rather than being moved from where they are: this falls into the advised service channel referred to earlier.

If gathering and assessing your information leads us to making a series of recommendations to you, we may recommend a Blueprint document. A Blueprint document is where further to fact-finding and understanding your objectives, we prepare a document that outlines the critical areas and highlights a strategy and priorities. The Blueprint document is optional and only prepared further to your instruction and is not always necessary.

We will reduce the fee proportionately for the Blueprint document if any of the recommendations made within this are taken up. The Blueprint process is for the more technical advisory work we undertake. The cost of the Blueprint document is £850.00.

Further to your assessment of the Blueprint document, or where we make recommendations outside of a Blueprint document you may instruct us to carry out an advised service or an initial advice service for you.

### **'The initial advice service'**

The fee arising for the initial advice service is a one-off fixed adviser charge and is based on your specific needs and circumstances. The following examples are calculated based on our time costs and the complexity of the advice and the potential added value to you. Once agreed, the one-off fixed adviser charge amount will not change, except where your needs or circumstances differ from our initial expectations.

Each client situation differs, though our aim is that our service moulds itself to your specific requirements rather than the other way around.

Foundation Financial Planning takes an holistic approach to independent financial advice so it is difficult to measure out the exact initial costs for a process but below is an **example** (based on the hourly rates shown above) of how much a typical service we provide may cost.

**Example of a one-off total fixed ‘adviser charge’ of £2,385.00 split as follows:  
(The following confirms number of hours and the hourly rate applicable)**

Researching the market to establish a suitable investment option:	4hrs x £125.00
Recommend any suitable investment products	2hrs x £125.00
Investment research	4hrs x £185.00
Tax profiling	2hrs x £185.00
Presentation meeting (initial meeting free)	2hrs x £185.00
Act between you and the relevant product provider with the view of arranging the agreed investment product	3hrs x £ 75.00
Providing a suitability document confirming our advice and recommendations	4hrs x £ 125.00

**Total** **£2,995.00**

*(Investment research* includes the investment recommendation and the execution of the investment recommendation)

The £2,955.00 would subsequently be converted to a project rate and discounted (as outlined earlier), so the final agreed figure would be less than £2,995.00.

We will tell you how much the one-off fixed adviser charge will be before we start work on your investment process.

This structure also applies where a regular contribution to an investment is recommended. Where a regular contribution is recommended our fee can be paid in instalments over a period not exceeding 12 months, or within a shorter period if agreed with you.

The fee can be paid directly by you to us or taken from the fund (Adviser Charging) whichever is most appropriate in the circumstances.

**Please remember the above figures are for example only**

**The ongoing process and how we calculate the fees arising for this process**

We believe ongoing reviews are central to optimal client financial outcomes. In our opinion it is not prudent to go through either an initial advice service, or an advised service that concludes with an investment recommendation, but then not to continually evaluate the investment.

Where a client agrees an ongoing service would add value we apply 0.50% pa of the value of their fund as an ongoing charge.

The application of this ongoing charge provides the following service: -

1. Each year at around the same time we will invite you to review your financial arrangements, which we estimate takes a minimum of 6 hours and includes:
  - a. Bringing together all relevant information
  - b. Current valuations
  - c. Evaluation
  - d. Updating circumstances
  - e. Emailing correspondence
  - f. Telephone conversations
  - g. Executing changes
  - h. Face to face meetings, Skype, MS Teams, telephone
2. Of the 0.5% pa we apply as an ongoing charge 0.4% of this covers the cost of the annual review and the balance of 0.1% pa covers the annual maintenance.

- a. **Annual review:** Generally we expect an annual review will equate to three hours at our higher rate of £185.00, 1 hour at our mid-rate of £125.00 and two hours at the lower rate of £75.00 which totals £830.00.

Where this amount is not covered through the 0.4% pa charged annually to your fund, we may invoice you for the balance, or tailor our service accordingly. In some cases, an extra charge will be unavoidable and in these circumstances the investment fund itself will fund the full amount, or the extra charge can be funded by you directly or again from the fund itself. However it would be rare for us to ask you to fund any balance directly and more commonly the balance would be covered from your investment. However as with all charges applied by us we will communicate this clearly and in a suitable way.

**Please note that the £830.00 is shown as an example only.**

- b. **Annual maintenance:** We will deal with any enquiries about your fund during office hours without further charge. We regularly review your account and apply 0.1% pa of the value of your fund to cover the cost of this activity. We are continually reviewing investment accounts to monitor their behaviour.

A question often asked is what does 'continually reviewing' actually mean and the following hopefully addresses this: -

We have numerous investment alerts in place which amongst many other things advise us of the following:-

Fund charges changing above an acceptable limit

Managers moving

Fund values changing at an alarming rate due to volatility (in times of very excessive market volatility, with your consent we can arrange to move your capital into cash: real cash not a money market environment)

We are constantly watching the investment markets and taking reference points from as many places as we can. If through our observations we come across information that may have an adverse effect on a fund, or funds held in your portfolio where we can we will take action to protect your interests subject to your permission to do so.

3. An annual meeting is not obligatory but advisable. If a meeting does not take place because you decline the invitation you will still benefit annually from the following: -
  - a. A minimum of one valuation per year
  - b. A technical evaluation of your investment, asset allocation, risk assessment, efficient frontier etc
  - c. Advice & Recommendations to make changes
  - d. Two newsletters - where you have opted into our marketing
  - e. An updated tax table - where you have opted into our marketing
  
4. If your fund size is less than £175,000.00 then you may only be entitled to the above if, we can invoice you or your fund for the difference. The difference will be calculated by your fund size multiplied by 0.50% and the £830.00 shown above.

Where you have no funds under management through us or the investment you have through us will not be able to provide 0.50% pa, we will agree an amount to review your circumstances in advance of a meeting.

**Your payment options for Independent advice services unrelated to an investment or other financial products. This is known as an 'advised service' and has been referred to throughout this document.**

Foundation Financial Planning are advice driven, not product driven. This is an obvious driver as many financial solutions do not revolve around a client investing in a product. As such our service may give rise to a fee even if we do not recommend a product, but some other course of action.

The fee will be due on completion of our work as agreed in advance and we often request payments on account. You can send our fee electronically and we accept cheques. We cannot accept cash and at the moment can not accept credit or debit cards. In some cases your sign off will allow us to invoice your investment account. Most of the work we do is evidenced by an invoice but where this is not practical we will issue a receipt.

Where our initial advice charge is paid by instalments this payment will usually be made from your fund. If we are unable to get this payment from the fund because you stop making the regular investment, we will ask you to make the outstanding payment directly to us or allow us to invoice your fund directly. Any regular payment process will be explained in detail to you.

## 5 What will you have to pay for our insurance services?

### INSURANCE

A fee depending on the complexity of the arrangement (existing and required) payable at outset but to be advised prior to proceeding

No fee

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

Where an insurance product is recommended and the product allows us to receive a commission, we will use any commission received to fund initial adviser charges.

This may lead to us enhancing the terms of the product where the amount of commission received exceeds our initial adviser charges but it may also lead to us still having to make a charge to you where the commission payable on the product is insufficient to cover our costs.

If it is in your interest that no commission is taken and that either an adviser charge is taken, or a fee is charged then this is what we will recommend.

### COMMISSION CLAWBACK

Insurance can still give rise to commission unlike most other financial products. One of the noteworthy factors about commission is it that some or all of the commission must be refunded to the insurer when the insurance has not been in place for long enough before it is cancelled. Where an insurance recommendation is taken up, we use the commission generated to counterbalance the fees arising on an advice process.

So if an insurance policy is cancelled and a refund of commission is demanded by the insurer we reserve the right to claim the amount of the refund from you, as this ostensibly means our fee is being taken away from us. Where the insurance is cancelled *after* the time the insurer demands a refund of commission then we will not claim anything from you.

Please review our specific Insurance Initial Disclosure Document (IIDDD) for more information on our insurance service.

## 6 Who regulates us?

Foundation Financial Planning is a trading style of Independent Advanced & Clear Ltd whose registered office address is 2<sup>nd</sup> Floor, 38-42a South Road, Haywards Heath, West Sussex, RH16 4LA. We are authorised and regulated by the Financial Conduct Authority (FCA). Our FCA Register number is 917076

Our permitted business is advising on and arranging investments, non-investment insurance contracts and mortgages. You can check this on the Financial Services Register by visiting the FCA's website [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) or by contacting the FCA on 0800 111 6768.

## 7 What to do if you have a complaint?

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

- In writing to Gianni Campopiano, Foundation Financial Planning, 2nd Floor Front Office Suite 38-42A South Road, Haywards Heath West Sussex, RH16 4LA
- By phone on 01444 410276

To avoid any bias, we usually subcontract out any complaints to our compliance provider.

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

## 8 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 up to a maximum limit of £85,000.

### *INSURANCE*

Insurance advising and arranging is covered for 90% of the claim, without any upper limit.

AND / OR

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.

<http://www.fscs.org.uk/what-we-cover/compensation-limits/investment-limits/>

<http://www.fscs.org.uk/what-we-cover/compensation-limits/>

## 9 Conflicts of Interest

Occasions may arise where we or one of our other clients have some form of interest in business being transacted for you.

If this happens or we become aware that our interests, or those of one of our other clients conflicts with your interests, we will write to you to obtain your consent, before we carry out your instructions. We will also outline the steps we will take to ensure fair treatment.

As a consequence of such potential conflict of interests arising, we have put arrangements in place to ensure our clients are treated fairly. We have also implemented a 'Conflict of Interests' policy to help us manage such risks, which you may access upon request.

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