

Sterling Financial Advice Ltd

*Sterling House, 2-6 Market Place,
Atherton, Manchester, M46 0EG*

1. The Financial Services Authority (FSA)

The FSA is the independent watchdog that regulates financial services. This document is designed by the FSA to be given to consumers considering taking advice on certain financial products. Use this information to decide if our services are right for you.

2. Whose products do we offer?

Investment

- We offer products from the whole market.
- We only offer products from a limited number of companies.
- We only offer products from a single company.

Insurance

- We offer products from a range of insurers for Term Assurance, Mortgage Protection Assurance, Critical Illness Insurance, Private Medical Insurance, Permanent Health Insurance, Buildings and/or Contents Insurance, Accident, Sickness and Unemployment Insurance, Travel, Motor and Commercial Insurance.
- We only offer products from a limited number of insurers.
- We only offer products from a single insurer.

Mortgages

- We offer mortgages from the whole market.
 - We only offer mortgages from a limited number of lenders.
 - We only offer mortgages from a single lender.
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3. Which service will we provide you with?

Investment

- We will advise and make a recommendation for you after we have assessed your needs.
- 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.
- We will provide basic advice on a limited range of stakeholder products and in order to do this we will ask some questions about your income, savings and other circumstances but we will not:
- Conduct a full assessment of your needs;
 - Offer advice on whether a non-stakeholder product may be more suitable

Insurance

- We will advise and make a recommendation for you after we have assessed your needs for Term Assurance, Mortgage Protection Assurance, Critical Illness Insurance, Private Medical Insurance, Permanent Health Insurance, Accident, Sickness and Unemployment Insurance.
- You will not receive advice or a recommendation from us in relation to, Buildings and/or Contents Insurance, Travel Insurance, Motor Insurance and Commercial Insurances. 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.

Mortgages

- We will advise and make a recommendation for you after we have assessed your needs.
- 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.
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4. What will you have to pay us for our services?

Investment

- Before we provide you with advice, we will give you our keyfacts guide 'about the cost of our services'.
- We will tell you how we get paid, and the amount, before we carry out any business for you.

Insurance

- A fee.
No fee for Term Assurance, Mortgage Protection Assurance, Critical Illness Insurance, Private Medical Insurance, Permanent Health Insurance, Buildings and/or Contents Insurance, Accident, Sickness and Unemployment Insurance, Travel, Motor and Commercial Insurance.
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You will receive a quotation which will tell you about any other fees relating to any particular insurance policy.

Mortgages

- No fee. We will be paid by commission from the lender.
- A fee of £500 for arranging the mortgage payable at the outset and 0.5% of the loan amount payable on confirmation of the mortgage offer, for example if you take out a loan of £100,000 you will need to pay £1,000. If you choose this option we will refund to you any commission we earn from the lender.
- A fee of £250 for arranging the mortgage payable on completion. This is in addition to any commission we may receive from the lender.

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

Refund of fees

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

- A refund of £125, if your application falls through.
- No refund if you decide not to proceed.

5. Who regulates us?

Sterling Financial Advice Ltd, Sterling House, 2-6 Market Place, Atherton, Manchester, M46 0EG is authorised and regulated by the Financial Services Authority. Our FSA Register number is 434667.

Our permitted business is advising on and arranging investments such as bonds, units trusts, investment trusts, Individual Savings Accounts, pensions such as Personal Pensions, Stakeholder plans and Executive Pension plans, Insurances such as Term Assurance, Mortgage Protection Assurance, Critical Illness Insurance, Private Medical Insurance, Permanent Health Insurance, Buildings and/or Contents Insurance and Accident, Sickness and Unemployment Insurance and mortgages.

You can check this on the FSA's Register by visiting the FSA's website www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.

6. What to do if you have a complaint

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

In writing: Write to Sterling Financial Advice Ltd, Complaints Department, Sterling House, 2-6 Market Place, Manchester, M46 0EG.

By phone: Telephone 01942 888889.

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

7. 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 for 100% of the first £30,000 and 90% of the next £20,000 so the maximum compensation is £48,000.

Insurance

Insurance advising and arranging is covered for 100% of the first £2,000 and 90% of the remainder 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.

Mortgages

Mortgage advising and arranging is covered for 100% of the first £30,000 and 90% of the next £20,000 so the maximum compensation is £48,000.

Further information about compensation scheme arrangements is available from the FSCS.

Our Terms of Business

1. Commencement of Terms of Business

The Financial Services and Markets Act 2000, requires that we explain the main aspects of the way we operate, and how this affects you, the client. This Terms of Business Letter will be effective from the date of receipt but may be amended by us following any initial interview intended to ascertain your current financial situation, objectives, and attitude to financial risk. Any such amended Terms of Business Letter will be sent to you within 10 working days of that interview. However, irrespective of any amendments arising from such interviews, we reserve the right to amend the terms of this letter without your consent, but we will give at least 10 business days notice before conducting relevant business, unless we consider it to be impracticable to do so under the circumstances at that time.

2. Client Monies

WE DO NOT HANDLE CLIENT MONIES. All cheques for premiums, investment monies of any kind and valuation fees, etc. must be made payable to the Life Office, Investment Operator, Lender, Insurance Company or other relevant Companies.

3. Investment, Mortgage and Insurance Objectives

Following the issue of this letter, any subsequent advice or recommendation offered to you will be based on your stated objectives, acceptable level of risk and any instructions you wish to make regarding the type of investments, mortgage or insurance policies you are willing to consider. Details of your stated objectives will be included in the Suitability or Needs and Demands Letter we issue to you confirming the reasons for our recommendations.

4. Investment Risk

All investments carry a degree of financial risk which will tend to increase in proportion to the potential rate of return on the investments. Any product which is directly (for example equities) or indirectly (for example Managed Funds) invested in assets which may fall in value may itself fall in value along with any decrease in value of those assets. Before entering into any investment agreement, you must ensure that you understand the risk associated with the product and are content to accept that level of risk. Details of your stated investment objectives will be included in the Suitability Letter we issue to you confirming the reasons for our recommendations.

5. Restrictions

Unless advised to the contrary, we will assume that you wish to place no restriction on the types of designated investment we may recommend and in which you may subsequently invest.

Furthermore, unless advised to the contrary, we will assume that you wish to place no restriction on the markets in which transactions are to be executed.

A full listing of designated investments is available from your adviser upon request.

6. Client Classification

The FSA has a number of different classifications of client, which have differing levels of regulatory protection. We believe in providing our clients with full regulatory protection and we have, therefore, classified you as follows in respect of the following types of business.

Investment Business: A Private Customer (Private, Intermediate or Market-Counterparty)

Insurance Business: A Retail Client (from Retail and Commercial); and

Mortgage Business: A Customer (from Customer or Large Business Customer).

7. Services which are not regulated by the Financial Services Authority

Some of the services provided by us may be not regulated by FSA since they are not included within the Financial Services and Markets Act 2000. Where we intend to provide advice in relation to unregulated activities, we will confirm to you what these services are and the fact that they are not regulated by the Financial Services Authority.

8. **Unregulated collective investment schemes**

The services provided by us will or may include advice on investments relating to, or executing transactions in units in unregulated collective investment schemes.

9. **Client Relations**

When you have instructed us to arrange a specific contract or contracts no further advice will be given unless it is requested by yourself or we have an agreement confirmed in writing to provide periodic reviews. We will, however, if no agreement is in place be pleased to advise you at any time should you require further assistance.

10. **Personal Interests**

Occasions can arise where we, or one of our other customers, will have some form of interest in business which we are transacting for you. If this happens, or we become aware that our interests or those of one of our other customers conflict with your interests, we will inform you in writing and obtain your consent before we carry out your instructions.

11. **Calls**

In addition to making calls at your express invitation, we may call on you at intervals to review your requirements. This will not affect any statutory right of cancellation you may have. Calls will not be made on a Sunday or between 9pm and 9am on any other day.

12. **Advice and Instructions**

Any advice given to you by us shall be in writing. We prefer our clients to give us instructions in writing, to aid clarification and avoid future misunderstandings. We will, however, accept oral instructions provided they are confirmed in writing. We may, at our discretion, refuse to accept instructions although such discretion shall not be exercised unreasonably. 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 (indefinitely for Free Standing Additional Voluntary Contributions, Occupational Pension Transfers and Opt-Outs). 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 pertaining to other parties would be disclosed.

13. **Right to withdraw**

Once your new product has been purchased or mortgage or loan arranged, you may have a statutory right of cancellation, details of which will be given to you.

In the event that you exercise your statutory right of cancellation in relation to an investment and the investment falls in value between the date of purchase and the date on which you exercise your right to cancel, then the investment provider has the right to give you the lower value and not the original amount invested.

Not all investments have the statutory right of cancellation. Where we provide advice on a non-packaged product, such as an Enterprise Initiative Scheme (EIS) or Venture Capital Trust (VCT), you will not have post sale cancellation rights. However, you will have a period of at least seven days from the date you sign the application to withdraw from the agreement.

You should note that, whilst certain transactions are pending, there could be movements within the stock-market that is to say that the stock-market could rise or fall in value. If the market rises in value between the date of realising your existing investment and the purchase of your new investment, you could be financially disadvantaged insofar as the cost of buying your new investment could be greater. Conversely, if there is a fall in the market between the date of realising your existing investment and the purchase of your new investment, you could be financially advantaged insofar as the cost of buying your new investment could be lower.

14. **Registration of Investments**

We will register all investments in your name unless otherwise agreed in writing. All contract notes and documents of title in respect of your investments will be forwarded to you as soon as possible after being received by us. Where a number of your documents relating to a series of transaction are involved they will normally be retained by us until the series is complete.

15. **Termination**

The authority to act on your behalf may be terminated at any time without penalty by either party giving seven days notice in writing to that effect to the other, but without prejudice to the completion of transactions already initiated. Any transactions effected before termination and a due proportion of any period charges for services shall be settled to that date.

16. **Law**

These Terms of Business are governed and shall be construed in accordance with English Law and the parties shall submit to the exclusive jurisdiction of the English Courts.

17. **Data Protection**

Information provided by you may be held, processed, disclosed and used by ourselves, professional advisers and any associated companies in servicing our relationship with you. However, strict confidentiality will be maintained at all times. It is understood that, unless you notify us otherwise, you agree to the storage, use and disclosure of such information. This information may be disclosed to third party product providers, lenders, insurers or companies in connection with home reversion plans in the course of providing our analysis and servicing of our relationship with you. You also agree that for the purposes described above your data may be transferred to countries outside the European Economic Area. We may use and analyse your data, including the nature of your transactions, to provide you with information by post, telephone, fax or e-mail to service and update you, as well as informing you of new investment opportunities and contacting you in connection with your mortgage, if we arrange one on your behalf. If you would prefer to be excluded from these

services, please write to us at the company address on this Agreement.

18. **UK Money Laundering Regulations**

We are obliged to conform with the Proceeds of Crime Act 2002 and Money Laundering Regulations 2003 and also adhere to the guidance notes from the Joint Money Laundering Steering Group which requires financial institutions to verify the identity and place of residence of each customer. We will also request that you inform us how any monies were obtained/accumulated. This process may require sight of certain documentation. If you provide false or inaccurate information and we suspect fraud or money laundering we will record this. We may not forward any applications or money to third parties/product providers until our verification requirements have been met. We take no responsibility for any delay in arranging a product where money laundering verification is outstanding. In circumstances where sufficient verification is not received in a timely manner after we have received completed applications, the application(s) and any monies may be returned to you.

Date given to Customer	
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Signed (Customer 1)		Signed (Customer 2)	
Print name (Customer 1)		Print name (Customer 2)	

Date signed by Customer(s)	
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Signed (Adviser)	
Print name (Adviser)	