

# About Regulation & Protection Terms and Conditions of Business



## **Important document - Please read**

At Ethical Futures we believe in openness and transparency. Therefore, we are providing you with full information and details about our business, regulatory status, advice permissions and professional standing.

As well as confirming it in this document, we have provided full details about financial services protections available on financial products that we may recommend and also details about who to consult if you have a complaint or need for redress.

We realise that this is the “small print” that many people just skim over, so we have highlighted below, where to find some of the key issues that clients ask about. This is an important document and we will ask you to confirm that you have received it when you sign our letter of engagement.

Confirmation of receipt of these terms and conditions and other important documents

We will ask you to sign to confirm that you have received important documents and are aware of how we will use your personal information.

Please read these terms and conditions together with the following documents:

- **About our Costs & Services** - Information about our services and cost

Who owns Ethical Futures?	We are an independently owned business – see page 2, points 1 & 2
Are you regulated?	We are authorised and regulated by the FCA. See page 2, points 2, 5 & 6
Are you independent?	Yes, we are an independent business and are not tied to a restricted range of providers, products or services. See p 2 sections 1, 3 & 7
What services can you provide?	We provide planning and advice services and can arrange a wide range of financial products – see page 2, points 5, 6 & 7 and page 3 point 13. See also our separate <b>About our Costs &amp; Services</b> document
Am I protected if the investment company goes bust?	In most cases, yes – but there are exceptions – see page 2 point 6 & page 4 point 17
Are there limits to your advice?	Some - we only advise where we feel we have the relevant expertise and regulatory permission. See page 2 point 4 & 7 - If we can't help you, we may be able to introduce you to someone who can.
How much will your advice cost?	That depends on the advice required – for full information; see our separate document – <b>About our Services and Costs.</b>
How do I pay you?	See page 2 point 8 and page 3 point 14
What will you use my personal information for?	We treat this information with great care and respect your privacy at all times see page – see page 5 point 21
What if I'm unhappy with your service?	We aim to please but if you have a complaint do let us know – see page 4 point 16 for full details.

## **Commencement of the client agreement**

These terms and conditions will commence on the date of receipt.

### **1. Ownership and structure**

Ethical Futures llp is an independent business, owned as a limited liability partnership by Julian Parrott and Martin Wight. The business is registered in Scotland no: S0300638. Please see our Companies' House registration for further details.

### **2. Regulation & status**

Ethical Futures llp of 9 Mansfield Place, Edinburgh EH3 6NB is authorised and regulated by the Financial Conduct Authority (FCA). Our FCA Number is 552583. You can check this by going to the FCA Register at [www.fca.org.uk/register](http://www.fca.org.uk/register) or by contacting the FCA directly on 0800 111 6768.

### **3. Client category**

It is a requirement of the Financial Conduct Authority that all clients are categorised into one of three categories (Retail, Professional or Eligible Counterpart). We have categorised you as a 'Retail Client'. You have the right however to request a different categorisation if you wish. Please note that 'Professional Clients' and 'Eligible Counterparts' may receive a lower level of consumer protection.

### **4. Financial Objectives (Demands & Needs)**

Following the issue of these terms and conditions and subject to your signing our fee agreement, any subsequent advice or recommendation offered to you will be based on your stated objectives, your agreed attitude to investment risk and any restrictions you wish to place on the scope of advice.

Details of your stated objectives will be included in the suitability report that will explain and confirm the basis of our recommendation and point out any key risks and disadvantages. There may be exceptions to this, for example business transacted on a non-advised or execution only basis (directly on your instructions whereby you will not have requested nor received any advice, or where pre-prepared questions are used to determine the product and provider) or on a limited advice basis (the firm's recommendations were limited by the fact that not all relevant information was made available or because you requested that we limit our advice to a particular area of financial planning). If these situations exist, we will make it clear to you in any subsequent correspondence; however you should appreciate that our responsibility to you will be limited accordingly.

### **5. Services and products regulated by the FCA**

We provide independent advice on packaged retail investment and insurance products (these include but are not limited to pensions, investment bonds, units, annuities, ISAs and savings plans) and structured investment products only. Ethical Futures LLP is also authorised to give advice and recommendation on Mortgages from the whole of the market.

### **6. Ethical & Sustainable Investment – Focussed Advice**

We only recommend products that meet ethical and socially responsible criteria. Otherwise, our recommendations will be based on an assessment of a sufficient range of relevant products that are sufficiently diversified in terms of type and provider to ensure your ethical investment objectives can be suitably met.

### **7. Services and products not regulated by the FCA**

Some of the products and services we provide are not currently regulated by the FCA and include, but are not limited to arranging and advising on bank and building society deposits, certain types of mortgages (e.g. 'Buy to let' mortgages) and some offshore schemes and investments. Except for deposits, because advice given on these products is not regulated by the FCA you may not have any rights to financial redress under the Financial Ombudsman Service or Financial Services Compensation Scheme with regard to any future disputes.

### **8. Payment for Services**

Before we proceed with any service that will require you to agree to pay us a fee, we will detail the fee due as accurately as possible, and tell you when the fees are payable. Once we have agreed a fee for any work or service we will ask you to sign our Letter of Engagement to confirm your understanding of the fees that will be charged, how those fees will be paid and what cancellation rights you have.

We charge our clients for our professional services which include initial engagement, research & analysis, advice, implementation and (optionally) review services. Our fees are based upon the time required to provide the advice and service to you, as well as the level of expertise and responsibility involved. However, we will generally charge on the basis of fixed 'project fees' rather than an hourly rate. Further information is detailed in our how we work with you document '**About our Services and Costs**'.

#### **VAT**

Our business is registered for Value Added Tax (VAT). Because we provide an advisory service and often recommend investment services, our fees are generally liable to VAT. There may occasionally be an exemption to this where the advice process is deemed to be 'recommending and arranging' a financial product, formally known as 'intermediation', on these occasions fees will be VAT exempt. We will advise you when VAT will be payable.

For more information about fees, please refer to the '**About our Services and Costs**' document, highlighted in the 'Important Documentation' box on page 1.

#### **9. Registration of investment / retention of policy documents**

Where we arrange an investment, we will register these in your name unless otherwise agreed in writing. All contract notes and documents of title in respect of your investment will be forwarded to you, unless otherwise instructed in writing, as soon as practicable after being received by us. Where a number of documents relating to a series of transactions are involved, we will normally retain the documents until the series is complete and then forward them to you.

#### **10. Client Instruction**

We prefer that any instructions be given in writing. If any advice or instructions are given orally, then they must be confirmed in writing to avoid possible disputes. We may refuse at our discretion to accept certain instructions, although such discretion will not be exercised unreasonably. When we have arranged any transactions on your behalf, we will not give you any further advice or service unless you have specifically agreed to an ongoing service for which we will be remunerated as detailed in our fee agreement.

#### **11. Conflict of interest & material interest**

We seek to identify and resolve any conflicts or perceptions of conflicts of interest can arise where we, or one of our other clients, may have some form of interest in business which we are transacting for you. If we become aware of such a potential conflict we will inform you, explain our resolution and obtain your consent to proceed. Our conflicts of interest policy is available for inspection upon request.

#### **12. Verification of identity**

As part of our regulatory duties, we are obliged to verify as a minimum, the identity, place of residence, source of funds and source of wealth of each client. This process may require sight of certain documentation. We are unable to 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 investing where Identity 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 uninvested. Please note that verification may include the use of online resources such as online databases, the electoral roll and Her Majesty's Treasury's financial sanctions lists.

#### **13. Regulated Mortgages - Our Process Explained**

If we are advising you about mortgages or regulated loans secured on your property, at commencement of the process we will issue you with this document and the About our Services and Costs document. We will then complete a detailed fact-finding questionnaire to enable appropriate advice to be given to you commensurate with your circumstances, your mortgage and associated insurance requirement. Once we have established a suitable lender, we will provide you with an illustration which details the product we have recommended and the costs involved in setting up your regulated mortgage contract. Once we have made our recommendations to you, we will confirm our advice in writing in the form of a suitability report. These recommendations will also include any implications of taking out a mortgage. You should safeguard the suitability report as it will be an important record of our discussions. Details of the loan will also be confirmed in your lender's formal offer. These documents will enable you to make informed decisions and it is our aim to help you with this process. All documents should be read and understood and we invite any questions or concerns you may have relating to the advice given.

#### **14. Receiving payments from clients**

Ethical Futures does not handle client monies. We never handle cash or accept a cheque made payable to us unless it is a cheque in settlement of our fees in accordance with a signed fee agreement. Crossed cheques for investments should only be made payable directly to the investment company and to the relevant third party for various ancillary fees (for example mortgage lender, surveyor, and solicitor). You should decline to give money to, or write cheques payable personally to an individual adviser and any receipt by them personally of such a payment from you will not be regarded by us as being a transaction for which we will have any responsibility.

#### **15. Risk Warnings**

You are advised that because investments can fall as well as rise in value, you may not get back the full amount invested. Past performance is not a guide to future performance. Other key risks will be included within our suitability report and in product provider literature. Please ensure that you fully understand all such risks.

Our assessment of whether you can afford to enter into a regulated mortgage contract is based on your current circumstances and on current interest rates, both of which may change in the future. You need to be aware that such variables may affect your ability to meet the mortgage payments, which could result in your property being repossessed.

Remember: YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE  
The actual interest rate available will depend upon your circumstances. To understand the features and risks, ask for a personalised illustration.

Debt consolidation: think carefully before securing other debts against your home.

Foreign currency mortgages: changes in the exchange rate may increase the sterling equivalent of your debt.

#### **16. Complaints Procedure**

We endeavour to provide the highest standards of service. However, in the event that you should have a complaint, the firm maintains an internal written complaints procedure. A hand-out summarising this process is available on request.

If you have a complaint (whether oral or written) about the firm or a service it has provided then this should first be directed to our compliance officer or a Partner at our office address. We promise to deal with your complaint in a fair and objective manner. If you are still unhappy with the outcome you will have the right to take any eligible complaint to the Financial Ombudsman Service and details of how to do so will be provided at this stage. The limits and access rights you may have to the Financial Ombudsman Service [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) and Financial Services Compensation Scheme [www.fscs.org.uk](http://www.fscs.org.uk).

#### **17. Redress**

If you make a valid claim against the company in respect of the advice provided and we are unable to meet our liabilities in full, you may be entitled to redress from the Financial Services Compensation Scheme (FSCS); The Financial Services Compensation Scheme provides protection against an authorised investment firm going out of business.

The compensation limits are complicated and amount of redress available will depend on the type of business and the circumstances of the claim.

#### **18. Fees resulting from third party introductions**

There will be occasions when clients are introduced to us from third parties, for example accountants or solicitors. Under such circumstances, we may rebate part of the fee that we charge you to the introducer as payment for making the introduction. Our documentation will not show what proportion of fees will be rebated to introducers, as this responsibility will be with the introducer.

#### **19. Termination of your agreement with us**

Please refer to our information about our services document and fee agreement for information about your cancellation rights.

#### **20. Product cancellation**

Most financial products will carry a right to cancel for a short period, typically 14 days, after the product has been put in place. Please refer to the specific product literature for more information.

## 21. Privacy Policy, Record Keeping & Data Protection

Ethical Futures operates in the financial services sector where data handling and confidentiality are key issues. All the information we collect will be treated with the utmost confidentiality.

So that we may fully understand your circumstances and requirements, we will need to collect information about you, which we will hold as Data controllers under the Data Protection Act 2018 (DPA 2018). We will use this information to analyse your current and future financial needs so that we can ensure that any subsequent advice is suitable to your particular circumstances.

We gather this information as part of our contractual and legitimate requirements. Where sensitive data is obtained, we will seek separate consent to obtain and retain this. For further details please refer to our Privacy Statement.

### Services & Marketing Communications

With your permission, we may seek to keep in touch with you by post, email and telephone to inform you about developments that may be relevant and to deliver monitoring services, updates and fund alerts.

**We do not sell your data to third parties for marketing purposes.** We shall seek your authority for such communications.

## 22. Additional information requirements: distance communications

Where you are likely to do business with us at a distance whereby we communicate exclusively by telephone, email, post or fax, then it is very important that you read the following points in addition to those above.

- The firm will provide you with a service as detailed in these terms and conditions, the information about our services document, the key facts about our services and costs document (mortgage and insurance business only) and fee agreement.
- The total price that we charge for our services is set out in our fee agreement which you must sign prior to our undertaking any service on your behalf. Please ask us if you are unsure as to any aspect of our pricing. There will be other charges and expenses imposed by the providers of insurance, mortgage and investment products which will be detailed separately.
- Please note there is the possibility that other taxes or costs may exist that are not paid through the firm or imposed by it.
- There are no specific additional costs imposed by the firm for dealing exclusively at a distance.
- You should note that some of our recommendations may involve investments that can fluctuate in value, for example depending on financial markets. These fluctuations will be outside of our control and you should therefore consider carefully potential fluctuations before entering into this type of contract. Our recommendations may also involve mortgages where the interest rate can fluctuate, for example depending on the bank interest rate. Please take care to read the warnings issued in this document and any provider literature. If you are unsure then please ask us to explain in more detail.
- The firm does not place any specific limitations on the period for which the information provided remains valid. If you are unsure if something still remains valid then please ask and we will clarify.
- The provisions of any contractual agreement to provide an ancillary advisory service and the relationship created by it shall be governed by English Law and subject to the exclusive jurisdiction of the English courts.
- Any such contract is supplied in English Language and will be communicated in English Language.
- Where it applies and relating specifically to any contractual agreement with the firm to provide an ancillary advisory service to you there will be a right to cancel our fee. This right to cancel will be detailed in the fee agreement. In the event of any dispute, unless there is clear written evidence to the contrary, we will treat the date cited for cancellation as being the date when notice was given, posted or otherwise sent. If you do not exercise your right to cancel then the fee we charge cannot be returned at some later date. For the avoidance of doubt, please note that you do not have a right to cancel a regulated mortgage contract concluded with a lender. Also, any cancellation provisions relating to a particular investment or insurance product are integral to the provider's product and where they apply will be detailed separately in the provider's literature.