



About our services and costs

Alpha Financial Consultants (Somerset Ltd)

Mickleton House, 18 Tower Hill, Williton, Taunton, Somerset, TA4 4NT

1. The Financial Services Authority (FSA)

The FSA is the independent watchdog that regulates financial services. This document has been designed by the FSA 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.
- We only offer products from a limited number of companies.
- We only offer products from a single group of companies.

Insurance

- We offer products from a range of insurers for non-investment life insurance, critical illness, and permanent health insurance.
- We only offer products from a limited number of insurers for non-investment life insurance, critical illness, and permanent health insurance.
- We only offer products from a single insurer.

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 non-investment life insurance, critical illness, permanent health insurance.
- You will not receive advice or a recommendation from us for private medical insurance, buildings insurance, contents insurance and mortgage payment protection insurance.

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

We charge fees based on the size of any investments and the amount of time spent reviewing existing arrangements or providing non-investment services. In certain circumstances it could be beneficial for you that fees are paid via a customer agreed remuneration (CAR) or commission basis and deducted from a product in any event all charges will be confirmed to you in writing.

Advisory fees are charged for non-investment services such as Inheritance Tax planning using wills, trust and gifts or the reviewing of existing financial arrangements. Fees are based on the time spent on the work undertaken and the applicable scale rate for the person completing the work unless a fixed (or capped) project fee has been agreed in writing prior to starting the project. Initial review fees are typically in the region of £500 to £1,500. Our initial meeting (up to 1 hr) is provided free of charge.

Hourly Rates

Our typical hourly charges are:

Certified/Chartered Financial Planner	£150	Per hour	Financial Adviser	£90	Per hour
Advanced Financial Consultant	£125	Per hour	Administration	£45	Per hour

Investment

Our initial charges are:

3% on Investments up to £150,000 (£100,000 =£3,000) 2% on investments between £150,000 and £500,000 (£250,000= £6,500) and 1% on all investments above £500,000 (£600,000=£8,000) our minimum charge is £250. All internal fund switches are charged at the rate of 1%.

Members of our portfolio management or financial planning service will benefit from a 0.5% discount on the above terms (reduced to 2.5%, 1.5% & 0.5%, 0.5% on fund switches)

On the basis of the above fee agreement, any initial commissions normally paid by product providers will be rebated into the investments or may be used to offset the above charges.

Ongoing fees and trail commissions of up to 1% p/a (typical 0.5% on equity investment funds) are typically paid by fund managers (from their own annual management fees) to offset the ongoing cost to advisors of providing general administration and indemnity cover on the investment in question. In order to avoid commission bias our own standard policy is now to charge a flat admin fee of 0.5% p/a on all investments funds and rebate all trail commissions received. On a typical equity portfolio made up of unit trust/OEIC's the admin fee should be fully offset, on a fixed interest portfolio it may result a net fee of around 0.25% being payable. Fees are deducted monthly from investment portfolios as standard and may involve the sale of units where trail commissions are insufficient to cover the full charges. This fee is only designed to cover the cost of basic admin and professional indemnity insurances, with no ongoing advice or reviews provided.

Our Portfolio Management Service is designed to provide all the investment based support and management you require on an ongoing basis, with biannual valuations (with analysis), and annual (or more frequent) review meetings and the assurance that we are available and happy to chat and provide telephone/email support when you need to talk (and if we are not in we will get back to you within 48 hrs). This service is provided at a cost of 0.5% (of funds under management) with a minimum total annual fee of £750. Fees can either be paid directly by way of a standing order or they may be deducted on a monthly basis from investments with the sale of units carried out where cash levels are insufficient.

Fees are normally VAT exempt where advice results in a financial product being taken up and where advice relates to the management of collective investments, all other services are normally VAT chargeable. We will advise you if you have to pay VAT.

Paying by commission (through product charges)

Whilst it is our standard policy to charge a fee and rebate initial commission's payable on investments. If you buy a financial product, we may receive commission on the sale from the product provider. Product charges pay for the product provider's own costs and any commission; these charges then reduce the amount left for investment.

The amount of commission we receive will depend on the amount you invest, the product recommended and (sometimes) how long you invest or your age. For example:

- If you invest £10,680 in an individual savings account (ISA) we would receive commission of 3% of the amount invested (£320.40) and 0.5% of the value of the fund (roughly £53.40 every year).
- If you pay £100 per month into a personal pension (with a 25 year term) then we may receive commission of £900
- If you pay £30 per month for a life insurance policy then we would receive approx £700
- We will tell you how much the commission will be before you complete an investment or policy, but you may ask for this information earlier.

Paying by a combination of fee and commission (through product charges)

We may charge you a combination of fee and commission. The fee will not exceed the rates shown in this document. We will agree the rate we will charge before beginning work and we will tell you if you have to pay VAT. The fee will become payable on completion of our work. You may ask us for an estimate of how much in total we might charge. You may also ask us not to exceed a given amount without checking with you first. We will tell you how much the commission will be before you complete an investment, but you may ask for this information earlier.

We will charge you a combination of fees and commission. The actual amounts will depend on the service provided to you, but will be in line with the arrangements set out in the sections above.

Insurance

- We normally do not make a charge for setting up non-investment life insurance, critical illness, permanent health insurance but will receive a commission for setting the plan up .
- You may opt to pay us on an hourly basis for the setting up of your plan, charges commonly not less than £500 for setting up your non-investment life insurance, critical illness, permanent health insurance.

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

5. Who regulates us?

Alpha Financial Consultants (Somerset Ltd) is authorised and regulated by the Financial Services Authority. Our FSA Register number is 537114.

Our permitted business is Investments, Pensions, Life Insurance & Protection

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 to The Compliance Officer, Mickleton House, 18 Tower Hill, Williton, Taunton, Somerset TA4 4NT
- ... by phone Telephone 01984 633757

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 £50,000 so the maximum compensation is £50,000.

Insurance

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

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