

Terms of Business

Terms of Business – Version 10.18 Effective from October 2018.

PFP Financial Services Limited

Registered office and Place of Business

29 Terenure Road East, Rathgar

Dublin 6, D06 RT93

Telephone No: + 353 1 4980007

Web: www.pfp.ie

Registered in Ireland No : 473441. Directors : Andrew Nevin, Paddy Mahony

PFP Financial Services Limited

These Terms of Business set out the general terms under which our firm will provide business services to you and the respective duties and responsibilities of both the firm and you in relation to such services. Please ensure that you read these terms thoroughly and if you have any queries we will be happy to clarify them. If any material changes are made to these terms we will notify you.

Authorisation with the Central Bank of Ireland

PFP Financial Services Limited (C54531) is regulated by the Central Bank of Ireland as an insurance intermediary registered under the European Union (Insurance Distribution) Regulations 2018; as an Investment Intermediary authorised under the Investment Intermediaries Act, 1995 and as a Mortgage Intermediary authorised under the Consumer Credit Act, 1995, and as a Mortgage Credit Intermediary under the European Union (Consumer Mortgage Credit Agreements) Regulations 2016. Copies of our regulatory authorisations are available on request. The Central Bank of Ireland holds registers of regulated firms. You may contact the Central Bank of Ireland on 1890 777 777 or alternatively visit their website at www.centralbank.ie to verify our credentials.

Codes of Conduct

PFP Financial Services Limited is subject to the Consumer Protection Code, Minimum Competency Code and Fitness & Probity Standards which offer protection to consumers. These Codes can be found on the Central Bank's website www.centralbank.ie

Our Services

PFP Financial Services Limited is a member of Brokers Ireland.

Our principal business is to provide advice and arrange transactions on behalf of clients in relation to life & pensions/mortgages/general insurance products. A full list of insurers, product producers and lending agencies with which we deal is available on request.

Insurance Intermediary Services/Mortgage Intermediary Services

We act as a Broker which means that:

- a) the principal regulated activities of the firm are provided on the basis of a **fair and personal analysis** of the market; and
- b) you have the option to pay in full for our services by means of a fee.

Fair and Personal Analysis

The concept of fair and personal analysis describes the extent of the choice of products and providers offered by an intermediary within a particular category of life assurance, general insurance, mortgages, and/ or a specialist area. The number of contracts and providers considered must be sufficiently large to enable an intermediary to recommend a product that would be adequate to meet a client's needs.

The number of providers that constitutes 'sufficiently large' will vary depending on the number of providers operating in the market for a particular product or service and their relative importance in and share of that market. The extent of fair analysis must be such that could reasonably be expected of a professional conducting business, taking into account the accessibility of information and product placement to intermediaries and the cost of the search.

In order to ensure that the number of contracts and providers is sufficiently large to constitute a fair and personal analysis of the market, we will consider the following criteria:

- the needs of the customer,
- the size of the customer order,
- the number of providers in the market that deal with brokers,
- the market share of each of those providers,
- the number of relevant products available from each provider,
- the availability of information about the products,
- the quality of the product and service provided by the provider,
- cost, and
- any other relevant consideration.

Investment Intermediary Services

We are remunerated by commission for our investment intermediary services.

We are remunerated by commission for the advice we provide on our insurance based investment products.

Life & Pensions/Deposits & Life Wrapped Investments

We provide life assurance and pensions on a fair and personal analysis basis i.e. providing services on the basis of a sufficiently large number of contracts and product producers available in the market to enable us to make a recommendation, in accordance with professional criteria, regarding which contract would be adequate to meet your needs.

We will provide assistance to you for any queries you may have in relation to the policies or in the event of a claim during the life of the policy and we will explain to you the various restrictions, conditions and exclusions attached to your policy. However, it is your responsibility to read the policy documents, literature and brochures to ensure that you understand the nature of the policy cover; particularly in relation to PHI and serious illness policies.

Specifically on the subject of permanent health insurance policies we will explain to you; a) the meaning of disability as defined in the policy; b) the benefits available under the policy; c) the general exclusions that apply to the policy; and d) the reductions applied to the benefit where there are disability payments from other sources.

For a serious illness policy, we will explain clearly to you the restrictions, conditions and general exclusions that attach to that policy.

Non-Life

We provide general insurance advice on a limited analysis basis, i.e. providing services on the basis of a limited number of contracts within the market. We provide advice on the following product providers:

- Kennco Underwriting Limited
- Cover Centre Insurance Limited
- Wrightway Underwriting Limited
- Zurich Insurance
- Chubb Insurance
- Eversure

In some cases we may be granted authority from an insurance undertaking to conduct tasks on their behalf, for which we will be remunerated. Where we place your business with this insurance undertaking under this authority you will be notified in advance of the placement.

We will also offer assistance to you in relation to processing claims on policies taken out with us and in seeking renewal terms on your cover.

To ensure continuity of cover, where you have an existing policy which is due to expire and where we have been unable to contact you, we may put continuing cover in force whilst awaiting your instruction. You will be liable for any premiums payable to the relevant insurer for the period of time between renewal and when we receive your instruction. You have the right not to avail of this service.

Mortgages

Through the lenders or other undertakings with which we hold an agency, PFP Financial Services Limited can provide advice on and arrange mortgage products from the following range: fixed-rate loans, variable rate mortgages, capital & interest mortgages, interest only mortgages, endowment mortgages, pension mortgages and residential investment property.

We provide mortgage advice on a fair analysis basis (providing services on the basis of a sufficiently large number of contracts and product producers available in the market to enable the firm to make a recommendation, in accordance with professional criteria, regarding which contract would be adequate to meet your needs).

We will need to collect sufficient information from you before we can offer any advice on housing loans. This is due to the fact that a key issue in relation to mortgage advice is affordability. Such information should be produced promptly upon our request.

Statement of Charges

We are remunerated by commission and other payments from product producers or lenders on the completion of business. This includes a Life, Pensions, Investment, General Insurance and Mortgage business.

Where we receive recurring commission, this forms part of the remuneration for all advice provided. We reserve the right to charge additional fees if the number of hours relating to on-going advice/assistance exceeds 8 hrs.

In certain circumstances, it will be necessary to charge a fee for services provided. In circumstances where fees are chargeable we will notify you in writing in advance of engaging our services. Where it is not possible to provide the exact amount, we will provide you the method of calculation of the fee.

If we receive commission from a product provider, this may/will be offset against the fee which we will charge you. Where the commission is greater than the fee due, the commission may become the amount payable to the firm unless an arrangement to the contrary is made.

Personal Retirement Savings Accounts (PRSAs) – Fees

Where advice is requested for PRSAs, a minimum fee of €1,000 will apply.

Additional fees may be payable for complex cases or to reflect value, specialist skills or urgency. We will notify you in advance of providing you with these services. Our scale of fees for such cases range from a minimum of €200 per hour to a maximum of €500 per hour. If we receive commission from a product provider, this will be offset against the fee which we will charge you. Where the commission is greater than the fee due, the commission will become the amount payable to the intermediary unless an arrangement to the contrary is made.

General Insurance

We may be remunerated by commission from insurers on completion of business. Details of this remuneration are available on request. Where an override commission is received, this will be disclosed to you in general terms.

(**Note:** Brokerage fees are more common on the general side of the market and we recommend that you list these in your terms of business.)

Brokerage fee: €x – €x

Cancellation or Mid Term Alteration fee: x% of the premium, with a minimum of €x.

Claims handling: Depending on case.

We will inform you of the amount of fee to be charged. Where it is not possible to provide the exact amount, we will provide you the method of calculation of the fee.

Mortgages

We may receive up to 1% (*or whatever maximum is applicable*) of the loan for arranging mortgage finance. This commission is paid by the mortgage lender. The actual amount of commission will be disclosed at a later stage in the ESIS (European Standardised Information Sheet) which will be forwarded to you. Information on the variation in levels of commission payable by the different creditors providing credit agreements being offered are available on request.

Please note that lenders may charge specific fees in certain circumstances and if this applies, these fees will be specified in your Loan Offer. You have the right to pay a fee separately and not include it in the loan. Typically, this situation arises in relation to specialist lending.

If we provide mortgage advice and obtain a Loan Offer for you and you subsequently do not proceed with your mortgage application through our firm, we reserve the right to charge you an arrangement fee of €500 for our services.

Ongoing Suitability

Investments

Ongoing suitability assessments form part of the service to clients. On an annual basis the firm will issue a client report outlining changes in the services or instruments involved and/or the circumstances of the client.

Insurance based Investment Products

We will provide periodic assessments of the suitability of the insurance based investment product which we have recommended to you.

Regular Reviews

It is in your best interests that you review, on a regular basis, the products which we have arranged for you. As your circumstances change, your needs will change. You must advise us of those changes and request a review of the relevant policy so that we can ensure that you are provided with up to date advice and products best suited to your needs. Failure to contact us in relation to changes in your circumstances or failure to request a review, may result in you having insufficient insurance cover and/or inappropriate investments.

Disclosure of Information

Any failure to disclose material information may invalidate your claim and render your policy void.

Conflicts of interest

It is the policy of our firm to avoid conflicts of interest in providing services to you. However, where an unavoidable conflict of interest arises we will advise you of this in writing before providing you with any service. A full copy of our conflicts of interest policy is available on request.

Default on payments by clients

We will exercise our legal rights to receive payments due to us from clients (fees and insurance premiums) for services provided. In particular, without limitation to the generality of the foregoing, the firm will seek reimbursement for all payments made to insurers on behalf of clients where the firm has acted in good faith in renewing a policy of insurance for the client.

Product producers may withdraw benefits or cover in the event of default on payments due under policies of insurance or other products arranged for you. We would refer you to policy documents or product terms for the details of such provisions.

Mortgage lenders may seek early repayment of a loan and interest if you default on your repayments. Your home is at risk if you do not maintain your agreed repayments.

Complaints

Whilst we are happy to receive verbal complaints, it would be preferable that any complaints are made in writing. We will acknowledge your complaint in writing within 5 business days and we will fully investigate it. We shall investigate the complaint as swiftly as possible, and the complainant will receive an update on the complaint at intervals of not greater than 20 business days starting from the date on which the complaint is made. On completion of our investigation, we will provide you with a written report of the outcome. In the event that you are still dissatisfied with our handling of or response to your complaint, you are entitled to refer the matter to the Financial Services and Pensions Ombudsman (FSPO). A full copy of our complaints procedure is available on request.

Data Protection

We are subject to the requirements of the General Data Protection Regulation 2018 and the Irish Data Protection Act 2018.

PFM Financial Services Limited is committed to protecting and respecting your privacy. We wish to be transparent on how we process your data and show you that we are accountable with the GDPR in relation to not only processing your data but ensuring you understand your rights as a client.

The data will be processed only in ways compatible with the purposes for which it was given and as outlined in our Data Privacy Notice, this will be given to all our clients at the time of data collection.

We will ensure that this Privacy Notice is easily assessable. Please refer to our website (*www.pfp.ie*), if this medium is not suitable we will ensure you can easily receive a copy by hard copy, or telephonic environment. (pre-recorded).

Please contact us at **info@pfp.ie** if you have any concerns about your personal data.

Compensation Scheme

We are members of the Investor Compensation Scheme operated by the Investor Compensation Company Ltd. See below for details.

Investor Compensation Scheme

The Investor Compensation Act, 1998 provides for the establishment of a compensation scheme and the payment, in certain circumstances, of compensation to certain clients (known as eligible investors) of authorised investment firms, as defined in that Act.

The Investor Compensation Company Ltd. (ICCL) was established under the 1998 Act to operate such a compensation scheme and our firm is a member of this scheme.

Compensation may be payable where money or investment instruments owed or belonging to clients and held, administered or managed by the firm cannot be returned to those clients for the time being and where there is no reasonably foreseeable opportunity of the firm being able to do so.

A right to compensation will arise only:

- If the client is an eligible investor as defined in the Act; and
- If it transpires that the firm is not in a position to return client money or investment instruments owned or belonging to the clients of the firm; and
- To the extent that the client's loss is recognised for the purposes of the Act.

Where an entitlement to compensation is established, the compensation payable will be the lesser of:

- 90% of the amount of the client's loss which is recognised for the purposes of the Investor Compensation Act, 1998; or
- Compensation of up to €20,000.

For further information, contact the Investor Compensation Company Ltd. at (01) 224 4955.

Brokers Ireland Compensation Fund

We are also members of the Brokers Ireland Compensation Fund. Subject to the rules of the scheme the liabilities of its members firms up to a maximum of €100,000 per client (or €250,000 in aggregate) may be discharged by the fund on its behalf if the member firm is unable to do so, where the above detailed Investor Compensation Scheme has failed to adequately compensate any client of the member. Further details are available on request.

Important information re: Lifestyle Financial Planning and Cashflow Forecasting

As part of the Financial Planning process PFP Financial Services Limited currently uses Voyant Software to assist with clients Lifestyle Financial Planning and provide Cashflow Forecasting reports. This is to assist clients in making decisions regarding achieving their long term goals. However please note the following limitations regarding the use of modelling:

1. This model has been prepared using the information that you have supplied and it is your responsibility to ensure that information is accurate. In addition, if any of your personal or financial circumstances change this will have an effect upon the model and will affect its validity. In such circumstances we strongly recommend that you supply ALL of your financial information and you request that we run the model again so that we can discuss the effect of the changes and the implications.
2. The model has been run using a number of assumptions regarding inflation, investment return, increase in earnings and income, dates of events in the future, and so on. Any of these assumptions are at best only approximations and they are very unlikely to be replicated exactly. We always recommend that you update your financial plan at least annually and more frequently when circumstances change so that you can review the effects upon your financial modelling.
3. The model has been created using current regulations and current tax regulations. These factors change regularly and they are likely to affect your financial forecast. This adds further weight to our recommendation that your plans should be regularly reviewed and updated.
4. The model looks into the future using known current facts and projected assumptions: It is not a crystal ball and it cannot see into the future. It can only provide an indication of what might happen.
5. The plan may suggest certain courses of action but it is your responsibility to ensure that any course of action is right for you and it is up to you to follow through and complete this action. Our role is only to show you what is possible and it is up to you to implement your course of action and make it happen.
6. Financial modelling is not a regulated activity and is not regulated by the Central Bank of Ireland or any other regulated body. If your financial model suggests any course of action such as investment accumulation, decumulation, gifting, insurance, or anything else, which results in a regulated financial product this will be dealt with separately in a regulated report with the relevant suitability statements etc.
7. Any reliance on this report shall be made at your own risk and you agree that neither PFP Financial Services Limited nor any third party will be responsible for any damages or losses arising from the use of this report. We have relied upon you to provide us with accurate information, we have shown you our assumptions and you have agreed that they are reasonable, and you have agreed to continually monitor your financial plan and consider fully changing circumstances and changing regulations.
8. The data compiled in a Financial Planning report is for your information only and makes no recommendation regarding any course of action. It assumes that you have a good understanding of day to day budgeting, that you understand the value of money, and that you accept your own responsibility for any decisions or any action that you may take as a result.