

# OUR ADVISED SERVICE



This document sets out our Terms of Business and provides you with information about our services and how we charge for advice.



**NFU Mutual**  
FINANCIAL PLANNING

# TERMS OF BUSINESS

## ABOUT US

NFU Mutual is the National Farmers Union Mutual Insurance Society Limited. We offer a range of insurance products and financial solutions to protect your family's future finances. It's our mutuality which sets us apart, we're owned and run for you.

NFU Mutual Select Investments Limited is responsible for any advice provided as part of our advised service, and is a wholly owned subsidiary of NFU Mutual. Our Head Office address is Tiddington Road, Stratford upon Avon, Warwickshire CV37 7BJ.

We are authorised and regulated by the Financial Conduct Authority. Our firm reference is 582519. We are an insurance intermediary for AIG Life, UNUM Limited, Utmost Wealth, Barnett Waddingham and all of our annuity providers. We act as an insurance undertaking for all other business.

If you do business with us we will provide statements quarterly or annually depending on the type of product you take out.

## THE FINANCIAL CONDUCT AUTHORITY (FCA)

The FCA is the independent watchdog that regulates financial services and can be found at 12 Endeavour Square, London, E20 1JN.

[www.fca.org.uk](http://www.fca.org.uk)  
UK: 0800 111 6768 (freephone)  
From abroad: +44 20 7066 1000  
Email: [consumer.queries@fca.org.uk](mailto:consumer.queries@fca.org.uk)

## CONTACT DETAILS

You can contact us by phone on 0800 622 323, or write to us at:

**NFU Mutual, Customer Services  
(Financial Services)**  
**The Lake House**  
**Ryon Hill Business Park**  
**Warwick Road**  
**Stratford upon Avon**  
**Warwickshire**  
**CV37 0UU**

We may contact you to discuss your existing policies by telephone or in person. We will not contact you at an unsociable hour, defined as on a Sunday and before 9am or after 9pm any other day. If you do not wish us to contact you, please phone or write to us.

We normally ask you to give instructions in writing. We may at our discretion accept verbal, faxed or emailed instructions. NFU Mutual will issue all documentation and communications in English, and will only accept client communications and instructions in English.

## CLIENT CATEGORISATION

We will classify you as a Consumer for protection products, or a Retail Client for pensions/investment products, unless otherwise agreed. This is in accordance with the legal rules and guidance published by the FCA. Categorisation as a Retail Client affords you the highest degree of consumer protection under the regulatory requirements. However, this does not necessarily mean that you will automatically be eligible to bring a claim under the investor compensation scheme or through the ombudsman service.

You have the right to request a different categorisation but this would provide a lower level of client protection and would be subject to agreement by us.

If you buy a Group Life or Group Income Protection policy, our chosen provider UNUM Limited will classify you as a Commercial Customer in accordance with the legal rules and guidance published by the FCA.

## 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. The amount of compensation may be subject to certain limits, which will be reviewed from time to time.

For more details of the FSCS please visit [fscs.org.uk](http://fscs.org.uk)



## CONFLICTS OF INTEREST

Our Conflicts of Interest policy sets out the types of actual or potential conflicts of interest which affect our business and provides details of how these are managed. A summary of the current policy is available by contacting us.

## TERMINATION OF TERMS OF BUSINESS

NFU Mutual Select Investments Ltd may terminate these Terms of Business at any time, without notice. These Terms of Business apply to the advice you have asked us to provide. You may also terminate these Terms of Business at any stage. This will not prejudice the completion of transactions already initiated.

## WHAT TO DO IF YOU HAVE A COMPLAINT

If you need to make a complaint, please contact us using the phone or address information in the contact details section. If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.



# OUR SERVICES

## WHOSE PRODUCTS DO WE OFFER?

We only offer products from a limited number of companies. You may ask us for a list of the companies whose products we offer.

## WHICH SERVICE WILL WE PROVIDE YOU WITH?

We offer restricted advice. This means we offer advice on limited types of products, or products from one company or a limited number of companies.

## WHAT OTHER SERVICES CAN WE OFFER YOU?

We also offer a non-advised service which is for customers who do not

require any financial advice and are happy to make financial decisions based on factual information provided over the phone.

## WHAT WILL YOU HAVE TO PAY US FOR OUR SERVICES?

Advice charges pay for NFU Mutual's own costs in providing those services. In addition to a base salary, NFU Mutual Select Investments Ltd may reward employees with a bonus payment and a work-based recreational event for reaching specific sales and quality targets.

The charges will reduce the amount of any investment you make. We will discuss these with you and answer any questions you have.

# HOW WE CHARGE FOR ADVICE

## PERSONAL ADVICE CHARGES

If you are being advised personally and no product is purchased you will pay a £350 fee for personal advice. A fee of £1,000 is payable for Defined Benefit Pension Transfer Abridged advice.

If you purchase a Life Assurance, Critical Illness or Income Protection policy no advice charge is payable for these products only. We are paid a commission from AIG Life or UNUM Limited.

If you buy any other product, the advice charge will depend on the amount that

you invest. The charge will be deducted from the lump sum and/or regular amount invested into the product. VAT is included within the advice charge when applicable.

For lump sum investments the product related advice charge will be calculated based on the total amount being invested at that point. This is illustrated in the table below:

Payment amount (£)	Advice charge (%)
First £100,000	3.5%
Balance	2.0%



Advice charges for regular payments are set at the time advice is given and will be 3.5% of each payment recommended, covering 5 years' worth of payments.

Please note the following exceptions to above:

- Advice charges cannot be taken from Group Stakeholder Pension plans established on or after 31st December 2012, so we will invoice you separately.
- For pension and investment transfers from external providers the estimated transfer amount will be used in the calculation of the advice charge rate. This rate will be applied to the actual transfer amount when it is received.
- When taking pension benefits we do not charge an advice fee on your maximum tax-free cash which is typically 25% of your fund. Tax treatment depends on the individual circumstances of each client and may be subject to change in the future.

- For products taken out before 2013 the product charges include an allowance to cover the advice charge. This means that the advice charge for top ups to these products will be taken entirely from the existing product charges.

**Lump sum investment example:**

If you invested £115,000 into a new investment product an advice charge of £3,800 will be deducted from the product. This charge is calculated as 3.5% on the first £100,000 (£3,500) and 2% on the remaining £15,000 (£300). Overall, your advice charge equals 3.30% of your investment.

**Regular payment example:**

If you paid £200 a month including tax relief into a pension, the total potential product related advice charges would equal £420 (3.5% of £200 or £7.00 for 60 months).

## YOUR COMMITMENT TO PAY THE ADVICE CHARGE

By proceeding with our advised service, you are agreeing to pay the advice charge once we have made a personal recommendation to you. The recommendation will normally be evidenced in a written financial report.

At the point the fee is payable we will provide you with a summary of the advice charge, or send you an invoice.

If you are making regular payments you will pay for the advice charge in instalments, on the relevant instalment payment date. If you cancel those regular payments, we reserve the right to charge the unpaid balance of our advice charge that has not been collected through your regular payments. The unpaid balance of our advice charge will be due at the time you cancel your regular payment.

If you reduce the regular payment your advice charge instalments will not reduce in line with your payment they will continue for the remainder of the 5 year period at the level they were set at when the advice was given and agreed upon.

You will still be responsible to pay us for services you have received if you cancel your policy during the cooling off period. Where applicable we will retain any amounts to cover charges payable for advice already provided to you.

Where we give you investment advice, you will have the final responsibility for the decision as to whether or not to act upon that advice. We will not be responsible for any ongoing monitoring or advising on the Portfolio as a whole on an ongoing basis.

If NFU Mutual Select Investments Limited, and/or any other product provider, is unable, for any reason to collect the advice fee, you agree to remain responsible for paying the relevant advice charges to NFU Mutual Select Investments Limited as they become due upon us making a personal recommendation or on the relevant instalment payment date (where this has been agreed). Your liability is discharged when the advice charges have been collected by NFU Mutual Select Investments Limited and/or any other product provider as they become due.

You remain entirely responsible for the management of your tax affairs, including making any applicable returns and payments and complying with any applicable laws and regulations.

[nfumutual.co.uk](https://nfumutual.co.uk)



**NFU Mutual**

NFU Mutual Select Investments Limited (No. 8049488). A member of the NFU Mutual Group of Companies. Registered in England. Registered Office: Tiddington Road, Stratford-upon-Avon, Warwickshire CV37 7BJ. Authorised and regulated by the Financial Conduct Authority.

**To find out more about how we use your personal information and your rights, please go to the Privacy Policy on our website.**

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