

# TERMS OF BUSINESS



This document sets out our Terms of Business and provides you with information about the different levels of service available from us, including details of any charges.



**NFU Mutual**  
FINANCIAL PLANNING

# TERMS OF BUSINESS

## **About us**

NFU Mutual is the National Farmer's 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 by you.

We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The firm's FCA reference is 117664.

NFU Mutual Select Investments Limited is responsible for our advised, non advised and direct services, and is a wholly owned subsidiary of NFU Mutual.

NFU Mutual Select Investments Limited is authorised and regulated by the Financial Conduct Authority. The firm reference is 582519.

NFU Mutual Select Investments Limited is an insurance intermediary for Aviva Protection UK Ltd, Utmost Wealth, and all of our annuity providers. We act as an insurance undertaking for all other business.

In addition to a base salary, we may reward employees with a bonus payment and a workbased recreational event for reaching specific sales and quality targets.

The Head Office address for both companies is Tiddington Road, Stratford upon Avon, Warwickshire CV37 7BJ.

## **The Financial Conduct Authority (FCA)**

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

fca.org.uk

UK: 0800 111 6768

From abroad: +44 20 7066 1000

Email: [consumer.queries@fca.org.uk](mailto:consumer.queries@fca.org.uk)

## **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 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.

## **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.

## Contact details

You can contact us by phone on **0800 622 323**, or email us at: **customermail@nfumutual.co.uk**, or write to us at:

Financial Services  
NFU Mutual  
Tiddington Road  
Stratford-upon-Avon  
CV37 7BJ

Any communications to us should be in English. Where English is not your first language, let us know and we will try to make reasonable adjustments.

Any communication and documentation that you receive from us will be in English.

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.

## **What to do if you have a complaint**

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

## **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](https://www.fscs.org.uk)

## **Termination of Terms of Business**

We may end these Terms of Business at any time, without notice. You may also end these Terms of Business at any stage. This will not prejudice the completion of transactions already started.

## Our services

### **Whose products do we offer?**

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

### **What service levels do we offer?**

We offer three levels of service as detailed below.

#### **1) Direct**

This is where you make your own choice of product, fund and investment amount by contacting us directly. You will not receive a recommendation from us.

There is no advice charge for our direct service.

For arranging plans through this service, any charge for remuneration is funded from the product charge and is not an additional charge.

Transactions on the products that you take out with us may give rise to other costs, such as taxation, for which we are not responsible.

You can access our direct service by:

- using our on-line form
- phoning us
- writing to us.

For certain types of plan/transaction, we may insist that you use our advised service - for example if an investment is being made in a non-personal capacity or for certain types of pension transfer.

## **2) Non-advised**

This is where an NFU Mutual Non Advised Sales Consultant will provide information to you over the phone, to allow you to make a financial decision. This is for customers who do not require any financial advice and you will not receive 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.

There is no advice charge for our non-advised service.

For arranging plans through this service, any charge for remuneration is funded from the product charge and is not an additional charge.

We are paid a commission to cover the costs for our services from Aviva and our annuity panel.

Transactions on the products that you take out with us may give rise to other costs, such as taxation, for which we are not responsible.

For certain types of plan/transaction, we may insist that you use our advised service - for example if an investment is being made in a non-personal capacity or for certain types of pension transfer.

### **3) Advised**

This is where an NFU Mutual Financial Adviser makes recommendations based on your personal circumstances. This can be face-to-face or over the phone.

There may be a charge for this service but there is no charge for the initial meeting.

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.

Advice charges pay for our own costs in providing those services.

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

Transactions on the products that you take out with us may give rise to other costs, such as taxation, for which we are not responsible.



## What are the advice charges?

If no product is bought, there is a minimum fee of £350 for any personal advice provided which includes Inheritance tax advice.

No advice fee or minimum fee is payable in relation to products from Aviva - we are paid a commission from Aviva to cover the costs of our services.

For other products, the advice charge will depend on the amount 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.

Lump sum investments advice charge is 3.5% of the first £100,000 invested and 2% thereafter.

- e.g. Investment amount £115,000 would incur an advice charge of £3,800
- Broken down as 3.5% of £100,000 (£3,500) plus 2% of £15,000 (£300) giving an overall advice charge of 3.3%.

Regular payment advice charge is 3.5% of each payment recommended, for five years' worth payments.

- e.g. £200 a month payment into a pension (including tax relief) would incur an advice charge of £420
- Broken down as 3.5% of £200 (£7) on 60 payments.

## Notes

- For plans taken out before 31 December 2012, there is no separate advice charge as the inbuilt product charges include an allowance to cover the advice charge.
- For transfers of pension/investment products from other providers, an estimated transfer value will be used to calculate the advice charge rate. This rate will then be applied to the actual transfer value received.
- For Group Stakeholder Pension Plans taken out on/after 31 December 2012, no advice charges can be taken from the plan so we will invoice you separately
- When benefits are taken from a pension, we do not charge an advice fee on the maximum tax free cash which is typically 25% of your fund value.

### **Your commitment to pay the advice charge**

If you go ahead 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. It 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. It will continue for the remainder of the five year period at the level they were set when the advice was given.

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 your investments with us as a whole on an ongoing basis.

If NFU Mutual 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. Your liability is cleared 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 payments and returns to tax authorities, and complying with any applicable laws and regulations.

## If you'd like this document in large print, braille or audio, just contact us.

To stop us contacting you for marketing, write to Marketing Department (Do Not Contact Me), NFU Mutual, Tiddington Road, Stratford-upon-Avon, Warwickshire, CV37 7BJ or talk to your local agency office. To find out more about how we use your personal information and your rights, please go to [nfumutual.co.uk/privacy](https://nfumutual.co.uk/privacy)

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**To find out more about how we use your personal information and your rights, please go to [nfumutual.co.uk/privacy](https://nfumutual.co.uk/privacy)**

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