

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.
- We only offer products from a limited number of insurers.
- We only offer products from a single insurer.

• Mortgages

- We offer mortgages from the whole market.
- We only offer mortgages from a limited number of lenders
- We only offer mortgages from a single lender.

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 buildings and contents insurance, payment protection, life and health insurance.
- You will not receive advice or a recommendation from us for non-investment insurance contracts. 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.

• Mortgages

- We will advise and make a recommendation for you on mortgages 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 mortgages that we will provide details on. You will then need to make your own choice about how to proceed.

4. What will you have to pay us for this service?

• Investment

You will pay for our services on the basis of a fee, commission or a combination of both a fee and commission. We will discuss your payment options with you and answer any questions you have. We will not charge you until we have agreed with you how we are to be paid.

Paying by fee

Whether you buy a product or not, you may be required to pay us a fee for our advice and services. We will agree the rate we will charge before beginning work and we will tell you if you have to pay VAT. If we also receive commission from the product provider when you buy a product, we will pass on the full value of the commission in one or more ways. For example, we could reduce our fee; or reduce your product charges; or increase your investment amount; or refund the commission to you. Our typical charges are:

Reviews

Pension, Savings or Investment Reviews - £250

Lump Sum Investments

3% of the initial sum invested and 1% of the value of the fund every year*

Annuity

1% of the value of the fund*

Financial Consultation

Consultation, advice & recommendation £150 per hour*

*subject to our minimum charge of £500

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.

Paying by commission (through product charges)

If you buy a financial product, we will normally receive commission on the sale from the product provider. Although you pay nothing up front, that does not mean our service is free. You may still pay us indirectly through product charges. Product charges pay for the provider's own costs and any commission. These charges reduce the amount left for investment. If you buy direct, the product charges could be the same as when buying through an adviser, or they could be higher or lower.

Product charges can vary according to the type of product, the amount you invest, how long you invest for or sometimes your age when you start the product. Our commission charges are consistent across all products. For example:

If you invest a lump sum of £10,000 into an Investment Bond, Collective Investment or ISA, we would receive commission of 3% of the amount invested (£300) and 0.5% of the value of the fund every year.

If you pay £100 a month into a Personal Pension or Regular Savings Plan, we would receive commission of 3% of the amount invested (£3) every month and 0.5% of the value of the fund every year.

We will tell you how much the commission will be before you complete an investment, but you may ask for this information earlier.

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

In some circumstances we will charge you a combination of fee and commission. The actual amounts will depend on the service provided to you, but will be in line with the arrangement set out in the sections headed 'Paying by fee' and 'Paying by commission (through product charges)'.

Harrington & Horne

- **Insurance**

- A fee.
- No fee, we will be paid commission by the company. However, if you cancel your life or health cover during the first 4 years and you are not taking out replacement cover with us, you will be charged our standard minimum advisor fee of £500.
You will receive a quotation which will tell you about any other fees relating to any particular insurance policy.

- **Mortgages**

- No fee.
- A fee. A Mortgage Advisor Fee is payable once a mortgage application has been submitted upon your behalf regardless of whether you are later unable, or choose not, to proceed with the mortgage application. Our Mortgage Advisor Fee is subject to a minimum charge of £750. However:
 - If commission payable from the lender is equal to or greater than £750 our Mortgage Advisor Fee is waived.
 - If the commission payable from the lender is less than £750 the difference will be charged to you.
 - If no commission is payable from the lender then a fee of 0.3% of the mortgage advance will be charged, subject to a minimum charge of £750.You will receive a Key Facts Illustration when considering a particular mortgage, this will tell you about any fees relating to it.

5. Who regulates us?

Harrington & Horne Financial Services, 31 Southdown Avenue, London W7 2AG is authorised and regulated by the Financial Services Authority. Our FSA Register number is 301100.

Our permitted business is advising and arranging Investments, Pensions, Mortgages and Non Investment Insurance Services.

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: Harrington & Horne Financial Services, 31 Southdown Avenue, London W7 2AG.

...by phone: 020 8840 6060.

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.

- **Deposits**

Most types of Bank or Building Society Deposit Based Savings are covered for 100% of the first £85,000.

- **Investment**

Most types of investment business are covered for 100% of the first £50,000.

- **Insurance (including pensions)**

Insurance advising and arranging is covered for 90% of the claim with no upper limit.

- **Mortgages**

Mortgage advising and arranging is covered for 100% of the first £50,000*.

**buy to let and commercial mortgages are not offered the protection of the FSCS.*

Further information about compensation scheme arrangements is available from the FSCS at www.fscs.org.uk

Harrington & Horne