



**McCarthy  
Taylor** 

McCarthy Taylor Limited  
**Financial Planning  
Fee Guide**

*With effect from 13th April 2018*

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# Introduction

This is a guide to our fees. We always agree fees with our clients before proceeding to undertake work. We are **independent** and we do not get paid by product providers to sell their products.

By paying for our advice, we act for you and get paid to **advise** you irrespective of the outcome or decision you make about the use of financial products. *As a consequence, VAT is payable on our Financial Planning Fees, since our recommendations are not made on the basis that a product sale will be the result. If advice is given that is specifically product related we may be able to treat the fee as VAT exempt.*

As a firm of Chartered Financial Planners and Wealth Management Independent Financial Advisers (IFAs) we offer high levels of expertise. Our team of Chartered Planners undertake bespoke financial reviews, providing you with advice relevant to you without bias towards products or product providers. We must research the whole market and all retail investment products to demonstrate that any steps we advise you to take that result in a financial investment products being used, are appropriate for your needs. After that, we are required to advise you if that solution no longer remains appropriate for your particular needs.

All of our advisers and support staff are highly trained individuals; they are not sales people and are all committed to our ethos of providing good quality advice in a timely and effective manner. All of our advisers undergo ongoing training and all staff are encouraged to increase their skills, often demonstrated by additional qualifications.

We seek to establish long term relationships with our clients and have been doing so within a fee based environment since 1997. However, the costs associated with regulation have risen dramatically over the last few years with Professional Indemnity Insurance rising over 40% in a year even though we had no claims against us. The costs of paying into the investors' compensation scheme have risen dramatically too, as a result of claims made for others failings.

Our fee rates and charges reflect the costs of regulation and the provision of expertise.

**Please note that some work we do is subject to VAT, whilst other tasks are exempt. Where VAT is applicable, it will be charged at the appropriate rate, currently 20%.**

# Financial Planning

## INITIAL REVIEW

McCarthy Taylor Limited is committed to the comprehensive analysis of existing investments, life insurance, income protection, critical illness cover, private medical insurance and pensions, as being the starting point for any Financial Planning exercise.

The first meeting is at our cost, however, the work required for the completion of a Financial Planning Questionnaire, risk profiling and gathering existing provider details with letters of authority will be charged for in the estimated costs and usually takes between one and two hours, although this is very dependent upon your individual circumstances.

As a consequence, costs will vary considerably, dependent upon:-

- the subject matter of the review and complexity;
- the degree of our expertise required;
- the extent of existing action already taken, and therefore requiring analysis;

The extent of the work will be agreed at the outset, and recorded by the Advised Services Agreement, and will confirm whether VAT is due on that fee. This will be largely determined by the amount of time required to complete the agreed tasks.

Our fees are based on an hourly rate, in the same manner as Solicitors and Accountants.

Each adviser engaged on a client's affairs has an hourly charging rate applicable to their expertise and qualifications. The agreed fee reflects an estimate of their time in doing the work. This will include the time of qualified Para-planners where they undertake relevant tasks.

Our Advised Services Agreement will specify the staff members who may be involved in a client's affairs and their specific charging rate.

## WORK REQUIRED AFTER REVIEW AND ONGOING

As a result of the initial review above further work may be required such as:

- the implementation of the recommendations for action; and
- further action required arising from the recommendations.

Where this arises and was not covered in the initial review estimate a further fee will be agreed with you, as required.

We also offer an ongoing review service incorporating an annual review of all life and protection policies and full administration service.

## **FINANCIAL PLANNING: THE PERSONAL ROAD MAP**

When a full financial planning report is needed we will assess the information available and supply you with a detailed quotation. Financial planning reports require detailed information gathering, assessment of your needs, risk profile assessment and understanding your ability to tolerate volatility. We will seek to understand your personal goals and ambitions, your financial aspirations and the purpose will be to ensure your financial planning matches your long term needs effectively and within your risk tolerances.

Our reports will include a detailed cash flow model where appropriate. This shows the impact of likely events, planned expenditure, the effects of inflation, anticipated changes in income and variations in needs.

Our work covers a review of your assets, liabilities, current and future income prospects, your liabilities and long term needs. Existing products including Pensions, Life Cover, Income Protection and Health related insurance as well as your Investments etc., are fully reviewed. We carry out a review of your tax position and recommend tax strategies to reduce Income tax, Capital Gains tax and Inheritance taxes. Where a client has existing advisers involved in these areas, such as accountants or solicitors we will work with them as required to ensure the plans and recommendations presented will work with existing arrangements. Our work gives us a unique insight into the whole picture of your financial arrangements and expectations and our work is equally unique in providing a fully comprehensive outcome.

If we uncover past mis-selling issues, we will advise you on how to recover any losses.

The fee that is quoted for the full financial planning review will include all the steps required and will replace the basic fees detailed above.

We will quote a comprehensive and inclusive fee for all the work required to provide the report. Depending on the complexity, such reports cost from £2,750 plus VAT.

## **FINANCIAL UPDATE AND REVIEW SERVICE: THE PROGRESS REPORT**

Having delivered a detailed and well thought out financial plan it is important that this is reviewed and monitored. Everyone's circumstances change, either from choice or circumstances and tax and other rules can change around you. Consequently, your financial plans must be adapted to suit. For this reason we will meet with you each year and update our records with your current information and produce an updated model, review the financial arrangements in place and recommend relevant changes. Please note that clients who sign up for our Progress Report service do not pay any additional fees for replacing life cover, or other protection products.

The minimum fees for the Progress Report service is £20 per month plus VAT, a higher fee may be applied where more complex reviews are required. If you have pensions in drawdown an additional fee will be required for reviews.

This review fee is paid by standing order and will be indexed in line with inflation, using the Consumer Price Index (CPI)

## HOURLY RATES

Where there is no agreement otherwise, or in the case where exceptional work is required, the current hourly charge rates applied are as follows:-

<b>Senior Director</b>	£250 per hour
<b>Director</b>	£210 per hour
<b>Chartered Financial Planner</b>	£200 per hour
<b>Independent Financial Adviser</b>	£175 per hour
<b>Para-Planner</b>	£150 per hour

VAT will be added where the work is not related to the selection, introduction to, and arrangement of a collective financial product, life policy or similar arrangement.

These rates may be subject to future increases.

## INVESTMENT FEES

If we have provided you with a full financial planning report usually the initial review will deal with advice relating to your investments where appropriate. Where a client only requires investment advice a separate fee structure applies to the arrangement, setting up and management of investment portfolios and separate agreement will be provided.

Please note we do not charge initial fees for investment advice.

We offer three levels of ongoing investment advice and we will supply you with an appropriate schedule of fees and charges in addition to this document.

## BASIC FEES

Certain fees should be applicable to all clients. In addition, minimum costs apply as shown in the following table and are explained in further detail later in this guide. Other fees will apply where more specialist work is required, for example, setting up of trusts, self-invested pensions etc. or where we agree to liaise with third parties such as lawyers, accountants or other professionals.

**ALL CLIENTS WILL RECEIVE A PERSONAL ESTIMATE of fees to meet their individual needs.** The following is only a guide to minimum costs.

<b>Service</b>	<b>Reason for charge</b>	<b>Minimum charge (subject to VAT where required)</b>
1	Initial fact find meeting	£550
2	Update meetings and review of advice to monitor progress or adapt advice to meet changes	£495
3	Defined Contribution Pension Plan Advice & Recommendation	£550



4	Defined Benefit Pension Plan Review	£2,500
5	Investment needs analysis and asset allocation	£275 per portfolio
6	Investment review (existing portfolio prior to our appointment)	£275
7	Implementation of Financial Protection and health related products;	£430 per policy
8	IHT planning review, calculation of liability and recommendations	£825
9	Income tax and capital gains tax planning review and recommendations	£825
10	Annual Tax return service with insurance against HMRC enquiry (excluding any business related activity)	£375
11	Pension income options report	£1,495
12	Pension drawdown review	£300 per plan
13	Review of existing financial protection products for cost effectiveness/appropriateness; including life, critical illness and income protection policies.	£275 per policy

## **ISAs, VCTs, EIS AND OTHER TAX EFFICIENT INVESTMENTS**

In establishing your investment needs we will identify and recommend relevant investment products. In selecting these, your individual needs will be the driving force behind our selections.

## **PENSIONS PLANNING, RETIREMENT ADVICE AND TRANSFER SERVICES**

Pensions remain an important and complex part of a client's portfolio. We charge for the investment advice we give in respect of pensions in a similar way to investments generally and indeed the two areas of investment work are grouped together to give you the advantages of reduced charging on larger combined portfolios.

Initial charges for pension planning, retirement advice or pension transfers will vary greatly depending on the number of pension plans involved, the type of strategy required and the technical complexity in dealing with occupational pension schemes or pension on divorce for example.

Pension arrangements need regular reviews. Whilst the review of investments can be covered under our ongoing annual investment fees a review of pension forecasts, checking cost effectiveness of arrangements, dealing with changes in legislation, reviewing pensions in income withdrawal or taking pension commencement lump sums all require additional work and will require additional fees to be charged. Depending on the nature of the review and the frequency this could be an occasional cost or an annual cost.

## **LIFE ASSURANCE AND SIMILAR PRODUCTS**

The initial review and advice on what life cover, income protection and health policies should be taken out, or in the case of existing policies cancelled, increased or otherwise varied including placing into trust, will normally be dealt with under our financial planning review fee.

Where non-investment policies are recommended or existing cover is reviewed and replaced, commissions can be taken as a means to offset our fees. However, this is regarded by us as only a method of payment and you will still be invited to agree fees for the work and to sign a Fee Agreement.

## **GIFTS OUT OF INCOME**

Some clients choose to make regular gifts out of income to avoid accumulation of capital and additional IHT. As explained in our fact sheet record keeping and careful monitoring for compliance is essential. Fee to provide this service will depend on the records kept by the client but our minimum annual fees for this service are £200 plus VAT. Fees will increase each year in line with inflation. Higher fees may arise where larger or more complex cases with increased record keeping arise and clients will be informed in such cases of the additional fee required. Initial fees to set up the relevant records and process for monitoring and relevant advice will be agreed before proceeding.

## **OTHER ADVICE**

There are a number of other areas where our advice might be sought and in all cases a fee estimate or method of charging will be agreed at the outset.



# Sundry Items

## **POSTAGE & SPECIAL DELIVERY**

Where urgency dictates the use of couriers or special delivery is required for any reason, the costs incurred will be added to fees charged at cost.

## **TRAVEL EXPENSES**

Travel Expenses will be added where meetings are required, more than 30 miles from our office. Travel costs will be charged at **£1.25 per mile**, to include time lost and vehicle costs or other travel expenses.

Shared journeys with more than one client at a nearby location will be charged for single journeys.

Travel costs will be waived in the event that meetings are held in connection with a Company scheme at the employer's premises or where the request was made by us to attend your premises or where the total fees are considered, at McCarthy Taylor Limited's sole discretion, adequate to cover the cost of travelling.

# Important Notes

- The above fees are relevant for individual private clients and are not relevant for corporate clients.
- This scale of charges is effective from 7<sup>th</sup> March 2016 and is subject to variation from time to time. Clients will be notified in writing should there be an amendment to charges which might affect them. Fees may be increased in line with the annual earnings index in any event.
- VAT will be added where appropriate to the above charges. Clients approaching the practice for the first time may be asked to pay 50% of the costs of the initial review on instruction, which will be refunded if the client is not satisfied with the work undertaken. The balance of fee is payable on completion of the initial review and any costs of implementation on instruction to proceed on each stage. Any agreement to finance initial work by the offset of such fees against commissions will be made with the client at the appropriate stage and at the sole discretion of McCarthy Taylor Limited.
- Once a decision is made to proceed on an investment or protection policy of any kind and the appropriate documentation submitted, the fee is non-refundable. This will also apply if the application is declined or varied in any way by the insurer.
- Clients will be entitled to a full rebate of any commissions received, either in error or where a provider does not allow for fees to be waived or rebated in the contract or used to reduce premiums payable, by way of treatment as payment on account of fees charged by us. Where commission rebates exceed fees payable the excess will be refundable in respect of all commissions, other than those relating to life assurance where cancellation may give rise to subsequent deduction or demand for repayment by the insurer. Where refunds do arise they will be made after the quarter ends and on issue of that quarter's valuation. In the case of amounts under £20 these may be carried forward. In the case of pension's refunds, these will be made into the pension arrangements wherever possible to avoid taxation issues.
- Fees of an annual nature may be increased in line with wage inflation.
- All fees are due and payable on presentation of our invoice.
- Please note all fees are subject to VAT when and if applicable.
- For Corporate Pension schemes including Group Personal Pensions and Executive Personal Pensions see our separate fees for business guides.
- Payment of initial or 'one off' fees for life policies, pensions or investments, is due before submission of application.

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