

About our services and costs

About Us

The Annuity Bureau is a division of Alexander Forbes Financial Services Limited (AFFS), a firm of professional financial advisers, providing tailored financial solutions for individual and corporate clients in respect of pensions, savings & investments and protection contracts.

The Annuity Bureau provides at retirement services in relation to annuity purchase and arranging contracts of insurance with regard to the provision of care funding. Where any more specialist advice is required you will be referred to the relevant division within AFFS.

AFFS is authorised and regulated by the Financial Services Authority (FSA) as an Independent Financial Adviser and offers products from the whole of the market. The FSA is the independent watchdog that regulates financial services. AFFS' FSA Register number is 120975. 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.

What service will we provide?

We offer a number of different service levels from which you can choose and which in turn will determine the level of input from The Annuity Bureau. Please see Table 1 for full details on the services we offer, costs, and who these services might be most useful to.

How will we charge for our services?

We will not charge you anything until we have agreed with you how we are to be paid. We can be paid by:

- Receipt of commission from any product provider(s) we write business with
- Payment of agreed fees from our customer
- A combination of both fees and commission

We have provided further information regarding our typical charges under each payment option in the section headed "About the cost of our services". You should be aware of the possibility that other costs or taxes relating to the services that we provide for you may exist, even though they are not paid through us or imposed by us.

Client Agreement

AFFS is committed to ensuring that our clients are treated fairly throughout the duration of our relationship with them. The Client Agreement section of this document sets out formally how the relationship between you and AFFS will be established. Please read the information in the Client Agreement section to ensure that you fully understand how the relationship will work for AFFS and you as our client.

We are happy to answer any questions that you may have. Contact details for our Head Office locations can be found at the end of this document.

What to do if you have a complaint

If you wish to register a complaint, please contact us by writing to:

The Compliance Department
Alexander Forbes Financial Services Limited
Templars House
Templars Way
Chandlers Ford
Eastleigh
Hants SO53 3XA

Telephone 02380 240543 or 02380 240529.

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service which is an independent service and is free to eligible complainants. Copies of our complaints procedures are available on request.

About the cost of our services

Commission plus fee

If you select this payment method the Annuity Bureau will operate on a reduced commission basis, with you paying an additional fee for the service you require from us, as detailed in Table 1, and our leaflet 'Maximising Retirement Guide'.

The standard commission rate which is not dependant on size or type of annuity is 0.75%.

The commission is to cover the cost of the product, which is paid to us via the chosen annuity provider once your annuity has been completed. The fee which you would pay to cover any service you wanted from The Annuity Bureau is payable in advance of any work being undertaken following our initial discussions.

Examples of payments to The Annuity Bureau are detailed below, showing the split between commission and fee, with the total amount being paid to us. The example is in respect of an estimated fund value of £35,000.

Paying via commission

This payment method is relevant for care funding products, and/or if you have arranged to pay for one of the annuity services solely by commission.

If you buy a financial product we will normally receive commission from the product provider. Although you pay nothing directly to us up front, that does not mean that our service is free of charge. You still pay us indirectly through charges inherent in the product sold. Product charges pay for the provider's own costs and commission. These charges reduce the amount available for investment. If you were to deal directly with a product provider the charges could be the same as when buying through an advisor, or they could be higher or lower.

The amount of commission we receive will vary dependant on the amount you invest and (sometimes) how long you invest and/or your age and state of health. Typical amounts we might receive for various products are noted in the following Table. We will tell you how much the commission will be before you complete any investment, though you may ask for this information earlier if you wish.

Paying via fee

Whether you buy a product or not, you will pay us a fee in respect of our advice and services. This will become payable on completion of our work. If we also receive commission from a product provider when you buy a product, we will pass on the full value of that commission to you in one or more ways. For example we could reduce our fee, reduce product charges or increase the investment amount.

We will confirm the actual rate we will charge in writing before beginning any work. In all cases you can ask us for an estimate of how much in total we might charge. You can also ask us not to exceed a given amount without checking with you first. In all cases we will inform you if you need to pay VAT.

Table 1 – What annuity services can we provide?

Service Level	What we do	Who would use this service	Typical cost of service	Example fund of £35,000.00
Self Select	Provide you with the tools for you to research the market using our online Annuity Supermarket, from which you will make a decision in regards to your annuity income. You will not receive advice or a recommendation from us.	Someone who is happy to take on the responsibility for all activities in terms of their annuity purchase, and has access to the internet.	Commission of 0.75%. conventional annuities only. Enhanced / impaired annuities can rise to 3%.	Total cost of £262.50
Self Select Plus	In addition to the use of our online Annuity Supermarket, we will also complete any administration work required to ensure that monies are transferred from your existing provider (which can be a laborious process) and provide you with regular updates. You will not receive advice or a recommendation from us.	Someone who is comfortable using the internet, but not wishing to spend time ensuring their annuity is set up quickly.	Commission of 0.75% plus a fee of £250.	Total cost of £512.50 (Equivalent to 1.46% of the purchase fund).
Annuity Broking	We will research the annuity market for the most competitive annuity rate and make a recommendation for you. We will also ensure your pension funds are transferred from your ceding pension provider to your annuity provider as quickly as possible, providing you with regular updates.	Someone who knows they want an annuity and holds information regarding their existing pension plans, and wants us to research the market for them, and provide a recommendation based on the information they have provided to us.	Commission of 0.75% plus a fee of £500.	Total Cost of £762.50 (equivalent to 2.17% of the purchase fund). Includes enhanced annuities.
Annuity Broking Plus	In addition to the above, we will also contact your ceding pension providers to collate the information required to research the market for you.	Anyone who doesn't wish to be responsible for obtaining information or chasing money transfers but still requiring advice regarding the purchase of an annuity.	Commission of 0.75% plus a fee of £650.	Total Cost of £912.50 (equivalent to 2.60% of the purchase fund). Includes enhanced annuities.
At Retirement Advice	We will arrange for an AFFS Wealth Management Consultant to contact you with regard to your retirement needs, either over the phone or in a face to face meeting. We will then advise and make a recommendation based on an assessment of your needs and objectives.	Anyone who wishes to consider the full range of retirement options, including for example income drawdown.	Commission of 0.75% (min) plus a fee of £750 (min).	Total minimum cost of £1,012.50 (equivalent to 2.89% of the purchase fund). Includes enhanced annuities.
Care funding Annuities	Offer information and advice on the best options available for people either going into care themselves or arranging care fees for others going into care.	For people researching how to fund care for themselves, relatives or those working with an enduring power of attorney.	Commission of 4% at a minimum of £1000.	Total cost of £1,400

What annuity services can we provide? (Continued)

The Self Select service level option is offered on a commission only basis unless you agree to pay an upfront fee to cover the cost of the service provided by AFFS.

For further details regarding our different levels of service please consult our brochure 'Maximising Retirement Guide'.

The charges noted in the Table above are based on The Annuity Bureau's typical charging structure. Commission only and fee only alternatives may be available on request, please contact us on 0800 0718111 if you would like to explore this option.

Please note that arrangement of investment and/or unit linked annuities along with enhanced or impaired annuities is not available via our Self Select services. These must be purchased via the 'Annuity Broking' service as a minimum. Thus a fee of £500 would be required to cover the costs of providing you with this type of an annuity. Please note that this charge is in no way dependant on your policy value.

Details of care fee annuity charges are detailed in the Table above.

Alternative sources of retirement provision, such as phased retirement or income drawdown arrangements, are dealt with by our specialist consultants in our Wealth Management division on a full advisory basis. If you are interested in this option or require advice on any other area of financial planning, please do not hesitate to contact us and we will put you in contact with a Wealth Management Consultant. Full details of their services and costs will be provided to you prior to any work being undertaken.

Client Agreement

The following information sets out how the relationship between Alexander Forbes Annuity Bureau and you will be established. The provisions of the agreement will take effect immediately from when they are provided to you and will continue in force until you or we cancel them, or an updated agreement replaces them. English law will be the basis of this agreement and the language in which this agreement will be interpreted, and in which all communications will be conducted will be English.

AFFS is totally committed to ensuring that our clients are treated fairly and as such we will ensure that:

- We will provide you with clear and concise information in respect of any services or products that we propose or provide to you;

- We will explain in plain English the details of any services or products that are suitable to your needs and circumstances
- We will ensure that you are informed about the risks or disadvantages associated with any recommendation we make
- We will advise you of any conflicts that exist in respect of any services or products that we provide to you prior to you agreeing to proceed
- We will not put any unreasonable barriers in the way of clients who wish to switch product, switch providers or complain about our services.

You will be treated as a Retail Client for the duration of this agreement.

In accepting this Client Agreement, you agree that we may change the future content without receiving your prior consent to do so, but we will not conduct any investment business for you following any change unless we have given you at least 10 business days' notice, unless it is impractical to do so.

If you have chosen the Annuity Broking service under this agreement, we will, following an initial discussion to establish your requirements, provide you with a full advisory service covering your full financial situation, objectives and needs. However, if it has been agreed with you otherwise, our advice can be focused on specific needs and we will confirm this to you when making formal recommendations.

We can communicate with you in writing, via email or by telephone and you can advise us if you have a preference. Similarly, you can contact us and provide instructions via all of the above means. For our joint protection you will be asked to answer a security question(s) when contacting us by telephone. Please note that we do not consider email to be a secure form of communication.

Financial Services Compensation Scheme (FSCS)

We carry Professional Indemnity Insurance, but if you make a valid claim against AFFS in respect of the contracts we arrange for you, and we are unable to meet our liabilities in full, you may be entitled to redress from the FSCS. This depends on the type of business and the circumstances of the claim.

- Most types of investment business are covered up to a maximum limit of £50,000
- Insurance advising and arranging is covered for 90% of the claim, without any upper limit.

Further information about compensation arrangements is available from the FSCS who can be contacted by telephone on 020 7892 7300, or via their website www.fscs.org.uk.

Restrictions

We will not engage in stock lending activities on your behalf and we are not authorised to act on your behalf in the underwriting of any new issue or offer for sale of securities. We will not commit you to borrowing to supplement your portfolio and will not commit you to over spending. We will not pool your investments with those of other clients.

Investment Objectives

Your investment objectives will be set out in our suitability report and will be deemed to form part of this Agreement. We will notify you separately of any specific risk factors that apply to the service we provide for you and whether the cost of our service depends on fluctuations in financial markets that are beyond our control. You should be aware that past performance of investments is no indicator of future performance.

Ongoing Services

When we have arranged any investments for which you have given instructions, we will not carry out a review of your investments unless you specifically request us to do so. You may request a meeting or written review at any time and we require any instructions to be in writing to avoid possible disputes. Please note that additional charges may be applicable for this service. You, or we, may terminate our authority to act on your behalf at any time, without penalty and with immediate effect without prejudice to the completion of any transaction initiated prior to receipt of such notice. Notice of this termination must be given in writing.

Data Protection and Confidentiality

AFFS will treat all information received by us from you with the utmost respect in accordance with data protection legislation. Information provided by you, or obtained from other sources in the course of our dealings with you, may be used by us to facilitate the provision of the services applied for or requested.

From time to time we may disclose your personal (or other) information to other companies within the Alexander Forbes Group, our regulators, our auditors, any person having legal entitlement to access, or any organisation requiring access, to such information to assist us in providing services to you and you hereby agree your data being

disclosed for such purposes. We, or they, may use that information to advise you of services which may be of interest to you.

If you prefer not to receive further information, please write to the Risk, Compliance Director, AFFS at Leon House, 233 High Street, Croydon, CR9 9AF. Under the Data Protection Act 1998, you are entitled to a copy of your personal data held by us upon written request and payment of a fee.

Care of Documents

All investments will be registered in your name unless you instruct AFFS otherwise in writing. AFFS do not offer a safe custody service, therefore, we will forward to you all documents showing ownership of your investments to your last known address as soon as practicable after AFFS have received and checked them. In some cases the insurance company or investment manager may send documents to you directly.

Care of Money

We do not handle client's money unless in respect of a cheque settlement of fees or disbursements for which we have sent you an invoice. All cheques for investment purposes should therefore be made payable to the institution(s) with which you are investing money.

Conflicts of Interest

We will not arrange or carry out on your behalf any business in which we have a material interest, or in which we are, or become, aware that another of our customers has such an interest without first disclosing that interest to you in writing and obtaining your consent before carrying out your instructions.

Verification of Identity

Financial institutions are required to verify your identity in accordance with FSA rules regarding the prevention of financial crime. As such, no investment will be made until such verification has been obtained. If the required verification is not forthcoming within a reasonable period we will not be able to arrange any investment for you.

Third Parties

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Client Agreement. This means that any person(s) not party to this agreement has no right to enforce its terms.



The Annuity Bureau
Leon House, 233 High Street, Croydon, Surrey CR9 9AF.
Tel: 0800 071 8111 Fax: 020 8681 4093 Web: www.annuity-bureau.co.uk

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