

# Financial Services Questionnaire



1 Name of Business or Practice

Address of Registered or Principal Office

E-mail address:	Post Code:
	Web site address:

## Pension Transfers Opt-Outs & Non-Joiners

2 Were you involved in arranging Pension Transfers/Opt-Outs/Non-Joiners between April 1988 and June 1994?

YES  NO

If YES please answer the following questions:

2.1 Can you confirm that during the review period stated above, you observed the following good practice

(i) you completed and maintained on file a "Client Financial Planning Analysis" or "Know Your Client" questionnaire for all clients?

(ii) you provided personal pension clients with written comparisons between their existing pension arrangements and any recommended replacement products and maintained these on file

YES  NO

If No please comment and provide details of your practice:

2.2 Have invitation letters been sent out in accordance with your regulators Pension Transfer Review in respect of all Phase 1 and Phase 2 matters?

YES  NO

If NO please explain why not and provide full details:

2.2 Have invitation letters been sent out in accordance with your regulators Pension Transfer Review in respect of all Phase 1 and Phase 2 matters?

YES  NO

If NO please explain why not and provide full details:

2.3 Have you received a reply to all Phase 1 and Phase 2 letters?

YES  NO

If NO please provide details:

2.4 In respect of all Phase 1 and Phase 2 matters where either the client has requested a review or complained of advice provided, or no reply has been received, have such cases been notified to PI insurers as claims or circumstances

YES  NO

*If YES please provide the following details in respect of each notification*

Names of Investors	Status under Review	Transfer Values	Amount of Redress Required (if applicable)

2.5 Have you ever had or are you on notice of a FSA/PIA Pension Review monitoring visit (including PASS review or similar)

YES  NO

If Yes please answer the following questions:

2.5.1 When did or will it occur?

2.5.2 If it has already occurred please provide details of the result

**Free-Standing Additional Voluntary Contributions**

3 Have you ever been involved with Free-Standing Additional Voluntary Contributions (FSAVC's)?

YES  NO

**If YES please answer the following questions**

3.1 Please state the number of FSAVC's affected by the Business or Practice for

	TOTAL	
(i) Persons entitled to join an AVC scheme run by their employer where their employer will also provide additional contributions alongside the employee contribution		
(ii) Persons entitled to join other subsidized scheme (i.e. arranged by the employer, but not run by them) with the employer meeting the cost of an enhancement in benefits such as the additional accrual of benefits or the provision of added years		
(iii) Persons who were at the time of sale, or subsequently, members of the Armed Forces Pension Scheme		

PLEASE NOTE THAT UNDERWRITERS WILL APPLY A SPECIFIC EXCLUSION IN RELATION TO ALL MATTERS ARISING FROM ALL FSAVC'S DETAILED ABOVE. YOU SHOULD THEREFORE ENSURE THAT **ALL** OF THESE MATTERS HAVE BEEN NOTIFIED TO, AND ACCEPTED BY, YOUR EXISTING PROFESSIONAL INDEMNITY INSURERS.

3.2 (i) Can you confirm that in relation to all of the above persons You have documented **ALL** advice given to your client, and that you have documentary evidence that the client was in agreement with such advice?

YES  NO

If NO, please provide full details

(ii) What is the average value and the maximum value of the policies arranged?

3.3 Can you confirm that since April 1988 you have always observed the following good practice:

(i) you completed and maintained on file a "Client Financial Planning Analysis" or "Know Your Client" questionnaire in respect of all FSAVC's arranged

(ii) you always provide investors in an FSAVC with a written comparison between their in-house AVC option and any recommended FSAVC and have maintained these on file

YES  NO

If NO please comment and provide details of your practice

3.4 Please advise the following in relation to FSAVC's arranged

(i) Total number of cases where you are required by your regulator to send out invitation letters in respect of the FSAVC review

(ii) Total number of cases where you have sent out invitation letters in respect of the FSAVC review

(iii) Total number of cases where you have NOT sent out invitation letters in respect of the FSAVC review

Please explain why such letters have not been sent

(iv) Total number of cases where your letters have not been sent in the format and/or the timescale prescribed by your regulators

Please explain why such letters were not sent in the format and/or timescale prescribed

(v) (a) Number of cases where you have received no reply from the client to the invitation letter

(b) What further action are you taking where you receive no reply from the client to the invitation letter e.g., reminder or follow-up letters, telephone calls etc

**Endowments**

4 Have you ever been involved in arranging Endowments?

YES  NO

If YES please enclose a copy of your most recent **persistency report** and answer the following questions

	1988-90	1991-93	1994-96	1997-99	2000-02	2003
4.1 Please state the gross fees / income received from such sales						
4.2 (i) Please state the number of endowments on which you have advised or arranged cancellation						

(ii) Why were the endowments cancelled						
4.3 (i) Please state the number of endowments on which you have advised or arranged the maturity date later than the retirement of the beneficiary						
(ii) Why were such endowments arranged						
4.4 (i) Please state the number of low cost /early start endowments which you have arrange or advised on						

(ii) Can you confirm that when arranging such low cost / early start endowments, you always took into account the future earning potential of the clients concerned

YES  NO

If NO please provide full details

4.5 (i) Please state the products providers with which you have arranged endowments, and indicate the percentage of endowments placed with each provider (by number of endowments)

(ii) Of these endowments, indicate the percentage where the maturity value is calculated on the following growth figures

	%
Below 4%	
4% - 8%	
Above 8%	

(iii) (a) Maximum mortgage loan that a single endowment is required to repay at maturity

(b) Average mortgage loan that an endowment is required to repay at maturity

4.6 Have you been advised by any product providers that any endowments arranged by you requires increased contributions to satisfy previous forecasts

YES  NO

If YES please provide full details

4.7 Can you confirm the following good practice:

- (i) you have always advised potential investors that an Endowment cannot be guaranteed to pay off any loan or mortgage sum at maturity and have always documented this advice on file
- (ii) you have always advised potential investors in an Endowment where the monies are to be invested and have always documented this on file
- (iii) you have always completed and maintained on file a “Client Financial Planning Analysis” or “Know Your Client” questionnaire in respect of all Endowments arranged

YES  NO

If NO please comment and provide details of your practice:

**Mortgage Broking**

5 Have you ever been involved with Mortgage Broking?

YES  NO

If YES, please answer the following questions

5.1 Please state the number of mortgages arranged in the following categories

	<b>Total no. of Mortgages</b>
Interest only	
Repayment	
Other (please provide details)	
<b>Total</b>	

5.2 Can you confirm that **ALL** mortgages have been arranged with UK based, ‘High Street’ lenders, and that no overseas based or fringe lenders have been used.

YES  NO

If NO, please provide details

5.3 Can you confirm that you are not tied to any one lender, and that your business is spread with a number of different lenders?

YES  NO

If NO, please provide details

5.4 Can you confirm that

- (i) you are not targeting a particular client group, such as those with a poor credit history, CCJ's, poor employment history?
- (ii) in all instances where a mortgage has been arranged, the mortgage will be repaid prior to the retirement date of the borrower?

YES  NO

If NO, please provide details

**Home Income Plans/Equity Release Schemes**

6 Have you ever been involved with Home Income Plans/Equity Release Schemes?

YES  NO

If YES, please confirm the following good practice

- (i) All clients were aged 65 or over at the time that Home Income Plan/Equity Release Scheme was taken out
- (ii) the maximum amount borrowed never exceeded 75% of the value of the clients property
- (iii) the mortgage rate and income rate is fixed for all plans/schemes
- (iv) you advised the client to appoint their own solicitor for all plans/schemes
- (v) you advised the client to consider the tax implications, and that they may pay additional tax on their state benefits

YES  NO

If NO, please provide details

**Income Drawdowns**

7 Have you ever been involved with Income Drawdowns?

YES  NO

If YES, please confirm the following good practice

- (i) you have only ever undertaken an Income Drawdown where the clients pension fund exceeds £100,000.
- (ii) you have ensured that the minimum and maximum income taken by the client through the Income Drawdown does not exceed Inland Revenue rates prevalent at the time.
- (iii) you have steps in place to ensure that Income Drawdowns are reviewed every 3 years to ensure that the Income Drawdown does not exceed current Inland Revenue Rates.

YES  NO

If NO, please provide details

**Split Capital Closed End Funds**

7 *Have you ever been involved with Split Capital Closed End Funds (SCCEF's) including Unit Trusts which invest in SCCEF's?*

YES  NO

**Precipice Bonds / High Income Bonds / Structured Capital-at-Risk Products**

9 Have you ever been involved in arranging Precipice Bonds, High Income Bonds or Structured Capital-at-Risk Products (SCARPS)?

YES  NO

**Hedging Transactions**

10 Have you ever been involved with Hedging Transactions?

YES  NO

**Fund Management**

11 Do you undertake Fund Management?

YES  NO

If YES, please answer the following questions

11.1 Please confirm the percentage of the business's income by way of fees and commissions derived from the following activities:-

	As Principal %	As Agent %	As Manager %
Institutional Fund Management			
Private Client Portfolio Management (a) Discretionary (b) Non Discretionary			
Dealing in listed UK Securities			
Dealing in unlisted UK Securities			
Dealing in foreign securities / investments			
Dealing in bonds (eg. Eurodollar) (a) UK (b) Offshore including Channel Islands and Isle of Man			
Investments in Unit Trusts (a) UK (b) Offshore including Channel Islands and Isle of Man			
Dealing in commodities (future or physicals)			
Corporate Finance			
Mergers and Acquisitions			

11.2 Do you impose a standard form of contract, agreement or letter of appointment?

YES  NO

If YES, please supply copy details

If NO, please advise why not

11.3 Are you involved in any 'Derivatives' transactions?

YES  NO

If YES, please provide details

11.4 Do you deal in Money/Currency Trusts?

YES  NO

If YES, please provide details

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11.5 In respect of Funds where you are the Principal, please provide the following details

Name of Fund	Total Value	Management Fee

**General**

12 Can you confirm that you are not currently, and that you never have been, part of a network?

YES  NO

If NO, please provide details

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13 Can you confirm that all FSA regulated financial services work is undertaken in accordance with FSA regulations and guidelines

YES  NO

If NO please provide details

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14 Please indicate the average and maximum value of single investments made (excluding Pensions) in the last three years

Average	£ <input type="text"/>
Maximum	<input type="text"/>

15 Please provide full details of your record keeping, including the extent of such records and the length of time they are kept

16 Can you confirm that all claims, complaints and circumstances that might lead to a claim or complaint have been reported to your existing insurers prior to the expiry of your current policy of insurance?

YES  NO

If NO please provide details

**DECLARATION**

I hereby acknowledge that the statements and particulars in this questionnaire are addendum are supplementary to and form part of the Proposal to Underwriters

Signed \_\_\_\_\_ Name \_\_\_\_\_

Capacity \_\_\_\_\_ Date \_\_\_\_\_