



INTELLIGENTMONEY



ORPHAN(ED) CLIENT PROCEDURES

Part Of Our Vulnerable Client Regime Under Consumer Duty

Intelligent Money The Shire Hall High Pavement Nottingham NG1 1HN

Tel: 0115 94 84 200 Fax: 0115 97 99 700 enquiries@intelligentmoney.com www.intelligentmoney.com



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1. OVERVIEW OF ORPHAN(ED) CLIENTS

We define an Orphan(ed) Client as one who was introduced to Intelligent Money by an FCA Authorised and Regulated financial adviser, but who we consider are no longer receiving ongoing service/advice from this adviser.

2. WHAT ARE THE IMPLICATIONS FOR ORPHAN(ED) CLIENTS?

Orphan(ed) Clients remain highly likely to still be paying ongoing adviser charging fees to the originating financial adviser from their investments held with us. These fees are typically 1% per year of the total value of their investment (though this can vary) and over time this adds up.

To put this fee another way, if your average annual investment return is 4% after all there charges, such an ongoing adviser charge is effectively eating up 25% of your average annual return. Put another way, 1 % fee deducted each year for 20 years is equal to 20% of your original investment and is also applied to any growth on it.

Allowing this to continue can therefore clearly result in foreseeable harm and is not conducive to ensuring a good outcomes for our clients. 'Avoiding Foreseeable Harm' and ensuring 'Good Outcomes' are cornerstones of Consumer Duty. As such we have a duty to act in your best interests in such circumstances

The second implication for Orphan(ed) Clients is that their investments remain unmonitored and unchecked. Over time this can lead to your portfolios falling out of line with their original objectives and in any event no consideration is being given for how these investments should be changed and adapted to the market conditions of the day or indeed the fact that with each passing year you get close to your target date for using these funds to either provide an income, or for them to be ready for you to withdraw as a lump sum.

Finally, the third implication is that if you you no longer have contact with your financial adviser there is no one in place with us to provide you with information and guidance, or answer any questions or queries you may have about.



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3. WHAT MEASURES DOES INTELLIGENT MONEY TAKE TO IDENTIFY ORPHAN(ED) CLIENTS?

Intelligent Money make regular (at least every 3 year) checks with you that ongoing servicing/advise is indeed still being provided and received.

If we are unable to secure written confirmation from you that this is indeed the case we will take immediate action to ensure you are not affected by the above factors.

We also use other monitoring measure, such as when an advised client begins to direct their enquiries directly to Intelligent Money, rather than through their financial adviser (our financial adviser products are not designed for this).

4. WHAT ACTION DOES INTELLIGENT MONEY TAKE AT THIS POINT?

When we consider you are no longer receiving ongoing servicing/advise from your servicing financial adviser we will class you as an “orphan client” and you will automatically become a direct client of Intelligent Money Private Clients. Your investments will be switched to our fully managed target-dated IM Lifestyle investment solution and any future ongoing financial adviser fees will be turned off in the process. Intelligent Money Private Clients will provide you with all servicing and support directly, including general financial and tax matters. Intelligent Money Private Clients will also provide you with all information and guidance (not financial advice) you may require.

5. WHAT ARE THE CHARGES FOR THIS?

IM Lifestyle has an initial establishment charge of 1.5% and a fully inclusive annual management charge of 1%. There are no other additional charges other than those of any SIPP or Pension Scheme you may be in and the services of Intelligent Money Private Clients is included within these fees.



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6. WHAT IF I DON'T WANT TO BE AN INTELLIGENT MONEY PRIVATE CLIENT?

You will automatically become and remain an Intelligent Money Private Client in such circumstances. If you tell us you do not wish to become (or remain being) one we will provide you with time to either appoint a new financial adviser, or transfer your Intelligent Money to another provider of your choice. There is no charge for moving to another provider under these circumstances, with the exception of our standard SIPP transfer out fee.

If you appoint a new financial adviser they may charge you an advice fee to transfer to another provider and your new SIPP or Pension provider will have its own fees (such as establishment, transferring costs and general fees).

7. SUMMARY AND CONCLUSION

Intelligent Money has an active policy in place that takes steps and measures to act in your best interest. Part of this is identifying if you have become a 'Vulnerable Client' by definition of falling into the Orphan(ed) Client category. This is to say you are in an advised product with us, but are no longer receiving ongoing servicing or advice from this financial adviser.

When we consider this to be the case you will automatically be switched to being a direct client of Intelligent Money Private Clients. This switch involves moving your investments into our fully managed and target-dated IM Lifestyle investment strategy, which ensures your investment remains up to date with general market conditions and takes into consideration your approaching target date and end requirements for your funds.

It also includes turning off any future ongoing financial adviser charging. Intelligent Money Private Clients also provides full information, guidance, servicing and support to answer your questions and assist you in financial and tax planning. It does not, however, provide advice on where you should invest.

As with any service there is a cost for IM Lifestyle, and that is a 1.5% initial establishment fee and all inclusive 1% annual management fee.

It must be remembered that this cost replaces any previous financial adviser fee, platform fees, investment fees, discretionary management fees (where applicable) dealing charges, etc. It is therefore highly likely that you will see an overall fee reduction from such a switch.



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