

LEA Financial Services

Terms of Business

In these Terms of Business, references to “we”, “us”, “our”, LEA FS & LEAF Services shall mean LEA Financial Services Limited as providers of this service. (LEA FS & LEAF Services are trading styles of LEA Financial Services). References to “you” and “your” shall mean you as the recipient of this service. References to the FCA shall mean the Financial Conduct Authority, to the ICO shall mean the Information Commissioner’s Office and to the NACFB shall mean the National Association of Commercial Finance Brokers.

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About Us

We offer completely impartial and independent advice to our customers. We are directly authorised and regulated by the FCA under **Firm Reference No 482614** to advise on and arrange regulated mortgages, life (non-investment) and general insurance contracts, to advise on and arrange secured loans, further advances and unsecured loans.

You can check this on the FCA's Register by visiting the FCA's website <https://www.fca.org.uk/firms/financial-services-register> or by contacting the FCA on 0800 111 6768 (freephone) or 0300 500 8082 from the UK, or +44 207 066 1000 from abroad.

We also provide advice and arrangement in respect to other services such as Buy-to-Let mortgages, foreign property mortgages, commercial borrowing, development finance, etc. Buy-to-Let and commercial mortgages **are not regulated** by the FCA unless over 40% of the property is occupied by the borrower or a member of his or her immediate family. For most of these services we are regulated by the NACFB.

We can, on request, appoint conveyancing solicitors to act for you, instruct household or specialist surveys on your behalf, or arrange for Energy Performance Certificates for Buy to Let landlords or if you are selling your home. We also operate a service that is designed to reduce your personal or business energy and communications costs. **If there is a service you need, please ask us as we may be able to provide or arrange it!**

Our purpose is to meet all your requirements ourselves so that you have a **single point of contact** and we can ensure that there is a **co-ordinated response** to your needs. Because of the relationships we have established, we can normally **save you significant costs** compared to those you would incur if you went directly to one of these service providers. We usually receive an introduction commission from these providers but you will still save money by using us.

Treating our customers fairly, Consumer Duty and Vulnerability

We are committed to offering our customers the highest possible standards of service. In so doing we are pleased to support the FCA initiative '**Treating Customers Fairly**'.

In addition, the FCA have issued new Rules and Guidance on **Consumer Duty** that becomes effective as of 31st July 2023. The principle that guides everything we do is embodied in the Consumer Duty requirement that, "**A firm must act to deliver good outcomes for retail customers.**"

To ensure that these outcomes are delivered, firms must:

- act in good faith towards retail customers
- avoid foreseeable harm to retail customers
- enable and support retail customers to pursue their financial objectives

There are 4 specific outcomes that the FCA expects us to deliver on and these are in:

- Governance of products and services
- Price and value
- Consumer understanding
- Consumer support

We recognise that both we and you have everything to gain if we look after your best interests and treat you fairly in all aspects of our dealings with you.

At various times in our lives, due to a variety of circumstances, events or situations, we may become potentially vulnerable and need extra assistance to ensure that our decisions are taken in a fully-informed and considered manner. In most cases, we may not recognise that vulnerability in ourselves but, if in our opinion, our clients could benefit from third-party or other help, we may suggest this. We hope this will not offend.

Our commitment to you

We will:

- provide you with clear information about the products and services we offer, including fees and charges
- ascertain your individual needs, preferences and circumstances before recommending a mortgage, loan or protection product
- only recommend a mortgage, loan or protection product that we consider suitable for you and that you can afford – and always the most suitable from the available options and in your best interest
- not recommend a mortgage, loan or protection product if we cannot find one we consider suitable
- encourage you to ask if there is something you do not understand
- give you access to a formal complaints procedure should you become unhappy with our service

How you can help us

To help us give you the most appropriate advice, we will ask you to:

- tell us as much as possible about your income and outgoings, to enable us properly to assess how much you can afford and about circumstances that might affect your insurability.
- tell us about your intentions and concerns, short and long-term so we can ensure our advice addresses these needs.
- let us know about changes that might affect your ability to repay a mortgage, loan or protection product
- let us know if there is any aspect of our service, or of a product we have discussed or recommended that you do not understand
- tell us if you think there are ways we can improve or enhance our service

European Directives

The UK has adopted a number of European Directives over the years. Our departure from the EU has not affected the implementation of these Directives.

European Credit Directive, created two new designations, which require additional authorisation; LEA FS is fully authorised to advise on these products:

- Consumer Buy-To-Let, principally where a customer wishes to convert an existing home into a rental property, and
- Foreign Currency Mortgages, where either the property is located overseas or income is derived in a foreign currency.

The Insurance Distribution Directive, requires that customers are reminded of the premium paid last year as well as their renewal premium. There are a number of other client-care measures, most of which are the responsibility of product providers. LEA-FS has adopted the measures as far as it is able.

The Distance Marketing of Consumer Financial Services Directive of the European Parliament and of the Council; Directive 2002/65/EC (DMD) places certain restrictions on the way in which **financial** products can be sold to customers with whom we do not meet 'face-to-face'.

In the event that you have not met face-to-face with one of our advisors, we will conduct our business in recognition of the DMD. We use English as the language of our business.

There is a number of principles by which we have been guided. These are:

1. Before any contract is enacted for the supply of a financial service, you will be advised of the nature and scope of the services we provide and of any fees payable to us for which you will become liable.
2. No service will be provided to you until you have agreed to the above terms. This is to allow you fully to ascertain if the service is appropriate to your needs and the fee acceptable.
3. Contracts can be agreed verbally (by telephone) or by e-mail or other electronic means but will be confirmed in writing.
4. No fees will be charged to you in the absence of a contract.
5. We will not make unsolicited contacts with you, however, if you accept our terms you will benefit from our commitment to review your needs on a regular basis. We will request your acceptance of this commitment. **We therefore request that you check the 3 boxes near the bottom of page 8.**
6. We aim to build a long-standing relationship with you and, as stated above, undertake to conduct regular reviews. Notwithstanding that commitment, you can cancel the arrangement at any time. Please refer to Section entitled "**Withdrawal and refund of fees.**"

Data Protection Act 2018, the General Data Protection Regulation (GDPR) and Information Disclosure

We are registered under the **ACT** as a Data Controller with the ICO; our **Registration Number is Z1354876**.

We are bound by the requirements of the **GDPR**, which is a new EU legal framework that is intended to ensure the same standards of protection is offered throughout the EU. The UK's exit from the EU has not affected the implementation of the GDPR.

We are required to verify your identity in accordance with the Criminal Justice Act 1993 and the Anti-Money Laundering Regulations. This will be required at the outset of our dealings with you and no mortgage or loan offer or insurance acceptance terms will be produced until such verification has been obtained.

We will treat all your personal information as private and confidential (even when you are no longer a customer), except where we are permitted or required by Law or where disclosure is made at your request or with your consent in relation to arranging your mortgage, loan and / or your insurance.

As part of the FCA's duties and those of the NACFB, we may be asked to provide them with access to our customer records in order that they may carry out an audit of our activities. The FCA's and NACFB's abilities to inspect customer records promotes best practice in our industry and ensures that you

continue to receive the best possible service from us. If we disclose your personal information to the FCA or NACFB, they will only use it for the purpose of confirming our compliance with their rules.

In order to process your request for funding or protection, we will need to be supplied with information, including accounts and personal financial details by you and by other sources such as your Bank and credit reference agencies. We may also apply for supplementary information from your professional or other advisers. **By your acceptance of these Terms of Business, you authorise us to obtain such information as may be necessary.**

We will record the information and retain it while you remain a client and for a minimum of seven years, thereafter. We will keep it as securely as possible and use it to assess the application and recommend to you the most appropriate product(s). Where commercial or foreign property funding is being sought, we will also use the information to approach a number of selected funders and, subsequently, in negotiations for the issue of an offer of funding with them.

You have the right to apply to us for details of information we hold about you.

Applicable Law

Our Terms of Business and the services we provide are governed by and should be construed in accordance with English Law. All parties agree that the Courts of England shall have exclusive jurisdiction in relation to any claim, dispute or difference arising from these Terms of Business or any matter arising from it or the services we offer or provide that are not within the jurisdiction of the FCA or ICO.

What to do if you have a complaint

If you wish to register a complaint, please contact us as soon as possible after the incident about which you wish to complain:

...in writing to: **LEA Financial Services Limited, 6 Keppel Place, Stoke, Plymouth PL2 1AX**

...by phone to: **01752 561981**

If you cannot settle your complaint with us, you may be entitled to refer it to the:

Financial Ombudsman Service (FOS), Exchange Tower, London E14 9SR

... Consumer helpline: **0800 023 4567** or **0300 123 9123**

... Switchboard: **0207 964 1000**

... Fax: **0207 964 1001**

... Email: **complaint.info@financial-ombudsman.org.uk**

We are covered by the Financial Services Compensation Scheme (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.

Mortgage advising and arranging is covered for up to £85,000 per eligible person.

Insurance advising and arranging is covered for 90% of the claim, without upper limit for non-compulsory insurance. For compulsory insurance, professional insurance and certain claims for injury, sickness or infirmity of the policyholder, protection is for 100% without upper limit.

Further information about compensation scheme arrangements is available from the FSCS.

Instructions from you

We require our clients to give us instructions in writing for our joint referral. We will, however, accept your oral instructions provided they are confirmed in writing.

Our Services

We constantly review the mortgage, loan and insurance market in order to select the most appropriate providers and products to meet your individual circumstances.

During our initial meeting or discussion, we will complete a detailed fact-find questionnaire to enable appropriate advice to be given on the mortgage, loan and related insurance products. For clients with whom we are unable to meet face-to-face, we have established a secure portal through which we can gather that information and exchange documents.

Once we have made our recommendations to you, we will confirm our advice in writing. You should keep this as a record of the transaction, which will be confirmed by your provider's formal offer of a mortgage (first or second charge), loan or insurance contract.

We will work actively on your behalf, liaising with all parties involved (including solicitors and estate agents) to assist the smooth processing of your application. We are not liable for delays, which may be caused by third parties, but will represent your interests to ensure that delays may be kept to the minimum. We may recommend a solicitor from a select panel where we believe you could benefit from our agreed service standards with them.

From time to time, we may contact you if we believe that you would benefit from a new review or be interested in other products we can offer. We will ask for your permission to introduce these products or services. **You can give us that authority by checking the 3 boxes near the top of page 8.**

Unless you instruct us otherwise we may, where appropriate, communicate with you and with third parties via email or by other electronic means. The recipient is responsible for virus checking emails and any attachments.

With electronic communication there is a risk of non-receipt, delayed receipt, inadvertent misdirection or interception by third parties. We use virus-scanning software to reduce the risk of viruses and similar damaging items being transmitted through emails or electronic storage devices.

However, electronic communication is not totally secure and we cannot be held responsible for damage or loss caused by viruses nor for communications which are corrupted or altered after despatch. Nor can we accept any liability for problems or accidental errors relating to this means of communication especially in relation to commercially sensitive material. These are risks you must bear in return for greater efficiency and lower costs.

We offer a secure, encrypted email system but customers would have to download and install encryption software, themselves in order to use this service. Finally, and as stated above, we have created a secure portal on our website that allows for the transfer of documents in a safe manner.

If you do not wish to accept these risks or use the secure means that we offer please let us know and we will communicate by paper mail, other than where electronic submission is mandatory.

Any communication by us with you sent through the post system is deemed to arrive at your postal address two working days after the day that the document was sent.

Remuneration

*UK Mortgages **First and Second Charge** (Residential, Buy to Let, Consumer Buy to Let, Holiday Home, Holiday Let, Foreign Currency, etc.)*

Our standard fee is **£500**; of which £100 is payable at the outset and £400 is payable on confirmation of a mortgage offer. We will also retain any commission paid to us by the lender.

In certain circumstances we may be able to add our fee to the mortgage loan.

You will receive an illustration, which may be described as a Mortgage or Key Facts Illustration (KFI) or European Standard Information Sheet (ESIS) when considering a particular mortgage, which will detail any other fees relating to it such as valuation fees and lender arrangement fees.

Foreign Property Mortgages (Holiday Homes, Holiday Lets, etc.)

Our fee is **0.8% of the loan** amount, payable in pounds sterling, with a minimum of **£800**; of which half is payable at the outset and the balance is payable on confirmation of a mortgage offer. In most cases, we will be using a third-party specialist to interface with a foreign lender and they will also have fees, which they will disclose at the time. Typically, these fees amount to 1.5% of the loan size, of which we would

receive 25% by way of 'commission share'. The actual sum will be disclosed in advance of submission of an application.

Unsecured Loans

Our fee, which we MAY be able to include within the loan at your request, will be **1% of the loan size** with a minimum of **£200**.

Commercial Mortgage and Loans

We charge an initial non-refundable **Appraisal** fee of **£200** for the purposes of assessing and preparing an application for funding on your behalf. This payment is to be made in full on signing these Terms. **At our discretion, if the application is straight forward, we may waive this fee.**

On occasion, clients need additional assistance in establishing what information may be needed to support a commercial application and how best to present this to a lender. Where this support is required, we are able to offer a consultancy service in order to develop business plans, cash-flow projections, etc. designed to meet the needs of specific lenders and to smooth the application process. Where this service is required, we charge a **Consultancy** fee **at the rate of £65 per hour**. Wherever possible, we will provide a quotation or estimate for the maximum hours we expect to use and obtain your agreement before we commence. You will be invoiced weekly or at other intervals as agreed. This fee is non-refundable

We also charge an **Arrangement** fee of **0.8%** of the total facility arranged (with a minimum of **£1,000**). Half of this fee is payable at the time the Application is submitted to the lender and the remainder on confirmation of an offer. We will also retain any commission paid to us by the lender.

Commercial lenders also will charge their own arrangement fees, which they may share with us, and their typical charge is 1-2.5%. The actual sum will be disclosed in advance of submission of an application.

Finally, where access to a specific lender or product may be limited or we require specialist support, we may use a third-party intermediary in order to gain access. In that event there may be additional fees, which will be disclosed in advance of an application.

Insurances (Protection)

We do not normally charge any fees for advising on or arranging regulated insurance contracts, as we will receive a commission, usually a percentage of the premium, from the product provider. In a rare situation where the insurer does not offer us a commission, you will be provided with a quotation including any fee we would charge, **in advance of your acceptance**, so that you can make an informed decision.

Other services

We can offer other products and services which are not of a financial nature. Quotations will, necessarily, be bespoke.

Withdrawal and refund of fees

Principle

You have the right to cancel a contract provided you do so within 14 days of engaging us, however, the nature of our service would normally mean that we will have satisfied the terms of the contract within that period. Cancellation can be made by telephone, e-mail or other electronic means, however, you are recommended to confirm the cancellation in writing to our business address as listed here.

If, after engaging our services, you cancel the contract before work has commenced, we will not charge for the service. However, if work has commenced, you will be charged for time expended. If we have delivered the contracted service, the full fee will remain payable.

Whether the arrangement is for you personally (solely or jointly), a Limited Company, Limited Liability Partnership, Limited Partnership, Partnership or Sole Trader, you will be personally liable to pay our fees and may elect, as advised by your legal advisors or accountants, which vehicle you use to pay us.

Loans, Mortgages & Commercial Mortgages

You will not be liable to pay the balance of our fee if we are unable to secure an offer from any lender. However, in the event we are unable to secure a formal mortgage offer due to your non-disclosure of relevant information as required by the lender or as a result of inaccurate information you have provided, the balance of our fee will become payable immediately. We regret that we are unable to refund fees paid at the outset.

In all cases, if you withdraw from the transaction, we reserve the right to charge for the time spent working on your behalf. **This charge will never exceed our standard fee for that service.** For genuine reasons of withdrawal, this fee may be credited towards a future transaction, at our sole discretion.

Insurances

Because we do not normally charge fees for arranging insurance contracts, the only earnings we receive for this line of business are commissions paid by the insurer. Where you cancel an insurance contract or it lapses within its earnings period (typically the first four years), the insurer will 'clawback' commissions we may have received. We therefore reserve the right to charge you a cancellation fee of up to **£250** to cover the time spent working on your behalf.

Non-financial services products

You will not be liable to pay any fees, if you cancel or withdraw before work has begun. Otherwise, we reserve the right to charge reasonable fees for the time expended and costs incurred.

Late or Non-payment of fees

In the unlikely event that payments of our fees are not met as they fall due, we reserve the right to charge interest at the simple interest rate of **8%** above the prevailing Bank of England Base Rate, until the debt is repaid.

There will be administration charges of **£15** each time we have to send reminders and, in addition, if recovery action is required, those costs will be added to the total debt.

Your Money

We are not authorised to hold client money. Therefore, we cannot accept direct payment of insurance or mortgage premiums or fees payable to third parties. We are able to forward your cheques or submit your credit/debit card details on your behalf for services such as valuation reports and conveyancing fees.

Disputes between client parties

On very rare occasions, but too frequently for anyone's comfort, disputes arise between individuals who have jointly entered into financial or other transactions.

It is our intention to be totally even-handed, non-partisan and non-judgemental in our relationship with you. Should we become or be made aware of any dispute we will treat all parties as below:

- If the parties are private persons and the transactions we have managed are of a personal nature, we will respond to the enquiring party about their own status and information and offer advice on their way forward. We will treat information on the other party(ies) as personal and sensitive and not release it without written authority from that/those party(ies). If requested by the second or other party, we will respond to them in like fashion. We will exercise care so as to avoid any potential conflicts of interest or breaches of data protection.
- If the parties in conflict are principals of the business which is our client, we would not provide information or services to one party on behalf of the business without the express knowledge and permission of all parties. Unless we are provided an instruction that has been agreed by all parties we will continue to supply information to the normal place of business for the attention of the directors and/or proprietors. Should we receive conflicting advice, information or instructions from different directors and/or principals we will refer the matter back to the board of directors/the partnership and take no further action until the board/partnership has agreed the action to be taken.

Credit Checking and Fraud Prevention

All lenders will carry out credit reference checks with credit bureaus in order to assess an applicant's suitability for mortgage or other lending. They may also carry out other checks to verify your identity, employment status or financial conduct.

- If false or inaccurate information is provided and fraud is identified, details may be passed to fraud prevention agencies.
- Law enforcement agencies may access and use this information
- The proposed lender and other agencies may also access and use this information to prevent fraud and money laundering, for example, when:
 - Checking details on applications for credit and credit related or other facilities
 - Managing credit and credit related accounts or facilities
 - Recovering debt
 - Checking details on proposals and claims for all types of insurance
 - Checking details of job applicants and employees.
- Please contact us at **6 Keppel Place, Stoke, Plymouth PL2 1AX** if you want to receive details of the relevant fraud prevention agencies
- The proposed lender and other organisations may access and use the information recorded by fraud prevention agencies from other countries.

Anti-Money Laundering & Due Diligence

Any firm that deals with transactions involving money changing hands is tasked with ensuring that those who apply for the funds are, indeed, who they claim to be and that the source of funds used can be proven, etc.

For those reasons, firms such as ours are required to obtain incontrovertible evidence of the identity and residential addresses of all applicants and to verify their authenticity. We use a variety of methods including requiring the sight of original documents and online searches.

By signing these Terms of Business you:

- Instruct us to provide services in accordance with these terms and agree that any information:
 - a. we hold about you can be held on computer and / or paper files.
 - b. which you give us, may be disclosed to third parties (e.g. credit reference agencies and product providers) for the purpose of processing your application or to another firm upon the sale or transfer of all or part of our business.
- Acknowledge that any consent given by you under paragraphs below may be withdrawn by you at any time by contacting us in writing at:

LEA Financial Services Ltd, 6 Keppel Place, Stoke, Plymouth PL2 1AX

- **Agree that we may:**
 1. Contact your current lender, insurance provider or other third parties in order to obtain information on your current products and policies to enable us to provide you with advice appropriate to your circumstances.
 2. Contact your new lender, insurance provider or other third parties following the commencement of any new product or policy in order to obtain information on those products and policies to enable us to provide you with advice appropriate to your circumstances.
 3. Use the information that we hold about you to contact you from time to time by post, fax, e-mail or telephone to review your products or bring to your attention additional products or services, which may be of benefit to you.

Acceptance of Terms

By my/our signature(s) I/we confirm that I/we have read and understood these Terms of Business, agree to be bound by them and have selected the options as below:

SERVICE:

- Full advice, recommendation and arrangement
- Execution only i.e. placement of application with provider without providing advice and without overseeing the application process. This MAY include referral to another authorised firm if the requested product or service is one for which we are not currently authorised.

PAYMENT FOR OUR SERVICES:

- 'Normal'**. You will pay us **£500**, of which £100 is payable at the outset and the balance on confirmation of a mortgage offer, whether first or second charge. If the loan is unsecured, you will pay a fee of **1%** of the loan amount with a minimum of **£200**. None of these fees is refundable. We will also retain any commission paid to us.
- 'Commission only' i.e. No fee by you;** we will be paid by way of commission. This option relates to insurances and business referred to another authorised firm, **where we will receive a commission.**
- 'Foreign Property'**. You will pay us a non-refundable fee of **0.8%** (converted into pounds sterling) of the total facility arranged (with a minimum of **£800**). Half of this fee is payable at the outset and the remainder on production of an offer of the loan. We will also retain any commission paid to us.
- 'Appraisal'**. You will pay us an initial non-refundable fee of £200 for the purposes of assessing and preparing an application for funding on your behalf. This payment is to be made in full on signing these Terms – but refer to our **Consultancy Service** below.
- 'Commercial'**. You will pay us an **Arrangement fee** of **0.8%** of the total facility arranged (with a minimum of **£1,000**). Half of the Arrangement fee is payable on submission of the application to the lender and the remainder on confirmation of an offer. None of these fees is refundable. We will also retain any commission paid to us.
- 'Consultancy'**. You will pay us a fee **at the rate of £65 per hour**. Wherever possible, we will provide a quotation or estimate for the maximum hours we expect to use and obtain your agreement before we commence. You will be invoiced weekly or at other intervals as agreed. This fee is non-refundable.

Signed: _____ Name: _____ Date: _____

Signed: _____ Name: _____ Date: _____