

# Client Agreement & Terms and Conditions for Business

## Important Information

### Defined Terms

**Account** means the account you open with us in connection with the provision of the Services, and which is accessible via the Website.

**Advisory Service** has the meaning given to it in Condition 6.2.

**Agreement** means the agreement between you and us for the provision of an Advisory Service and a Discretionary Service, and which consists of:

- **These Terms and Conditions, including the Risk Disclosure Document, Conflicts of Interest Policy and Order Handling and Best Execution Policy, Fees Schedule; and**
- **The information you have provided in your Profile on the Website in connection with your Portfolio.**

**Associate** means any legal person that has a direct business relationship with MoneyFarm, including, but not limited to, whereby our products and services are offered to clients via a Tied Agent/Appointed Representative Agreement.

**CASS** means the FCA's Client Assets Sourcebook, available from the FCA Handbook as amended from time to time.

**COBS** means the FCA's Conduct of Business Sourcebook, available from the FCA Handbook as amended from time to time.

**Discretionary Service** has the meaning given to it in Condition 6.2.

**FCA** means the Financial Conduct Authority and any successor organisation(s). The address of the FCA is 25 The North Colonnade, Canary Wharf, London E14 5HS, [www.fca.org.uk](http://www.fca.org.uk).

**FCA Rules** means the rules, guidance, principles and codes of conduct that make up the Handbook of Rules and Guidance issued by the FCA in the UK.

**Financial Instrument** has the same meaning as in the FCA Handbook.

**FSCS** means the Financial Services Compensation Scheme.

**FSMA** means the Financial Services and Markets Act 2000 (as amended).

**ISA Agreement** means an Agreement, plus the MoneyFarm Stocks and Shares ISA Application Form and the MoneyFarm ISA Transfer Form, which are available on the Website.

**MiFID** means the European Parliament and Council Directive on markets in financial instruments (No. 2004/39 EC).

**Laws** means:

- (i) All laws and regulations which are relevant to this Agreement;
- (ii) The FCA Rules or any other rules of a relevant regulatory authority; or
- (iii) The rules of a relevant stock or investment exchange.

**Non-Complex Financial Instruments** means any Financial Instrument which satisfies the test set out in rule 10.4.1R of the Conduct of Business Chapter of the FCA Handbook.

**Objectives** has the meaning given in Condition 7.2.

**Portfolio** has the meaning given in Condition 3.2.

**Profile** has the meaning given in Condition 3.4.

**Retail Client** has the same meaning given to it in the FCA Handbook.

**Risk Disclosures** means the risk disclosures set out in our website, under the Risk Warning Section.

**Schedule of Charges** means the schedule of charges supplied to you at Appendix 4 to these Terms and Conditions which may be subject to change in the future.

**Services** has the meaning given in Condition 6.

**Stocks and Shares ISA Management Service** has the meaning given in Condition 6.2.

**Terms and Conditions** means these terms and conditions, as amended in accordance with Condition 25.

**Third Party** means, in the context of our products and services, any legal person different from MoneyFarm and/or any associate.

**Website** means our website: <https://www.moneyfarm.com>, our app(s) and their functionalities, as developed from time to time.

**We, us, our** means MFM Investments Ltd trading as Moneyfarm. Our registered office is 90-92, Pentonville Road, London N1 9HS, UK (Company no. 9088155). We are authorised and regulated by the Financial Conduct Authority, licence No 629539.

**You, your, customer, client** means any person holding an Account with us.

## 1. Terms and Conditions for Retail Clients

### 1.1

These Terms and Conditions, together with the information you provide in your Profile and your Portfolio on our Website form part of the Agreement between you and us for the provision of the Services set out below in Condition 6. These Terms and Conditions contain important information regarding the Services that we will provide to you and for your own protection you should read them carefully before accepting them. If you do not understand anything in these Terms and Conditions please email [hello@moneyfarm.com](mailto:hello@moneyfarm.com) and ask for further help and information.

## 2. Commencement of these Terms and Conditions

The Agreement will become effective, and we shall begin providing the Services to you, once we have opened your Account and you have provided us with the KYC and AML information as specified in Condition 4.1 below.

## 3. Communications and Instructions

### 3.1

As our client, we may communicate with you at any time, including, when appropriate by telephone. If as a result of any unsolicited communication, you enter into any investment transaction you will not have the right under Section 30 of the FSMA to treat such investment transaction as unenforceable. We may record any phone conversations between you and us without your knowledge. These recordings are our property and we may use them in evidence if there is a dispute or for any other reasonable matter.

### 3.2

We will only accept specific and clear instructions and notifications in relation to investments we hold on your behalf (your "**Portfolio**") if we receive the instructions from:

(a) you; or

(b) from a person, you have previously told us has the authority to give instructions on your behalf, via a duly signed Power of Attorney.

These instructions may be given electronically using the website, by phone, fax, in writing or by communicating with us via your Account mailbox. We will not be obliged to act on any instruction and in particular we will not act on any instruction where it is against any Law to do so. Where we do act on your instructions we will do so as soon as reasonably practicable once we have received them.

### 3.3

We may act on any instruction or other notification which we believe in good faith is from you without carrying out any further checks or investigations. We will not be liable for following an instruction or notification which is not in fact genuine or for not following or for investigating further any instruction or notification we believe may not be genuine. We will not be liable for any error of transmission or misunderstanding, or for the fraud of any other party (except in the case of our negligence, wilful default or fraud as described in Condition 21 of these Terms and Conditions). We are not obliged to acknowledge receipt of your instructions but will do our best to do so.

### 3.4

We shall send out all notices, information and other correspondence to you by email at the email address that you specify, or any other email address as you may designate in your personal profile on the Website (“**Profile**“) from time to time. In the event any notice, information or other correspondence is sent to you via letter, such letter will be sent to the postal address that you gave us, or such postal address as you may later designate in your Profile, and will be deemed to be delivered on the second business day after posting.

### 3.5

We may record and monitor telephone conversations that we have with you. We will store recordings for the period required by law or for as long as we consider appropriate.

### 3.6

We cannot guarantee that electronic communications will be successfully delivered, or that they will be secure and virus free. We will not be liable for any loss, damage, expense, harm or inconvenience caused as a result of an email being lost, delayed, intercepted, corrupted or otherwise altered or for failing to be delivered for any reason beyond our reasonable control.

### 3.7

All communications in relation to services provided under these Terms and Conditions will be in English.

## 4. Your Information

### 4.1

We are required to verify your identity in accordance with UK Anti-Money Laundering Regulations. For this reason, we may use your personal data, as that phrase is defined in the EU Data Protection Directive (“**personal information**”), in order to carry out electronic searches on private and public databases. We will keep records of any information obtained. We may use credit reference agencies which will record that an enquiry has been made, however, your credit score shall not be affected by any such enquiries. By entering into this Agreement, you confirm your acceptance of our use of credit reference agencies which will result in such a record.

#### 4.2

In order to provide services to you we need to collect, use, share and store personal financial information about you, including your personal information. We make every effort to protect the privacy of our clients' personal information. Other than as set out below, your personal information will not be disclosed, transferred or sold to any third party for any purpose.

#### 4.3

You authorise us to use any of your personal information which is relevant to our provision of services to you for all reasonable purposes in relation to your Portfolio. We may retain and continue to process your personal information after the termination of this Agreement or any other agreement between you and us. Your personal information may be processed by or transferred or disclosed to and/or by third parties where necessary to enable us to provide services to you, including your financial advisor (if relevant) and relevant stock exchanges and regulators. Your personal information may be transferred outside of the European Economic Area.

#### 4.4

With your consent, your personal information may be used by us in order to provide you with information and marketing materials in relation to our other products and services. By entering into this Agreement, you confirm your wish for your personal information to be processed for these additional purposes. If you do not wish your personal information to be processed in this way, please notify us by email by contacting the firm at [hello@moneyfarm.com](mailto:hello@moneyfarm.com).

#### 4.5

You can request copies of your personal information held by us or any service provider we appoint to provide you with the services under these Terms and Conditions by contacting the firm at [hello@moneyfarm.com](mailto:hello@moneyfarm.com). You should notify us if any of the information held is incorrect.

### 5. Client Categorisation

#### 5.1

The Services provided under these Terms and Conditions are provided by us on the basis that you are a Retail Client. This means that you are entitled to the protections that must be provided to Retail Clients under the FCA Rules. We are obligated to adequately classify you as a client in accordance with the aforementioned rules. If you would like further information on the nature of these protections, please notify us by email by contacting the Compliance Department at [uk.compliance@moneyfarm.com](mailto:uk.compliance@moneyfarm.com).

## 5.2

Subject to the information you provide us upon registering, we may categorise you other than as a Retail Client. You may request for a reclassification to be treated as a Retail Client by sending a written notification to the firm's Compliance Department at [uk.compliance@moneyfarm.com](mailto:uk.compliance@moneyfarm.com).

## 6. Services

### 6.1

The services that we will provide in accordance with these Terms and Conditions are only available to UK residents, partnerships formed under the laws of the UK or bodies incorporated in the UK that may include corporate bodies, charitable foundations and trusts. At our discretion, and in line with our regulatory permissions, we may accept non-UK residents who approach us as a potential client, providing we are able to satisfy certain requirements to confirm the status, identity and other relevant information of such clients.

### 6.2

We are able to provide you with a number of different services.

We are a privately-owned company which offers restricted advice; MoneyFarm does not recommend, or make investments on your behalf in, products from the whole of the market, but rather a limited range of products from a limited number of carefully selected companies. We do not take any back-end fees or commissions on the financial products we recommend. We are not tied into any one provider of financial products.

Our services are as follows:

**Advisory Service:** We use the information you provide about your investment and risk objectives to make investment recommendations to you in the form of one or more suitable Moneyfarm portfolios.

**Discretionary Management Service:** We build and use our expertise to fully manage your Portfolio according to your stated investment and risk objectives. This means that we monitor the performance of your Portfolio, using our discretion to adjust and balance your investments with your specific objectives in mind.

**ISA Discretionary Management Service:** You could invest up to £20,000 in the 2017/18 tax year in a Moneyfarm Stocks and Shares ISA, sheltering future returns from capital gains tax. Moneyfarm will build and manage your portfolio according to your investment and risk objectives using our Discretionary Management Service (so the requirements set out in these Terms and Conditions which apply to our Discretionary Management Service also apply to our ISA Discretionary Management Service. There are, however, additional terms which apply to clients to whom we provide this service, and these are set out in Conditions 34 to 40 below.

### Safe custody of your investments

(together, the "**Services**").

## 7. Discretionary Management Service

### 7.1

Your Account comprises personal information about you and your risk profile in addition to different investment objectives in relation to each of your funds ("**Funds**") within your overall investment portfolio.

### 7.2

You have provided us with information on your appetite for risk and your investment objectives ("**Objectives**"). We are entitled to rely on the information provided by you, and unless we reasonably believe that it is false or misrepresented we will use this information to manage your Account. You may change your Objectives at any time by updating your Account or by contacting us by telephone and/or email at [hello@moneyfarm.com](mailto:hello@moneyfarm.com). We reserve the right to amend and reissue the Agreement following such change. You agree that the Account is fair and reasonable, and an accurate reflection of your Objectives, and we may assume this to be the case unless you notify us of any change you wish to make or where we consider changes are necessary following a periodic review.

### 7.3

We will manage your Portfolio in accordance with the information in your Account. You grant us full authority, at our sole discretion, to enter into any kind of arrangement or transaction on your behalf including investing in any type of investments or other assets. For the avoidance of doubt, there will be no limit on the amount of your Portfolio that we may invest in any one investment, or on the proportion of your Portfolio that any one investment may make up, and there will be no limit or restriction on any particular type of investment, or currency, or on the markets on which transactions are carried out.

### 7.4

We may make common investment decisions which apply to a number of client portfolios including your Portfolio.

### 7.5

Details of the nature and risks of the investments in which you may be invested are set out in the Risk Disclosures document which forms part of this Client Agreement and is provided to you separately. Please note that we are unable to provide any guarantee as to the performance of any particular investments or a portfolio as a whole. It is important that you read, and are aware of the risks associated with opening an Account with us. Further details on the risks associated to our services can be found on our website under the Risk Warning section, following this link: <https://www.moneyfarm.com/uk/risk-warning>.

## 7.6

When providing you with Discretionary Management Services, we will comply with the relevant laws and regulations, including the FCA rules relating to suitability, which are set out in further detail in Condition 10 below.

## 7.8

We will undertake to review your Portfolio on a regular basis to ensure that it is still suitable for you, based on your current Objectives. We will also automatically re-balance your Portfolio on a regular basis without seeking your consent to do so.

We use appropriate benchmarks to evaluate our performance. Further details on our investment strategy is available on our website.

## 8. Advisory Service

### 8.1

In providing our services under this Agreement, we have categorised you as a Retail Client (as defined in the Glossary, "Retail Client"). You may request that you are treated as a professional client. Where you do not satisfy the criteria per se, we, in our absolute discretion, are permitted to treat you as a professional client in circumstances where:

- (i) We have undertaken an assessment of your expertise, experience and knowledge in light of the nature of the transactions or services envisaged, are reasonably satisfied that you are capable of taking your own investment decisions and understanding the risks involved; and
- (ii) At least two of the following criteria are satisfied:
  - You have carried out transactions of significant size on the relevant markets at an average frequency of 10 per quarter over the previous four quarters;
  - The size of your financial investment portfolio including cash, deposits and financial instruments exceeds £500,000;
  - You work or have worked in the financial sector for at least one year in a professional position which requires knowledge of the transactions or services envisaged by this Agreement.
- (iii) You will have to confirm in writing that you wish to be treated as a professional client in relation to any of the services contemplated by this Agreement and that you have read and considered the statement provided to you by us setting out the protections and investor compensation rights you will lose as a result and that you are aware of the consequences of losing these protections.

General provisions applying to all advisory services

- (a) We will discuss your financial situation, investment objectives, risk profile and knowledge and experience with you, and we will advise you in relation to investment opportunities taking these into account. You must tell us if your financial situation, investment



objectives, risk profile or knowledge and experience changes and until such time as you do, we shall be entitled to rely on the most recent information which we hold where it is reasonable for us to do so.

- (b) In accordance with the FCA Rules and in order to be able to act in your best interests, where we provide you with the advisory service, we will assess the suitability of any investment advice which we give you. Where required by the FCA Rules, we will provide you with a suitability report that includes an outline of the advice given and how the personal recommendation provided is suitable, including how it meets your objectives and personal circumstances. Where you instruct us to arrange a transaction arising from our advice, this report will be provided to you prior to the transaction unless it is concluded by distance communication (for example, by phone), which prevents the prior delivery of the suitability report. In this case, you consent us providing the suitability report to you without undue delay after the transaction in order to receive suitability report in advance. If you wish to do this, you should inform us before instructing your advisory portfolio(s) and assess whether the investment:
- (i) Meets your investment objectives and risk profile;
  - (ii) Is such that you are able to financially bear any related investment risks consistent with your investment objectives and risk profile; and,
  - (iii) Is such that you have the necessary knowledge and experience to understand the risk involved with the transaction.
- (c) Upon receipt of your advice, you may decide whether to disregard it (in whole or in part) or to act upon it (in whole or in part) by instructing us to effect a transaction on your behalf. If, however you insist on proceeding with a transaction against our advice, we will clearly inform you that the course of action is not suitable for you would incur by doing so. In such circumstances, we may decline to act on your instruction as we think fit, and we may in our reasonable discretion transfer those assets to an Execution Only Portfolio, or require the transaction be executed across an Execution Only Portfolio. You acknowledge that unless we inform you otherwise, any investment recommendations.

## 9. Suitability

- (a) In accordance with the FCA Rules, and to enable us to act in your best interests, where we have agreed to provide you with a discretionary investment management service and/or advisory service, we will assess the suitability of any discretionary management decision (in the case of a discretionary service) which we make on your behalf or give to you, and in the case of investment advice, provide you with a suitability report each time we provide any investment advice.
- (b) This means that we will assess whether the investment;
- (i) meets your investment objectives and risk profile;
  - (ii) is such that you are able to financially to bear any related investment risk consistent with your investment objectives and risk profile; and,

- (iii) is such that you have the necessary knowledge and experience to understand the risks involved with the transaction or with the management of your portfolio (as the case may be).
- (c) Unless we agree otherwise with you in writing, we will assess suitability primarily by reference to the suitability of the composition of your portfolio as whole. This means that our portfolio may contain a number of different investments with different risk profiles which we may have a higher (or lower) risk profile than the risk profile of the portfolio.
- (d) So that we can assess the suitability of transactions, we will ask you to provide us with information regarding your knowledge and experience of the investments in question, your investment objectives (including the level of risk you are prepared to take) and your financial situation, including your ability to bear losses. This information will be contained in risk profiling documents that you complete, client records that we hold on you as well as information that you provide to us.
- (e) It is important that the information you provide to us is accurate and up to date. You should inform us immediately of any changes to your circumstances which may be relevant or changes to the information you have provided to us with. If you do not inform us otherwise we are entitled to rely on the information you have given to us.

## 10. Initial and Minimum Investment

### 10.1

We do not require a minimum investment. However, for portfolio optimisation purposes, we suggest an initial investment above one of the following thresholds:

- (a) for an initial investment without a regular monthly payment, a basic threshold of £1,500; or
- (b) for an initial investment with a regular monthly payment of at least £50, a lower threshold of £500.

### 10.2

For investment amounts below £1,500, it is sometimes not possible to build a fully balanced portfolio. In this scenario, we will build up the number of investments as you add more money to your account. However, until you reach £1,500 you may find that you have a larger than normal allocation to cash while we wait for more money to buy investments. The investments we buy will always be relevant to your Investor Profile.

## 11. Pooling

### 11.1

We may pool (aggregate) your transactions with those of other clients without seeking agreement from you beforehand. We will only do so where we believe that this is unlikely to disadvantage your overall position, although it may do so in relation to any specific order.

## 12. Delegation and Referrals

### 12.1

We reserve the right to perform any of our obligations to you through the agency of an associate or any third party of our choosing. This means that we may appoint another person or entity to provide the services to you under these Terms and Conditions. We will take all reasonable steps to satisfy ourselves that any person whom we appoint to provide any services to you or to perform any of our obligations on our behalf is suitably competent to do so. We will ensure that all such parties agree to provide you with best execution rules set out in COBS 11.2.

### 12.2

Where appropriate, we may offer to refer you to third parties to provide certain additional services. We will not make any such referral without your consent. We may also accept referrals of business from third parties.

## 13. Fees and Charges

### 13.1

Our fees and charges are calculated on the basis and at the rates shown and are payable as set out in the Fees and Charges Schedule at Appendix 2. We reserve the right to change these rates from time to time and will notify you of any such changes in writing.

### 13.2

We may deduct any amounts payable by you to us from your Account. If the available funds are insufficient, we may sell assets held as part of your Account to cover such charges.

### 13.3

We may pay (or receive from third parties), fees in relation to referrals of business.

### 13.4

We may receive payment from, or share charges with, a third party. Further information about such payments or shared charges is available on request. However, where we receive a payment from a third party we will make sure that this payment does not enter into conflict with your interests as a client.

## 14. Statements and Reports

### 14.1

We will provide valuation reports to you electronically on a six-monthly basis. These reports will include details of all transactions during the relevant period, details of the contents of your Account, the current market value and the basis of valuation, income and interest and fees charged.

### 14.2

If your employer requires confirmation, we will provide a letter certifying the provision of services on a Discretionary Basis. In general, most employers will accept an electronic copy of this letter

which we will provide free of charge. If, however you require an original signed copy we can post this to you. Requests to issue certification letters should be sent to us by email for the attention of the Compliance Officer at [uk.compliance@moneyfarm.com](mailto:uk.compliance@moneyfarm.com).

## **15. Execution Venues and Counterparties**

### **15.1**

Unless otherwise expressly agreed in advance in writing, we may deal on any markets or exchanges and with any counterparties that we believe provide the best outcome reasonably available. All transactions will be carried out in accordance with the rules and regulations of the relevant market or exchange, and we may take any steps as may be required or permitted by such rules and regulations and/or by appropriate market practice.

## **16. Client Money**

### **16.1**

Any cash held in your Portfolio will be held in accordance with the FCA client money rules in one or more segregated accounts with a carefully selected banking institution. Client money accounts may include the balances of more than one client. Client money may also be placed on overnight or short-term deposit. We will act in good faith and with due diligence in the selection and monitoring of banks holding client money. Where relevant you will be responsible for any additional income tax liability which may be incurred.

### **16.2**

When considering which banking institution to use, we will exercise due skill, care and diligence and will periodically review the adequacy and appropriateness of any bank or credit institution where your money is deposited and of the arrangements for holding your money. It is important to note that we are responsible for any acts, omissions or default of a credit institution or bank chosen by it by only for taking care in its choice and monitoring.

### **16.3**

Your money is handled and held with UK financial institutions. However, we may operate client money accounts outside the UK. In the event we do so please note that:

(a) different legal and regulatory provisions will exist outside the UK and the protections may not be equivalent to those available in the UK. In the event that a bank located outside of the UK defaults, fails or otherwise unable to meet its obligations, money held on behalf of clients may be treated differently than if the money was held in the UK;

(b) we will only hold client money in an account outside the UK where the relevant bank has confirmed that all money standing to the credit of the account is held by it as trustee and that the bank is not entitled to combine or set off the account in respect of any money owed to it on any other account held with it, whether in our name or not.

#### 16.4

Client money may be passed by us to a settlement agent in a jurisdiction outside the UK. If the settlement agent defaults, fails or is unable to meet its obligations, client money may be treated differently from the position which would apply if the money was held in the UK.

#### 16.5

We reserve the right to only make external payments to and to accept payments from the bank account stated in your Account.

#### 16.6

We are not obliged to tell you before terminating our relationship with the Bank and appointing a replacement; but we will tell you, if we do.

### 17.Custody

#### 17.1

Your non-cash investments (**Custody Assets**) will be held subject to the FCA rules and we will act as custodian or arrange for your Custody Assets to be held in custody. Where we do so, we will open, or cause to be opened, such accounts as are required to safeguard adequately your ownership rights in those securities and other assets in the event of our insolvency, and to minimise the chance of loss or diminution of those assets.

#### 17.2

You hereby authorise us to register or arrange the registration of Custody Assets in any name permitted by the FCA Rules. Where the Custody Assets are subject to the law or market practice outside the United Kingdom and it is in your best interests to do so, we may register or record your Custody Assets in our name or the name of a sub custodian. If Custody Assets are held in our name or that of a sub custodian, the Custody Assets may not be segregated or separately identifiable from our assets or those of the sub custodian and, in the event of a default by us or the sub custodian, may not be as well protected from any claims by our or their creditors.

#### 17.3

If we deposit your Custody Assets with a person in a non-EEA state, they will be subject to the law of that state and your rights in relation to those assets may differ accordingly. We will not deposit your Custody Assets with a person in a non-EEA state which does not regulate custody activities unless:

- (i) the nature of the financial instrument requires it to be deposited in such a state; or
- (ii) we receive a prior written instruction from you, in which case the consequences of so doing are entirely at your own risk.

#### 17.4

We will exercise all due skill, care and diligence in the selection, appointment and periodic review of any sub-custodian and the arrangements under which the sub-custodian holds the Custody Assets. Subject to any applicable legal or regulatory requirement we shall not be responsible for the acts or omissions, default or insolvency of any sub-custodian holding Custody Assets which we hold for you.

#### 17.5

Our rights against sub-custodians to which we delegate safekeeping of the Custody Assets, and therefore the Custody Assets themselves, may consist only of a contractual claim and not a proprietary right in the Custody Assets themselves. This means that in the event of the insolvency of a sub-custodian (or similar event), it may be that we will rank as an unsecured creditor and will be unable to recover the Custody Assets on your behalf either in full or at all.

#### 17.6

Where we choose to hold an amount of our money to cover a shortfall (i.e. where we discover we are not holding assets of sufficient value to meet our obligations to you), we will hold that amount for the Client in accordance with the FCA's client money rules (**Cover Amount**) until the shortfall is resolved, unless otherwise agreed. Where the relevant shortfall reduces or is otherwise resolved, the Cover Amount (or the portion thereof in excess of the relevant shortfall) shall become immediately due and payable to us. In the event of termination of the Agreement, we will treat payment to you of such money covering a shortfall as fully discharging our obligation to you to return the securities which were the subject of that shortfall.

### 18. Insolvency

#### 18.1

If we are declared insolvent, your investments will be sold. We will make reasonable efforts to obtain the best market price for you.

#### 18.2

Cash held outside a tax wrapper will be returned to your UK Bank Account. Our nominated custodian will contact you within 90 days of the declaration of insolvency about the cash held in a tax wrapper.

#### 18.3

If Moneyfarm and our nominated custodian are declared insolvent, you will need to register a claim with the FSCS, if applicable.

## 19. Deposits

### 19.1

We accept payments from any UK account, which you are authorised to use, by debit card; direct debit; and bank transfer.

### 19.2

When you make a payment by debit card or direct debit, your payment will be processed by a third party that is subject to the Payment Services or Electronic Money Regulations. These payments typically take 3 business days to reach us (with a maximum of 7 business days), during which time the money is held by the relevant service provider in an account protected by the relevant regulations.

## 20. Source of Funds

### 20.1

We are obliged to comply with the Money Laundering Regulations. To do that, we may occasionally need to ask for proof that a payment received by Moneyfarm has originated from your UK Bank Account. We may also have to ask for evidence that your wealth is from a legitimate source. If we make what we regard as a reasonable request for these purposes, you agree to comply with it.

## 21. Withdrawals

### 21.1

We will only pay money to the UK Bank Account. If you request a withdrawal 60 calendar days of a direct card payment we reserve the right to return the funds to source.

### 21.2

If you cancel a direct debit or debit card payment after we have claimed or received the funds, we will return the money and debit your Account. If we need to sell some of your assets to settle amounts outstanding on your Account, we will do so, and you may incur a profit or loss. If your Account becomes overdrawn, we will ask you to settle that overdraft, and you agree to do so within a reasonable period.

### 21.3

We reserve the right to only make external payments to and to accept payments from the bank account stated in your Account.

## 22. Death

### 22.1

We cannot help with the administration of a deceased customer's account until we receive an original or certified copy death certificate (Death Certificate).

### 22.2

When you die, your ISA assets will lose their tax-free status. This means the income and capital gains on your ISA investments will no longer be tax exempt. If you were the sole owner of an ISA, we will sell the stocks and shares in your account(s), and hold the proceeds in cash for the benefit of your estate, unless we are specifically asked not to do this, within 30 calendar days of receiving your Death Certificate. Once the process has been completed, and the funds administered, the account will be closed.

### **22.1**

Dividends earned on the investments held in your Portfolio which is payable to you will be remitted to your Portfolio and may be reinvested.

### **22.2**

Interest earned on the investments held in your Portfolio which is payable to you will be remitted to your Portfolio and may be reinvested.

## **23. Income**

### **23.1**

Dividends earned on the investments held in your Portfolio which is payable to you will be remitted to your Portfolio and may be reinvested.

### **23.2**

Interest earned on the investments held in your Portfolio which is payable to you will be remitted to your Portfolio and may be reinvested.

## **24. Interest**

### **24.1**

Any interest earned on cash within your Portfolio will be calculated on at least a half annual basis and shall be reinvested.

### **24.2**

Moneyfarm reserves the right to keep any interest earned on the available cash outside your Portfolio.

## **25. Conflicts of Interest**

### **25.1**

We or anyone connected with us, may carry out certain transactions for you where we, or another client of ours, have a duty that may conflict with our duty to you. We will manage any such conflict or potential conflict to ensure that it does not materially affect the transactions we carry out for you. We will inform you if we consider that we cannot adequately manage a conflict.

### **25.2**

Our Conflicts of Interest Policy is detailed in a separate document provided with this Client Agreement. This sets out the types of actual or potential conflicts of interest which may arise given the nature of our business and provides details of how these are managed. Further details and updates of this policy can be found on our website or provided on request.



## **26. Loss, damages or costs**

### **26.1**

We accept responsibility for any loss, damages or costs suffered or incurred by you only to the extent that such loss arises directly from our gross negligence, wilful default, fraud, and/or our deliberate and wilful breach of any duties which we owe you under the FSMA, Regulations or FCA Rules. We will not be liable for any other losses, damages or costs suffered or incurred by you.

### **26.2**

We will take reasonable care in the assessment and appointment of sub-custodians, banks, counterparties, agents and other third parties. We accept responsibility for any loss, damages or costs incurred by you only where these arise from our, negligence, wilful default or fraud in the assessment or appointment of such persons. We will not be responsible in any other circumstance for the actions of any such third parties.

### **26.3**

We do not accept responsibility for any loss, damages or costs you may incur as a result of any cause beyond our reasonable control.

## **27. Indemnity**

you will indemnify us against any liability, cost, expense, loss or any damage incurred by us (including but not limited to professional advisors' fees) arising from your breach of these Terms and Conditions, negligence, wilful default or fraud.

## **28. Our Duties to You**

No provision of these Terms and Conditions will be deemed to restrict, qualify or exclude any duty owed to you under the Laws and Regulations which apply to us. We do not, however, owe you any further duties except as expressly set out in these Terms and Conditions.

## **29. Amending These Terms and Conditions**

We may amend these Terms and Conditions by giving you 10 business days' notice by email in the event of any material changes. If we are required to amend these Terms and Conditions in order to comply with any applicable Laws and Regulations however, we may do so with immediate effect.

## **30. Complaints**

### **30.1**

Moneyfarm takes complaints very seriously and have established procedures in accordance with the FCA's requirements for the consideration and handling of complaints, to ensure that complaints are dealt with fairly and promptly.

Should you have any complaints in relation to our services, please notify us by emailing on first instance to the Client Relationship Management team at [hello@moneyfarm.com](mailto:hello@moneyfarm.com), or alternatively

to the Compliance Team at [uk.compliance@moneyfarm.com](mailto:uk.compliance@moneyfarm.com). We will aim to acknowledge your complaint promptly, investigate the circumstances when required, and report the results to you in accordance with the FCA rules.

### 30.2

If your complaint is unresolved 8 weeks from the date you first made the complaint you may refer it directly to The Financial Ombudsman Service (“**FOS**”), which is an independent dispute resolution service, free of charge by following the steps outlined on the FOS website: <http://www.financial-ombudsman.org.uk/consumer/complaints.htm>. Certain clients, such as larger companies and trusts may not be considered eligible complainants by the Financial Ombudsman Service.

The Financial Ombudsman Service can be contacted at:

The Financial Ombudsman Service,  
South Quay Plaza,  
183 Marsh Wall.  
London,  
E14 9SR

### 30.3

Further details on our Complaints Handling Procedure can be found on our website under the Legal and Regulatory documents section.

## 31. Compensation

MoneyFarm is covered by the Financial Services Compensation Scheme (“**FSCS**”). You may be entitled to compensation from the FSCS in the event that we have stopped trading, are declared to be in default or otherwise cannot meet our obligations. Your potential entitlement to compensation depends upon the type of business we provide you and the circumstances of your claim. The FSCS offers different levels of cover for different types of business. Most types of investment business are fully covered up to a limit of £50,000. Further information about compensation arrangements is available from the FSCS website ([www.fscs.org.uk](http://www.fscs.org.uk)).

## 32. Termination

### 32.1

You may terminate these Terms and Conditions at any time. Termination will take effect 7 business days after we receive notice from you via email or through the website of your wish to terminate these Terms and Conditions.

Your right to terminate these Terms and Conditions set out above is subject to the settlement by you of all outstanding transactions, fees and charges, details of which are set out in the Fees and Charges Schedule located at Appendix 2 to these Terms and Conditions.

We may pass on to you charges levied by third parties as a result of the termination of these Terms and Conditions.

Transactions already in progress will be completed in the normal course of business.

### **32.2**

We may terminate these Terms and Conditions by giving you 10 business days' notice in writing, subject to the settlement of all outstanding transactions.

### **32.3**

No additional amount will be payable by you solely for terminating this Agreement, except that you will pay a due proportion of our fees to the date of termination and any other applicable fees or transfer charges, details of which are outlined in the Fees and Charges Schedule set out at Appendix 2 to these Terms and Conditions, together with any expenses reasonably incurred by us in giving effect to such termination and any losses incurred in settling or concluding our outstanding obligations.

### **32.4**

We may deduct these fees and expenses from any part of your Portfolio and/or sell assets from your Portfolio to cover such fees and expenses.

### **32.5**

On termination of these Terms and Conditions, we will, following the payment of any outstanding amounts owing to us in accordance with clause 27.3, and the settlement of all outstanding transactions relating to your Account, re-register your assets and transfer your cash as you reasonably request.

If you make no reasonable request we will take steps to re-register your assets in your name and to transfer your cash to you at our discretion.

## **33. Assignment**

### **33.1**

You do not have the right to assign or otherwise transfer to any other party your rights or obligations under these Terms and Conditions.

### **33.2**

We may assign our rights and obligations under these Terms and Conditions at any time, and will send you notice by email of any such assignment prior to its taking effect.

### **34. Inactive Accounts**

We will mark any Account as dormant if it has been inactive for at least one year to protect both you and us. If you ask us, we will tell you how you can access your Account. If you have money in a dormant Account, it will remain your property (or in the event of death it will form part of your estate).

### **35. Entire Agreement**

These Terms and Conditions constitute the entire agreement between you and us and supersedes and extinguishes all previous agreements and arrangements between us, whether written or oral, relating to its subject matter.

### **36. Governing Law**

#### **36.1**

This Agreement and any obligations arising out of or in relation to it are governed by and construed in accordance with English Law, and both we and you agree that all disputes under or in respect of this Agreement shall exclusively be dealt with by the courts of England and Wales.

Nothing in these Terms and Conditions shall affect any right or rule which allows us or you to service documents in any other manner permitted by law.

#### **36.2**

The parties irrevocably agree that the courts of England and Wales will have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with these Terms and Conditions (including non-contractual disputes or claims).

### **37. Cancellation**

You have a period of 14 days, beginning on the date on which your Account is opened or the date on which you receive a copy of these Terms and Conditions and other related documents, whichever is the latest, within which to cancel your Account. MoneyFarm will sell any investments made on your behalf during this period but will not be responsible for any market loss that you may incur as a result.

### **38. Third Party Rights**

A person who is not a party to these Terms and Conditions has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, other than our agents, nominees and Affiliated Companies.

### **39. Timing**

We last updated these Terms and Conditions on 08 March 2018.

## **APPENDIX 1: Additional Terms for Clients with Stocks and Shares ISAs**

### **1. Important Information**

#### **1.1**

This section contains additional terms and conditions which are applicable to the Stocks and Shares ISA. It should be read in conjunction with Conditions 1 to 33 above which contain the general terms and conditions for investment services.

#### **1.2**

You are subscribing to this Stocks and Shares ISA for the current tax year and each subsequent tax year in which you subscribe to the Stocks and Shares ISA, and/or transferring to us a current tax year and/or previous tax year ISA from another ISA manager.

#### **1.3**

You cannot subscribe to a Stocks and Shares ISA if you have already subscribed to any other Stocks and Shares ISA in the same tax year.

#### **1.4**

To subscribe for a Stocks and Shares ISA you have to be a UK resident aged 18 or over.

#### **1.5**

These Terms and Conditions will commence on the day we have both a valid application and receipt of your first subscription, or where you are transferring to us from another ISA manager, on the day we have both a valid transfer application form and receipt of the proceeds of transfer from your previous ISA manager.

### **2. Investment Strategy**

#### **2.1**

Your Stocks and Shares ISA will be invested on a discretionary basis in accordance with your Objectives set out by you in your Account subject always to the requirements of HM Revenue & Customs (“HMRC”).

#### **2.2**

For each new tax year, all contributions to your Account will be allocated first to your Stocks and Shares ISA until the maximum subscription is reached for that year, or until your own pre-set limit. Once the maximum subscription or your own pre-set limit is reached, future contributions are allocated to the non-ISA remainder of your Account.

### 2.3

We will review your Stocks and Shares ISA on a regular basis to ensure that it is still suitable for you based on your current Objectives. We will automatically re-balance your Stocks and Shares ISA on a regular basis without obtaining your consent to do so.

## 3. Investing in a Stocks and Shares ISA

### 3.1

Investments into a Stocks and Shares ISA may be by cheque, bank transfer, transfer of cash from an existing Portfolio held with us or by transfer from another ISA manager (subject to HMRC's ISA transfer rules).

### 3.2

You will at all times be the beneficial owner of any investments held in your ISA. You must not use the investments and/or cash in your ISA as security for a loan except to the extent permitted by the Individual Savings Account Regulations 1998 (“**Regulations**”).

### 3.3

Your investments will be registered in the name of, or otherwise held to the order of MoneyFarm as the ISA Manager's Nominee. You will at all times remain the beneficial owner of any of your investments that are held by MoneyFarm.

### 3.4

The total of contributions to be invested in any tax year will not be more than the maximum permitted to be invested in stocks and shares by the Regulations for that tax year.

## 4. Withdrawing your ISA Investment

### 4.1

You will not incur tax liabilities by withdrawing. We will send an acknowledgment of your instructions to you at the email address you designate in your Account.

### 4.2

At your request, we will transfer all or part of your ISA investments (with the associated rights and obligations) to another ISA manager, subject to HMRC's ISA transfer rules.

### 4.3

We will process your withdrawal or transfer request promptly and normally within the 30-day maximum period stipulated by HMRC, subject to circumstances outside our control. Should you wish the withdrawal or transfer to take place at a particular time, we will endeavour to meet this request. However, in the case of transfers, we are reliant on the receiving manager and cannot guarantee to do so.

## 5. ISA Regulations

## **5.1**

You authorise us to disclose to HMRC all such information as required by law. We will notify you in writing if, by reason of any failure to satisfy the provisions of the Regulations, your Stocks and Shares ISA becomes void.

## **6. Delegation**

### **6.1**

We will satisfy ourselves that any person to whom we delegate any of our functions or responsibilities under the Terms and Conditions is competent to carry out any of those functions and responsibilities.

## **7. Timing**

### **7.1**

We last updated these Terms and Conditions on 09 August 2016.

## APPENDIX 2: FEES AND CHARGES SCHEDULE

### 1. CATEGORIES

Our fees and charges fall into three categories:

- (a) Annual management fees;
- (b) Withdrawal charges; and
- (c) Additional charges.

### 2. ANNUAL MANAGEMENT FEES

The fee is a percentage of your total assets under management with us. The fees are structured into tiers (or brackets) depending on the size of your portfolio (similar to the tax system), as set out in the table below:

#### Annual management fee

- \$ 0.7% between £0 and £20,000
- \$ 0.6% between £20,001 and £100,000
- \$ 0.5% between £100,001 and £500,000; and
- \$ 0.4% over £500,001

By way of example, if a client invests £70,000 with us, they would pay fees of:

- \$ 0.7% on the first £20,000;
- \$ 0.6% on the next £50,000;

We reserve the right to review the fees where we believe total gross contributions are being manipulated by deposits and subsequent withdrawals, or other unreasonable activity.

### 3. WITHDRAWAL CHARGES (NOT SUBJECT TO VAT)

MoneyFarm does not charge for any withdrawal fee.

### 4. ADDITIONAL CHARGES (NOT SUBJECT TO VAT)

There are no additional charges.