



Temple Bar
Independent Financial Advice Ltd.
Independence House,
4 Beckett Road, Worcester WR3 7NJ
Tel: 01905 757748 Fax: 01905 757749
Email: advice@templebar.co.uk

FAIR VALUE ASSESSMENT GUIDE

Finally, if you pay by fees how much you can you expect to pay - Scale of Fees and estimate of time.

As you'd expect, professionally qualified IFAs are paid for their advice. Circa 6.86% of practice turnover is taken up in expenditure directly attributable to regulation costs. The Retail Distribution Review December 2012 has removed commissions and replaced these with fees. The following is a summary of the professional service Temple Bar IFA is dedicated to. These notes, although not exhaustive, deal with some of the most important assumptions on which Financial Planning is based, what you can expect from Temple Bar IFA and what Temple Bar IFA will expect from you. Temple Bar is founded on the principle of Mutual Benefit, we do not expect to profit from our client relationship unless the client benefits in equal proportion. Our charges depend on several factors but will often be based upon the amount of time spent at the appropriate hourly charging rates for the persons concerned. As a general guide most initial pre and post sale work is carried out by me personally, my current hourly rate is £225.00 plus VAT and my PA rate for administration is £75.00 plus VAT (if VAT is chargeable).

According to the FCA these fees will vary by adviser and are likely to be around £75-£250 an hour.). I anticipate a minimum of 14 hours work for most cases with a cost in the region of £3,150.00 plus VAT (if VAT is chargeable). These fees can still be deducted from the investment product placed.

There are 6 steps in this process: -

1) The Financial Review – Time estimate = 2 hours

- Attend client's home, place of work or video conference.
- Establish details of your financial circumstances
- Obtain details of existing financial plans which will include valuations and projections.
- Note any assumptions/estimates you wish to make about your current and future circumstances.
- Identify the nature and priority of your financial objectives and any specific requirements relating to them.
- Document the above findings in a Financial Review Report

2) Pre Sale – Back Office Work - Time estimate = 4 hours

- Collate information gathered on first meeting and load onto financial planning software.
- Analyse information i.e. what is the client situation now, where does client wish to be and what is the best independent strategy to get there
- Carry out calculations based on the information obtained from the client. For example, income tax, inheritance tax liability or pension provision and make appropriate recommendations in the form of Suitability Proposals.
- Design product solutions based on client profile with use of financial planning software.
- Research product providers based on performance flexibility and cost – Defaqto.
- Discuss with and obtain illustrations from product providers.

3) The Financial Summary and Analyses - Time estimate = 2 hours

- Attend clients home or place of work or video conferences (for a second meeting or more)
- Organise, categorise, and explain the information provided by the Financial Review
- Explain and carry out calculations based on the information obtained from the client. For example, income tax, inheritance tax liability or pension provision and make appropriate recommendations.
- Recommend any plans or services that may be appropriate to the client based on factors such as past performance, charges, flexibility, services, and financial security.
- Complete medical data, Money Laundering ID, Trusts – as appropriate

4) Post Sale – Back Office Work - Time estimate = 2 hours

- Completion and process applications, Money Laundering Documentation, Fact Find Documentation, Suitability Letters, servicing transfer letters, projection/valuation requests, submission of applications to providers and arranging/chasing doctors reports/medicals/trusts.
- Annual Review reminders, meetings, valuations etc



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5) Suitability Letter - Time estimate = 4 hours

- In addition to the above reports a Suitability Letter will be supplied within five working days of the completion of any application. This will detail the product research together with written reasons why this product is appropriate for you. The report will show product features and how these match the client's needs together with performance data.

6) Ongoing Servicing

- Clients attitude to risk changes over time. If left for a long period of time the proportions of the different asset classes represented in your portfolio could result in a divergence from your original risk profile. Generally, we use Discretionary Portfolios to prevent this but your personal attitude to risk may also change. So, each year we will contact clients and invite them to a review and to complete a new Risk Profile.
- We also maintain a Due Diligence file and conduct monthly research using Defaqto to the client's portfolio remains best advice.
- A meeting may be appropriate should you wish to meet in person and discuss your investment planning. It's crucial to periodically review a client's investment portfolio to ensure it continues to accurately reflect their attitude to risk.
- We offer an annual review by written invitation.
- In addition, we offer a free advice telephone hotline permanently manned 9 -5, five days a week plus a free review on demand at any time outside of our annual review.
- This service will be provided for within our annual fee which is based on the value of the investment, our regulatory costs, the costs of maintaining professional indemnity insurance (£5 million), maintaining run off professional indemnity insurance in perpetuity due to the risks of operating in business without the protection of the Statute of Limitation, capital adequacy (£20K) held in a non interest account. This annual fee is a reflection of the importance of the matter and the consequent responsibility to the firm. This element of charge will be based on 1% pa of the gross value of the funds under management.

Contingent Charges:

We believe tradition fee-based charging models, as practiced by professional such as solicitor and accountants, act as a prohibitor to financial advice. Therefore, we operate a contingent charging model which means for most clients we will offer advice as detailed above without obligating them to place business. In other words, our remuneration is contingent of placement of business – No Win No Fee.

Target Market

Most of the new business is conducted via existing clients some of whom have been clients since our business inception in 1984. The age of a client and that of the adviser are closely matched. The profile and needs of our clients are very similar and require similar solutions. Our ideal client is male or female over 60 years with excess of £100,000 to invest. They have similar concern and seek income and capital growth. Often our advice is linked with estate planning via our separate Limited Company, Temple Bar Estate Preservation Ltd or our preferred solicitors, Gately Legal plc.

Limitations

We do not prospect smaller investment cases as it is now impossible to operate in a regulated capacity where our fees and charges would have a disproportionate impact of funds. We have evaluated compliance costs and even when we discount business costs, compliance costs alone mean it is not viable to operate as a regulated adviser on a lesser fee scale than described earlier in this document. The work involved for a £50K case is the same as a £250K case.



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Price

The UK regulator, the FCA suggests that the average initial advice charge is between 2 per cent to 3 per cent of funds invested and for ongoing advice between 1 per cent and 1.9% per cent per annum. Our charges are 3% and 1% and are therefore in line with regulatory guidelines. On larger cases we may discount initial fees in order to incentivise clients.

We have calculated compliance costs:

- ✓ 1.7% Professional Indemnity
- ✓ 3% FCA fees
- ✓ 2.16% Compliance Cost (SimplyBiz membership)

Total = 6.86% of turnover.

The FSA/FCA have said advice fees are likely to be £75 - £250 an hour if the client prefers to work on a fee basis. Earlier we have shown an anticipated minimum of fourteen hours work at our hourly rate of £225.00. Thus, a cost in the region of £3,150.00 plus VAT (if VAT is chargeable). If we operate on a contingent charging model these fees can be deducted from the investment product placed. We believe that model allows access to all without risk of fee charge where not business is placed.

Value/Benefits

Temple Bar IFA Ltd has qualified for the Times 2019, 2020, 2021, 2022, 2023 Guide To Top Rated Financial Advisers (VouchedFor). We are a 4.9 Star Client Rated firm and on 17/08/2023 we had 141 independently verified client reviews. We believe we add value through advice. At every interaction with clients, we now ask those clients to review our service standard via VouchedFor.

The Vanguard Group is the largest provider of mutual funds and exchange-traded funds (ETFs) in the world has calculated that an advised upon equity/bond portfolio that has been regularly rebalanced, generated annual returns up to 43bps higher than a commonly chosen equity/bond portfolio allowed to drift (unadvised upon) out of the set allocation. This is equal to 3 per cent a year addition return in [Vanguard's view](#)

Vulnerable Clients

We do not deal with vulnerable clients unless they are accompanied by a close family member, personal friend or professional representative.



Total time estimate = 14 hours at £225 per hour = £3,150.00

Disbursements are charged at cost.

*From 1 January 2013, you will need to pay fees for financial advice (not commission).

According to the FSA/FCA these fees will vary by adviser.
and are likely to be around £75-£250 an hour.

*Source: <https://www.moneyadvice.service.org.uk>