

# regulatory

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## keyfacts about our service

### 1. The Financial Services Authority (FSA)

The FSA is the independent watchdog that regulates financial services. It requires us to give you this document. Use this information to decide if our services are right for you.

### 2. Whose products do we offer?

#### Insurance

- ✓ We offer products from a range of insurers for Protection, Buildings and Contents Insurance and Accident, Sickness and Redundancy.

We only offer products from a limited number of insurers. Ask us for a list of the insurers we offer insurance from.

We only offer products from a single insurer.

We only offer our own products.

- ✓ Trafalgar Square Financial Planning Consultants (TSFPC) will be paid commission direct from the Insurance Company and no fee will be charged to the client.

#### Mortgages

- ✓ We offer mortgages from the whole market.

We only offer mortgages from a limited number of lenders. Ask us for a list of the lenders we offer mortgages from.

We only offer mortgages from a single lender.

### 3. Which service will we provide you with?

#### Insurance

- ✓ We will advise and make a recommendation for you after we have assessed your needs for Life Cover (term), Critical Illness Cover (term), Income Protection Cover (term).

You will not receive advice or a recommendation from us for Life Cover (term), Critical Illness Cover (term), Income Protection Cover (term). We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.

#### Mortgages

- ✓ We will advise and make a recommendation for you after we have assessed your needs.

You will not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.

#### 4. What will you have to pay us for this service?

##### Insurance

✓ No fee

A fee

*You will receive a quotation which will tell you about any other fees relating to any particular insurance policy.*

##### Mortgages

No fee

✓ A fee of £499.00 when you apply for a mortgage. TSFPC will receive a fee from the lender in addition to the fee charged to the client. This fee will be disclosed on the Key Facts Illustrations given to the client.

*You will receive a key facts illustration when considering a particular mortgage which will tell you about any other fees relating to it.*

#### 5. Refund of fees

If we charge you a fee, and your mortgage does not go ahead, you will receive:

✓ A full refund repayable if the case fails to proceed within 10 days of receipt by TSFPC.

No refund.

#### 6. Who regulates us?

Trafalgar Square Financial Planning Consultants, 6 Morie Street, London SW18 1SL is Directly Authorised and regulated by The Financial Services Authority. Our FSA Register number is 305726.

Our permitted business is advising on and arranging mortgages and non-investment insurance business.

You can check this on the FSA's Register by visiting the FSA's website <http://www.fsa.gov.uk/register/> or by contacting the FSA on 0845 606 1234.

#### 7. What to do if you have a complaint?

If you wish to register a complaint, please contact us:

In writing to: Trafalgar Square Financial Planning Consultants  
Complaints Department, 6 Morie Street, London SW18 1SL

By telephone: 020 8870 8787

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.

#### 8. Are we covered by the Financial Services Compensation Scheme (FSCS)?

We are covered by the 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.

##### Insurance

Insurance advising and arranging is covered by 100% of the first £2,000 and 90% of the remainder of the claim, without upper limit.

##### Mortgages

Mortgage advising and arranging is covered for 100% of the first £30,000 and 90% of the next £20,000 so the maximum compensation is £48,000.

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

## regulators statement

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### THOSE WHO ADVISE ON MORTGAGES ARE:

EITHER Independent Advisers

OR Representatives of one company

Your adviser is INDEPENDENT and will act on your behalf in advising you on mortgage products, term assurance, term critical illness, income protection & accident sickness and redundancy cover, buildings & contents insurance.

Because your adviser is independent he or she can advise you on the whole market.

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## client agreement

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This Client Agreement commences on the day of issue to clients.

We advise on and arrange mortgages, term assurance, term critical illness, income protection & accident sickness and redundancy cover, buildings & contents insurance.

Trafalgar Square Financial Planning Consultants is authorised and regulated by the Financial Services Authority.

Trafalgar Square Financial Planning Consultants is bound by the Financial Services Authority's rules.

Trafalgar Square Financial Planning Consultants  
6 Morie Street, London SW18 1SL, Tel: 020 8870 8787.

Your objectives, attitude to risk and other restrictions will be confirmed to you in due course, following completion of a fact find and subsequent discussion.

You have a right to inspect copies of contract notes, vouchers and entries in our books or computerised records relating to your transactions.

We keep records of our business for at least six years.

If you have any complaints about the advice you receive or a product which you have bought, please write to the Compliance Officer, Trafalgar Square Financial Planning Consultants, 6 Morie Street, London SW18 1SL, Tel: 020 8870 8787. A copy of our internal complaints handling procedures is available on request. Further information is available from the Financial Services Authority and the Investors Compensation Scheme through the Financial Ombudsman Service.

We offer independent financial advice, but occasions can arise where we or one of our other customers will have some form of interest in business which we are transacting for you. If this happens, or we become aware that our interests or those of one of our other customers conflict with your interests, we will inform you in writing and obtain your consent before we carry out your instructions.

## terms and conditions

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We normally require our clients to give us instructions in writing to avoid possible disputes. We will, however, accept oral instructions provided they are subsequently confirmed in writing.

You or we may terminate our authority to act on your behalf at any time without penalty. Notice of this termination must be given in writing.

We normally charge fees as set out in our IDD document. Where we propose to charge a fee, we will notify you in writing before we carry out any chargeable work, explaining how it will be calculated and how much it will be.

Where we derive income from commission paid to us in respect of any business transactions we will tell you the amount of commission payable to us.

Trafalgar Square Financial Planning Consultants has only one partner or director who is engaged in the day to day conduct of business. If he were unable to conduct business (say through illness) your interests might suffer. We have therefore made a formal arrangement with Jane Dawson of JD Associates, 60 Crummock Gardens, Kingsbury, London NW9 0DJ, Tel: 020 8200 1340 to carry out our business obligations if we were unable to conduct business for more than fourteen days.

Trafalgar Square Financial Planning Consultants DOES NOT HANDLE CLIENTS' MONEY.

## data protection

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Information provided by you may be held, processed, disclosed and used by ourselves, professional advisers and any associated companies in servicing our relationship with you. However, strict confidentiality will be maintained at all times. It is understood that, unless you notify us otherwise, you agree to the storage, use and disclosure of such information. This information may be disclosed to third party product providers in the course of providing our analysis and servicing of our relationship with you. No information will be passed to another party without your prior consent unless we are legally obliged to do so. You also agree that for the purposes described above, your data may be transferred to countries outside the European Economic Area (EEA). We may use and analyse your data, including the nature of your transactions, to provide you with information by post, telephone, fax or email to service and update you, as well as informing you of new investment opportunities. If you would prefer to be excluded from these services, please write to the company address as above.

I acknowledge receipt of a copy of the above Client Agreement and agree with its contents

Name: \_\_\_\_\_ Date: \_\_\_\_\_

# you can afford your mortgage now, but what if...

This factsheet is from the Financial Services Authority (FSA), the independent watchdog set up by the government to regulate financial services in the UK and protect the rights of consumers.

Taking out a mortgage is one of the biggest financial commitments you can make, both in terms of the amount you borrow, and the length of time it may take to repay it.

## Are you sure you can afford it?

You may be able to afford the repayments now, but if you borrow a large amount over a long period of time think what could happen if, for example, your income falls or you lose your job. Or what if interest rates rise and your monthly repayments go up?

## How could your income fall?

Your income could fall if:

- you lost your job, or had to take a drop in income
- you or your partner stopped work to have a child or to look after a dependant
- you became ill and couldn't work.

## Could you keep up your mortgage payments if your income falls?

### How could your mortgage payments go up?

- Your mortgage payments to your lender could go up (or down) if interest rates change. Mortgage interest rates are related to the interest rate set by the Bank of England and lenders usually apply some or all of any change to your mortgage.
- Unless your mortgage rate is fixed for the full term of your mortgage, this will affect you.
- Often, special rates are for a set period so when they come to an end your payment will change – it could be much higher.

Although interest rates have been stable over the past few years, this could change. In the past, interest rates have risen from 7.5% to 15% in just a few years. Interest rate rises could increase your monthly payments considerably, making it difficult for you to afford them.

The following examples show how different interest rates can affect your payments.

### Example 1: repayment mortgage

You borrow £100,000 over 25 years on a repayment mortgage, initially at a rate of 4%:

Interest Rate	Monthly Repayment	Increase from 4%
4%	£528.00	-
6%	£644.00	+ £116.00
8%	£772.00	+ £244.00
10%	£909.00	+ £381.00

*Interest calculated monthly*

### Example 2: interest-only mortgage

You borrow £100,000 over 25 years on an interest-only mortgage, initially at a rate of 4%:

Interest Rate	Monthly Repayment	Increase from 4%
4%	£333.00	-
6%	£500.00	+ £167.00
8%	£667.00	+ £334.00
10%	£933.00	+ £500.00

*Interest calculated monthly*

**Don't forget that rates could be higher than those shown here.**

With an interest-only mortgage you only pay the interest on your loan – but you will also need to have a way of paying off the loan at the end of the term (borrowing period). This will usually mean having a savings plan or investment to build a lump sum to pay off the mortgage.

### Could you afford your mortgage if interest rates went up significantly?

#### What can you do now to help protect yourself against the risk of changes in your circumstances and interest rate rises?

- Plan your budget based on what you might have to pay in future as well as the initial cost – don't forget to include all your household expenses, such as buildings and contents insurance premiums, council tax.
- Try not to take the maximum mortgage on offer – just because you can afford it now, doesn't mean you can afford it in the future.
- Think about whether you need a fixed rate so that you know your mortgage payment won't go up for a given period – don't forget that if rates fall, your payment won't.
- Build up your savings so that in an emergency (for example, you lose your job) you can still afford to pay your mortgage and bills for a short time. Compare rates on savings accounts on FSA's comparative tables, newspapers or websites.
- Work out how long you could live on your savings if you lost your job.
- Check what benefits your employer would provide if you became ill.
- Insurance – various products can insure you in the event of redundancy, critical illness, or accident. You should consider these but make sure they meet your needs: there are restrictions on when and how much they will pay out. Make sure you understand the limitations of any policy and how it protects you. For information on all types of insurance, see the Association of British Insurers (ABI) Information Zone at <http://www.abi.org.uk>

#### If you do get into difficulties

**Talk to your lender** if you cannot meet your mortgage payments – they will have a set procedure for dealing with your case.

**State benefits** – may be available but may cover you only after an initial waiting period; for example:

- you won't qualify if you have a joint mortgage and only one of you loses your income;
- you won't qualify if you have savings of more than £8,000;
- you may only qualify for help nine months after you become unemployed (unless you took your mortgage out before October 1995);
- payments will only cover the 'interest' part of the mortgage; and
- there is a limit on the amount of mortgage that qualifies.

For more information contact your local Job Centre Plus (details in the Phone Book).

A mortgage is a long-term loan secured on your home.

'Secured' means that, if you don't keep up the loan repayments, the lender can repossess your home and sell it to get their money back.

**Trafalgar Square**

financial planning consultants

# helping you choose the right mortgage

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The FSA regulates most mortgage sales from 31 October 2004. This pack aims to help you choose the right mortgage. It explains how some of the rules we've made will make it easier for you to shop around and understand what you're getting.

A mortgage is a loan you take out to buy your home. It can be for any length of time agreed between you and the lender. If you get into difficulties making the payments and get into arrears, the lender can, as a last resort, take back your home and sell it to get its money back. **Remember, you are responsible for paying back your mortgage.**

These steps, and the relevant numbered sheets, aim to help you choose the right mortgage:

## Step 1: How much should you borrow?

When looking for or changing your mortgage, think about how much you can afford to borrow, and whether you can continue to afford it if circumstances change.

## Step 2: Shop around

Start by collecting information and comparing lenders and the products they offer. The FSA's comparative tables can help you compare rates and flexibility – at: <http://www.fsa.gov.uk/tables>

## Step 3: Information or advice?

What level of service do you want when getting a mortgage? Advice and a recommendation or just information so you can choose for yourself? Decide before you go in search of a mortgage and make sure you get the service you want.

Look out for the document

**keyfacts** about our mortgage services

– which the broker or lender will give you.

This will explain the service you're getting from the broker or lender and what you'll have to pay.

## Step 4: Which interest rate deal?

'Discount', 'tracker', 'fixed' – just a few of the interest rate deals on the market. Which one you choose will determine how much you pay in the short term as well as the long term. Shop around and see what the different deals offer.

## Step 5: Mortgage features

There are lots of different mortgage features available. Flexible, current account or offset. What's the difference and is one for you?

## Step 6: Get the 'keyfacts' about the mortgage

To help you consider a mortgage deal, you'll get a personalised illustration entitled

**keyfacts** about our mortgage services

– also called a key facts illustration (KFI). This will summarise the features and costs of any mortgage product you're interested in. Asking for a KFI doesn't commit you to anything. Use it to shop around.

### Step 7: How to repay your mortgage

There are two ways to repay your mortgage: 'repayment' or 'interest-only'. They work in different ways and you will need to choose the one that suits you.

### Step 8: How to repay your mortgage – interest-only

A way of repaying your mortgage – but only the interest on the loan; you'll need another financial product to pay off the loan at the end. Is this for you?

### Step 9: What are the fees and costs?

There are costs to pay when getting a mortgage; some can be added to your loan. Make sure you know what's included.

### Step 10: Insurance checklist

You'll need buildings insurance to cover your home in case it's damaged or destroyed. You'll probably take out insurance to cover your possessions, and you might want to cover your income or mortgage payments. This checklist explains what's available.

### Step 11: You can afford your mortgage now, but what if...?

Don't just think of your present financial situation; consider what you would do if interest rates went up or you lost your job.

### Step 12: Review your mortgage

Don't just sit back and forget about it. You'll get a statement at least once a year. It will contain lots of information about your mortgage. You can use it to help you decide whether you can get a better deal elsewhere or a better deal from your current lender.

### Useful FSA publications

Available from our website or Leafletline on: 0845 456 1555 (call rates may vary)  
[www.fsa.gov.uk/consumer](http://www.fsa.gov.uk/consumer)

- What to do when you can't meet your mortgage payments
- Buy-to-let mortgages
- Raising money from your home
- FSA guide to making a complaint about financial services

FSA comparative tables  
<http://www.fsa.gov.uk/tables>

FSA mortgage calculator  
<http://www.fsa.gov.uk/consumer>

### Other contacts

#### For information on insurance products

Association of British Insurers (ABI)  
<http://www.abi.org.uk>

#### For leaflets on buy-to-let, equity release and home buying in England, Wales or Scotland

Council of Mortgage Lenders (CML)  
<http://www.cml.org.uk>  
Tel: 020 7440 2255