

## **TERMS OF BUSINESS**

### **Seán Mac Shéamais t/a Carn Financial Services and Brendan James Financial Services.**

#### **1.0 Introduction**

##### **Terms of Business Effective from May 2018 V 11.2.**

These terms of business set out the general terms under which our firm will provide business services to you and the respective duties and responsibilities of both the firm and you in relation to such services. Please ensure to read these terms thoroughly and if you have any queries we will be happy to clarify them. If any material changes are made to this Terms of Business we will notify you.

#### **2.0 Regulatory Status with the Central Bank**

Seán Mac Shéamais, t/a Carn Financial Services and Brendan James Financial Services, is regulated by the Central Bank of Ireland, as an Insurance Intermediary registered under the European Communities (Insurance Mediation) Regulations, 2005; as an Investment Intermediary under the Investment Intermediaries Act, 1995 and as a Mortgage Intermediary authorised under the Consumer Credit Act, 1995 and as a Mortgage Credit Intermediary under the European Union (Consumer Mortgage Credit Agreements) Regulations 2016. Copies of our regulatory authorisations are available on request.

The firm is authorised as a deposit broker and to give advice in relation to deposits.

The Central Bank holds registers of regulated firms. You may contact the Central Bank on **1890 777 777** or alternatively visit their website at [www.centralbank.ie](http://www.centralbank.ie) to verify our authorisation. The firm's Regulatory No. is: C57050.

Seán Mac Shéamais t/a Carn Financial Services and Brendan James Financial Services can be contacted at 5B, Royal Court Business Centre, Liosban Estate, Galway or at 091-761155 or by email: [info@brendanjamesfs.ie](mailto:info@brendanjamesfs.ie).

#### **2.1 Codes of Conduct**

Seán Mac Shéamais t/a Carn Financial Services and Brendan James Financial Services is subject to the Central Bank of Ireland's Consumer Protection Code, Minimum Competency

Code and Fitness & Probity Standards which offers protection to consumers. These codes can be found on the Central Banks website: [www.centralbank.ie](http://www.centralbank.ie).

### **3. Our Services**

Seán Mac Shéamais t/a Carn Financial Services and Brendan James Financial Services is a member of Brokers Ireland.

Our principal business is to provide advice and arrange transactions on behalf of clients in relation to life and pensions, mortgages, investments and deposits. A full list of product producers we deal with can be provided on request.

#### **3.1 Insurance Intermediary Services/Mortgage Intermediary Services**

Seán Mac Shéamais t/a Carn Financial Services and Brendan James Financial acts as an impartial Broker which means that:

- a) the principal regulated activities of the firm are provided on the basis of a fair analysis of the market; and
- b) you have the option to pay in full for our services by means of a fee.

#### **3.2 Fair Analysis**

The concept of Fair Analysis is derived from the Insurance Mediation Directive. It describes the extent of choice of products and providers offered by an intermediary, within a particular category of life assurance, general insurance, mortgages, and /or specialist area. The number of contracts and providers considered must be sufficiently large to enable an intermediary to recommend a product that would be adequate to meet a clients needs.

The number of providers that constitutes ‘sufficiently large’ will vary depending on the number of providers operating in the market for a particular product or service and their relative importance in and share of that market. The extent of fair analysis must be such that could be reasonably expected of a professional conducting business, taking into account the accessibility of information and product placement to intermediaries and the cost of the search.

In order to ensure that the number of contracts and providers is sufficiently large to constitute a fair analysis of the market, we will consider the following criteria:

- the needs of the customer,
- the size of the customer order,
- the number of providers in the market that deal with brokers,

- the market share of each of those providers,
- the number of relevant products available from each provider,
- the availability of information about the products,
- the quality of the product and service provided by the provider,
- cost, and any other relevant consideration.

A Schedule of our fees is outlined below.

#### **4 Life & Pensions/Deposits & Life Wrapped Investments**

Seán Mac Shéamais T/A Carn Financial Services and Brendan James Financial Services provides life assurance and pensions on a fair analysis basis i.e. providing services on the basis of a sufficiently large number of contracts and product producers available on the market to enable us to make a recommendation, in accordance with professional criteria, regarding which contract would be adequate to meet the your needs.

We will provide assistance to you for any queries you may have in relation to the policies or in the event of a claim during the life of the policies and we will explain to you the various restrictions, conditions and exclusions attached to your policy. However, it is your responsibility to read the policy documents, literature and brochures to ensure that you understand the nature of the policy cover; particularly in relation to PHI and serious illness policies.

Specifically on the subject of permanent health insurance policies it is our policy to explain to you a) the meaning of disability as defined in the policy; b) the benefits available under the policy; c) the general exclusions that apply to the policy; and d) the reductions applied to the benefit where there are disability payments from other sources.

For a serious illness policy, we will explain clearly to you the restrictions, conditions and general exclusions that attach to that policy.

#### **5 Investments**

Seán Mac Shéamais T/A Carn Financial Services and Brendan James Financial Services is remunerated by commission for its investment intermediary services.

## **6 Mortgages**

We may receive up to 1% (or whatever maximum is applicable) of the loan for arranging mortgage finance. This commission is paid by the mortgage lender. The actual amount of commission will be disclosed at a later stage in the ESIS (European Standardised Information Sheet) which will be forwarded to you. Information on the variation in levels of commission payable by the different creditors providing credit agreements being offered are available on request.

Please note that lenders may charge specific fees in certain circumstances and if this applies, these fees will be specified in your Loan Offer. You have the right to pay a fee separately and not include it in the loan. Typically, this situation arises in relation to specialist lending.

Fees: Carn Financial Services and Brendan James Financial Services reserve the right to charge a service fee of €400 if an Approval in Principle is obtained and €800 if a Loan Offer is obtained fulfilling the client's requirements but the client decides not to take up the Approval in Principle and or Loan Offer whichever is applicable. There is a minimum charge of €300 per mortgage application regardless of whether an Approval in Principle is obtained.

In certain circumstances additional fees may be chargeable by the mortgage provider and these fees are payable by the client.

## **7 Disclosure of Information**

Any failure to disclose material information may invalidate your claim and render your policy void.

Seán Mac Shéamais t/a Carn Financial Services and Brendan James Financial Services is remunerated by commission and other payments from product producers or lenders on the completion of business. You may choose to pay in full for our services by means of a fee. Where we receive recurring commission, this forms part of the remuneration for initial advice provided. We reserve the right to charge additional fees if the number of hours relating to on-going advice/assistance exceeds 15 hours. Before any additional fees are levied clients will be informed.

In certain circumstances, it will be necessary to charge a fee for services provided. These are listed below for life, non-life business and Standard PRSAs. In other circumstances where fees are chargeable or where you choose to pay in full for our service by fee, we will notify you in writing in advance and agree the scale of fees to be charged if different from fees outlined below.

If we receive commission from a product provider, this will be offset against the fee, which we will charge you. Where the commission is greater than the fee due, the commission will become the amount payable to the firm unless an arrangement to the contrary is made.

## 8 Fees, Commissions and Charges

Sean Mac Shéamais t/a Carn Financial Services and Brendan James Financial Services operate a fee based and/or commission based financial advice service. There are two main ways in which clients can pay the firm. The firm can be paid either by flat fee or flat commission or an offset agreement incorporating both fees and commissions.

### 8.1.1 Fee Only Clients

Business conducted with the firm on a fee only basis is charged in the following ways:

- 1) On an hourly rate basis
- 2) On a once off Standard Fee basis
- 3) On a product by product basis (See Table 1).

### 8.1.2 Fees by hour.

Fees by hour are levied in the following way:

Personal Clients: €150 per hour (or part thereof)  
Corporate Clients: €250 per hour (or part thereof)

\*Maximum Individual Fee (on hourly basis): €2,500.

\*Maximum Corporate Fee (on hourly basis): €5,000

(\*In exceptional cases where there is a greater degree of complexity involved and/or third parties are required for specialist advice then these fees may increase. Any such increase will be advised to clients before proceeding)

#### 8.1.2.1 Once Off Items/Audits - Standard Fees.

The firm will conduct reviews and produce detailed reports of financial affairs on a once off basis if requested. Standard one-off items of work conducted by the firm will be charged as follows:

Item	Cost - €
Statement of Affairs(Individual)	1,500
Pension Report(Individual)	1,000
Pension Report(Company)	2,500
Policy Audit(Individual)	1,000
Policy Audit(Company)	2,500
Estate & Succession Planning	2,500
Investment Report(Individual)	1,000
Investment Report(Company)	2,500
Ad-hoc Report(Individual)	1,000

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Ad-hoc Report(Company)	2,000
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**IMPORTANT:** Where the firm is engaged by a client to produce a once off item of work listed above, this service is chargeable even if business is not conducted with the firm.

### **8.1.2.2 Fees by product**

Carn Financial Services and Brendan James Financial Services provides clients with the option to pay by product and where a fee is payable then up front commission is waived. This option is extended to Pension and Investment clients only.

**IMPORTANT:** Where the firm is engaged to provide a product or service and a suitability statement is signed the full fee relating to that product is payable even if not proceeded with.

### **8.1.3 Servicing Fees for Fee Only Pension Clients**

There will be an annual servicing charge payable by all fee only clients where pensions and policies have been taken out through the firm, in order to cover ongoing advice costs related to original financial advice given and where the firm is the named agent on the policy. A standing order in favour of the firm must be completed.

Personal Clients: €800 per year.

(Fund Based Commission of 0.5% on funds under management will be applicable where clients do not want to pay an annual review fee.)

Corporate Clients (by company): €800 per year per director/ €100 per employee where included in company scheme,

(Fund Based Commission of 0.5% on funds under management will be applicable where clients do not want to pay an annual review fee.)

### 8.1.4 Commission Only/Fee by Product clients

Description	Commission Only	Fee Only Basis
Group Schemes Pension (2 or more Members)	5% A.P. + .25% A.M.C.	€2,000 Initial Set up Charge + €100 per member annual charge
SSAPS	5% A.P + .5% A.M.C	€3,000
PRSA Standard	5% A. P.	€1,000
PRSA Non-Standard	Up to 7.5% A.P. + .5% A.M.C.	€1,500
Personal Pension	Up to 7.5% A.P. + .5% A.M.C.	€1,500
Executive Pension	Up to 7.5% A.P. + .5% A.M.C.	€1,500 (per director)
PRSA AVC	Up to 7.5% A.P. + .5% A.M.C.	€1,000
Annuities	Up to 5% of Initial Premium.	€1,500
ARF/AMRF/PRB <100,000	5% A.P. + .5% A.M.C	€1,500
ARF/AMRF /PRB>100,000	2% A.P. + .5% A.M.C	€2,500
Deposits (All)	0.25% - 0.5% of Investment.	€500
Life Assurance (All)	Variable Please refer to disclosure document	€1,000

Commissions/Fees are payable on a product by product basis. Where clients opt for commission based payments no ongoing fees are payable. Seán Mac Shéamais t/a Carn Financial Services and Brendan James Financial Services do not operate an ‘execution only’ service and all fees/commissions below reflect advice provided. (Table 1)

Please note that some Life Assurance companies may pay additional commission but this in no way affects client contracts.

### **First Exploratory Meeting**

There is a special rate for initial exploratory meetings and this rate is charged at €100. There is no obligation on the client and they will receive an initial agenda outlining a basic financial plan and key financial areas that should be addressed.

### **No Obligation Detailed Initial Financial Planning Report**

A more detailed and longer report can also be requested this detailed comprehensive financial plan will cost €250 per individual/Couple and €500 for a company. There is no obligation, however, to proceed with any of the recommendations.

## **9 Audits**

The firm also conducts an audit service for clients’ existing portfolio of life & pension insurance products. This firm is also a member of the Life Insurance Association of Ireland (LIA) and is also a member of Brokers Ireland.

Depending on your individual circumstances, we may provide you with advice in relation to the nature of these products and which product may be suitable to your needs. You may however wish to focus our advice on areas of particular interest to you. We can offer you advice on all Life Insurers listed in Appendix 1 and other insurers as regards whom we will use our best efforts to obtain information on their products. We can receive and transmit orders for such products on your behalf to the insurers listed in Appendix 1. Where you select an insurance product listed in appendix 1; we may offer you an ongoing advisory service in relation to that policy. Fees for audits will be on fee only/commissions only or on a fee/commission offset basis.

## **10 Regular Reviews**

It is in your best interests that you review, on a regular basis, the products which we have arranged for you. As your circumstances change, your needs will change. You must advise us of those changes and request a review of the relevant policy so that we can ensure that you are provided with up to date advice and products best suited to your needs. Failure to contact us in relation to changes in your circumstances or failure to request a review may result in you having insufficient insurance cover and/or inappropriate investments.

## **11 Conflicts of Interest**

It is the policy of our firm to avoid conflicts of interest in providing you with insurance and investment business services. If this is not possible, we will notify you as soon as practicable after we become aware of the conflict of interest and you may rest assured that you will be treated fairly where such a conflict is unavoidable.

## **12 Default on payments by clients**

Our firm will exercise its legal rights to receive payments due to it from clients for business services provided.

In particular, without limitation of the generality of the foregoing, the firm will seek reimbursement for all payments made to insurers on behalf of clients where the firm has acted in good faith in renewing a policy of insurance for the client.

Insurers and other product producers may withdraw benefits or cover in the event of default on payments due under policies of insurance or other products arranged for you. We would refer you to policy documents or product terms for the details of such provisions.

## **13 Complaints**

Whilst we are happy to receive verbal complaints, it would be preferable that any complaints are made, in writing. We will acknowledge your complaint within 5 business days and we will fully investigate it. We shall investigate the complaint as swiftly as possible, and, the complainant will receive an update on the complaint at intervals of not greater than 20 business days starting from the date on which the complaint is made. On completion of our investigation, we will provide you with a written report of the outcome. In the event that you are still dissatisfied with our handling of or response to your complaint, you are entitled to refer the matter to the Financial Services and Pensions Ombudsman (FSPO). A full copy of our complaints procedure is available on request.

## **14 Compensation Scheme**

We are members of the Investor Compensation Scheme operated by the Investor Compensation Company Ltd-see below for details.

## 15 Data Protection Policy

The firm complies with the requirements of the General Data Protection Regulation 2018 and the Irish Data Protection Act 2018.

The firm is committed to protecting and respecting your privacy. We wish to be transparent on how we process your data and show you that we are accountable with the GDPR in relation to not only processing your data but ensuring you understand your rights as a client.

The data will be processed only in ways compatible with the purposes for which it was given and as outlined in our Data Privacy Notice, this will be given to all our clients at the time of data collection.

We will ensure that this Privacy Notice is easily assessable. Please refer to our website [www.brendanjamesfs.ie](http://www.brendanjamesfs.ie) if this medium is not suitable we will ensure you can easily receive a copy by; email.

Please contact us at [info@brendanjamesfs.ie](mailto:info@brendanjamesfs.ie) if you have any concerns about your personal data.

## 16 Investor Compensation Scheme

The Investor Compensation Act, 1998 provides for the establishment of a compensation scheme and the payment, in certain circumstances, of compensation to certain clients (known as eligible investors) of authorised investment firms, as defined in that Act.

The Investor Compensation Company Ltd. (ICCL) was established under the 1998 Act to operate such a compensation scheme and our firm is a member of this scheme.

Compensation may be payable where money or investment instruments owed or belonging to clients and held, administered or managed by the firm cannot be returned to those clients for the time being and where there is no reasonably foreseeable opportunity of the firm being able to do so.

A right to compensation will arise only:

- If the client is an eligible investor as defined in the Act; and
- If it transpires that the firm is not in a position to return client money or investment instruments owned or belonging to the clients of the firm; and
- To the extent that the client's loss is recognised for the purposes of the Act.

Where an entitlement to compensation is established, the compensation payable will be the lesser of:

- 90% of the amount of the client's loss which is recognised for the purposes of the Investor Compensation Act, 1998; or
- Compensation of up to €20,000.

For further information, contact the Investor Compensation Company Ltd. at (01) 224 4955.

**17 Brokers Ireland Compensation Fund**

We are also members of the Brokers Ireland Compensation Fund. Subject to the rules of the scheme the liabilities of its members firms up to a maximum of €100,000 per client (or €250,000 in aggregate) may be discharged by the fund on its behalf if the member firm is unable to do so, where the above detailed Investor Compensation Scheme has failed to adequately compensate any client of the member. Further details are available on request.

*We have received the Terms of Business of Carn Financial Services and Brendan James Financial Services and agree to proceed on the terms described therein:*

Signed:- \_\_\_\_\_  
Intermediary

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

Signed: \_\_\_\_\_  
Client

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

Signed: \_\_\_\_\_  
Client

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

