

Client Terms of Business Agreement (Applicable to all Butterworth Spengler companies)

Butterworth Spengler Insurance Brokers is a trading style of the following companies, **Butterworth Spengler Commercial Ltd., and Butterworth Spengler Professional Risks Ltd.**

All are authorised and regulated by the Financial Conduct Authority. Our Financial Services Register numbers are 306470 (Commercial Ltd) 518292 (Professional Risks Ltd). You can check our status and permissions at www.fca.org.uk/register or by contacting the FCA on 0800 111 6768.

Our communications with you will specify which company is acting on your behalf.

LAW AND LANGUAGE

This Terms of Business is subject to English Law and the jurisdiction of the English Courts. We will use the English language for all communications, the contractual terms and conditions and any information we are required to supply to you, before and during the duration of the contract.

ACCEPTANCE

The purpose of this agreement is to set out our professional relationship and detail the services we will provide to you. For your own benefit and protection, you should read all of the information carefully. If you do not agree to any part of the information, please tell us. **We assume that you accept the terms of this agreement unless we hear from you.**

THE REGULATOR

The Financial Conduct Authority is the independent watchdog that regulates financial services.

The FCA has authorised us to advise, arrange, deal in and assist with the placing and administration of all types of General Insurance policies.

We are also authorised to undertake the following Consumer Credit Activities:

Credit Broking (where we act as a credit broker) and Debt Administration.

PRIVACY AND DATA PROTECTION

We are committed to respecting and protecting your privacy.

Our Privacy and Data Protection Notice sets out the basis for which any personal data we collect from you, or that you provide to us, will be processed by us.

Telephone calls to our offices are recorded for training and security purposes.

OUR SERVICE

We can act both as agent of the insurer, and on behalf of you, the customer. We have in place management controls to deal with any conflicts of interest that might arise. Unless we advise you otherwise, we are acting on your behalf.

We also act on behalf of insurers when collecting premiums under risk transfer.

Our service includes advising you on your insurance needs, arranging insurance cover with insurers or other intermediaries to meet your requirements and assisting you with any ongoing changes that you may have to make. As part of our service we will assist you with any claim that you need to make.

If we use the services of another intermediary to place your insurance we will advise you of the name of the intermediary we use and the name of the insurer.

Where it is agreed that we will only provide advice, or are appointed to act for you in respect of a particular aspect or aspects of risk we will make this clear in any correspondence with you and cannot be held liable for inadequacies in any other risk prevention measures you may have in place.

If you mislay your policy at any time, we will arrange a replacement policy document, if you request it. **We may make a charge for this.**

OUR FEES, COMMISSION AND CHARGES

We usually receive a commission from the insurance provider with whom we place your business, and in such a case, the commission will be due to us either when we are in receipt of cleared funds from you (or the premium finance company, if one has been used) or, when the insurer has received cleared funds from us in respect of the premium due under your policy. The individual agreements we have with each insurance provider will determine which of the two methods above is used to make this transfer of commission. Commissions are based on the premium you pay, **net of any IPT (see below)**. We also receive commission for arranging finance agreements for the payment of insurance premiums and this is usually expressed as a percentage of the individual loan and is paid to us directly by the premium finance provider. We may also receive a commission or fee for passing introductions to other professional firms.

In addition, we may make a charge to cover the administration of your insurance as follows:

Standard Charges:	
Arranging or renewing a policy	£25
Mid-term adjustments (MTA)	£25
Refunds	£25
(we refund NET of our commission)	
Copy Documents	£15

Any such fee will be notified to you prior to any transaction.

Policies voided or cancelled from inception by insurers will be treated as a cancellation and we will retain any commission and fees before returning the net premium to you. By accepting these terms of business, you agree that we may retain the portion of the premium that relates to the entire commission that would have been due to us.

Occasionally we may arrange a policy on which we earn no commission (a 'net-premium

policy') and in these cases, we will advise you of the arrangement fee before you take the policy out. Specific charges, which apply to individual policies, will be advised to you prior to the commencement of each contract applicable to that policy.

The amount and purpose of any additional charges will always be advised to you in advance.

You are entitled, at any time, to request information regarding any commission which we may have received as a result of placing your insurance business.

The contract is considered formed when you instruct us to bind the risk with Insurers which may or may not be the date the insurance period commences but is usually prior to it. This is the material point at which our entire remuneration is due. It may comprise of commission paid by Insurers and fees from you. Although the commission is paid by Insurers it is your instructions to enter into the contract with them that enables us to earn it. The commission and fees are charged in respect of the services that we provide as your broker and in the event that you do not proceed with the contract, we reserve the right to recover the amount of any commission or fee that would have been due to us from you.

RETURN PREMIUMS

These arise where a policy is amended resulting in a reduction in the premium or where a policy is cancelled. In these cases, we pay a refund to the insurer of part of our original commission. This amount will be deducted from the final amount refunded to you.

OUR SELECTION (FAIR ANALYSIS)

We offer products from a wide range of insurance companies and other insurance intermediaries.

Our selection usually involves presenting to a reasonable number of insurance companies that will insure for the risk at hand, and this is called a fair analysis of the market available to us.

Sometimes we may only approach two or three insurers and this is a limited panel, or in some cases, we may only approach one insurer, in either case we will tell you the basis as part of our selling process. You can request a list of the companies that form the panel we have approached.

FINANCIAL STRENGTH

We regularly assess the financial strength of the Insurance Companies and other intermediaries that we deal with. The process usually involves general observation of the financial ratings applied by independent rating agencies such as Standard & Poor's and AM Best published with other readily available information within industry guides, newsletters and press releases. Whilst we take care to deal with companies that maintain reasonable solvency margins, we

cannot guarantee their financial ability to pay claims.

MONEY

We will hold money that you pay to us in accordance with the regulator's rules or under a risk transfer agreement with insurers. This will include holding your money in the following ways:

A **statutory trust client bank account** in relation to payments received by Butterworth Spengler Commercial Ltd. and Butterworth Spengler Professional Risks Ltd. This only allows us to use the money held in trust on behalf of a customer for paying that customer's premium to an insurance company and to pay premium refunds or claims we receive from that insurance company to the customer, once the premium has been received from that insurance company. We **cannot** use that customer's money to pay another customer's premium or refund. Also for this reason it is not possible for you to offset the refund against premiums owed on another policy. We do not pay any interest on premiums held by us in the course of arranging and administering your insurance, unless, in the case of consumer transactions we receive more than £20 per transaction, and then we will ask for your permission to retain the interest. Unless you tell us otherwise, you are consenting to us holding your money in this way.

A **non-statutory trust insurer bank account** in relation to payments received by Butterworth Spengler Facilities Ltd in accordance with our agreements with Insurance Companies that transfer the risk of money we receive from customers to them, these agreements deem any money you pay to us, to be received by them and they will bear the risk of any losses in the event that our firm becomes insolvent. This includes claims money or premium refunds we receive prior to being paid to you.

Holding your money in these ways means that in the event that this firm becomes insolvent your money remains protected.

In arranging your insurance we may employ the services of other intermediaries who are regulated by the FCA and your premium may be passed to these intermediaries for payment to insurers. These firms are also required to hold clients' money in a separate trust account. We will also inform you if at any time we are

required to pass your premium to firms that operate outside the UK where the protection may be different. Should you not wish us to pass premiums to a firm outside of the UK, please inform us.

PAYMENT OPTIONS

We will provide you with full details of all the payment options available to you when we provide you with your insurance premium.

If you choose to enter into a finance arrangement, your details will be passed to a third party (insurer or lender) to enable them to contact you and you should contact us at the address given in this document if you do not want your details passed to that party. This finance arrangement will be subject to interest charges that we will confirm to you when providing the full details. Importantly, the arrangement you will enter into will be with the finance company not us. It is an entirely separate contract irrespective of the insurance contract. In the event of your failure to meet with the contractual obligations regarding payment the finance provider could approach the insurer to seek a termination of the insurance contract to recoup their outstanding finance arrears. You will be liable to pay their costs and charges if you do not keep up your repayments and cover is cancelled under your policy. This is because the agreement is between you, the policyholder and the finance company direct, not us or the insurer.

It is important that you read any finance agreement that is sent to you before you agree to enter into such an agreement.

We do not charge any fees to you for introducing you to a credit provider.

Please note: - Your policy cover will cease if you fail to keep up payments on an instalment agreement or premium finance facility related to it.

If you are a consumer as defined under the Consumer Credit Act, you will have the benefit of a 14 day cooling off period.

YOUR RIGHT TO CANCEL (APPLICABLE TO CONSUMERS ONLY)

Please contact us if you wish to cancel any policy that we have arranged for you. Customers acting outside their trade or profession (Consumers) will usually have a legal right to cancel policies for any reason, subject to no claims having occurred, within 14 days of receiving the full terms & conditions. A charge may apply for the period of cover provided and, in addition, an administration charge will apply as shown in the charges section above. Cancellation under this Right must be in writing, prior to expiry of the cancellation period, to our usual office address.

COMPLAINTS

Our aim is always to provide our customers with a first-class service.

However, we are aware that, occasionally, it is possible that we may fail to meet your expectations. If for any reason we have not met your expectations, let us know as soon as possible, by calling our main office telephone 0151 494 4400, or write to Philip Coffey, Butterworth Spengler Insurance Brokers, 20-24

Faraday Road, Wavertree Technology Park, Wavertree, Liverpool, L13 1EH.

If we are unable to resolve the issue to your satisfaction by the end of the following business day following the receipt of your complaint, we will formally investigate the matter. You will receive a prompt acknowledgement of the matter together with a copy of our complaints process within 5 working days. We will then aim to investigate and provide a resolution as quickly as possible, informing you of the position at no later than 4 weeks and a final response no later than 8 weeks.

If you are not happy with our response, or the position after a period of 8 weeks, you may be eligible to refer your complaint to the Financial Ombudsman Service (FOS) for an independent assessment and opinion.

The FOS Consumer Helpline is on **0800 023 4567** (free for people phoning from a "fixed line" (for example, a landline at home) or **0300 123 9123** (free for mobile-phone users paying monthly charge for calls to No's starting 01 or 02). Alternatively, you can contact them at Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR. www.financial-ombudsman.org.uk
A full copy of our complaints procedure is available on request.

FINANCIAL SERVICES COMPENSATION SCHEME (FSCS)

If we are unable to meet our obligations, you may be entitled to compensation from the FSCS. If we have advised or arranged insurance for you this will be covered for 90% of a claim, without any upper limit, however claims under compulsory insurance, professional indemnity insurance and certain claims for injury, sickness or infirmity of the policyholder are protected at 100%. Further information is available from the FSCS helpline on 0800 678 1100 or 020 7741 4100 and www.fscs.org.uk.

The FSCS is the UK's statutory fund of last resort for customers of authorised financial services firms. Compensation is usually payable if an authorised firm is unable or unlikely to pay claims usually because it has ceased trading or become insolvent

INSURANCE PREMIUM TAX (IPT)

Your premium detailed in the policy will include IPT at the prevailing rate.

Should the rate of IPT be amended by the Government, your premium will be amended by the insurer to reflect the change.

Some policies are subject to Value Added Tax (VAT) not IPT and should the rate of VAT be amended by the Government, your premium will be amended by the insurer to reflect the change.

TERMINATION

This agreement shall terminate at any time by one party giving written notice of termination to the other. In any event, we will provide you with reasonably sufficient time to re-arrange your insurance.

With effect from termination (for whatever reason) we shall have no further obligation to perform any services for you and all sums payable by you or us to each other shall become due and payable.

We:

- i. Shall be entitled to all fees and commissions including brokerage that have been paid or are due to be paid for insurance policies already placed;
- ii. May continue to handle claims on policies we have placed for you at your request but only if we are able to do so and can agree an appropriate remuneration.

LIMITATION OF LIABILITY

1. This section forms part of our Terms of Business. We accept instructions to act on your behalf strictly subject to the following limitation upon our liability.

2. Our liability to you for any act or omission (including, but not limited to, our negligence and/or the negligence of any other parties in respect of which we are legally liable to you), whether such liability be in damages, equitable compensation or otherwise, shall not exceed the sum of £1,000,000 or its equivalent from time to time in Euros or any other relevant or appropriate currency in respect of any one transaction or series of related transactions. This figure has been carefully chosen in order to enable us to offer reasonable redress to our clients in the event of a claim, whilst enabling us to retain competitive levels of fees and commissions and make appropriate arrangements to ensure that any proper claim is met.

This section does not apply to awards made by the Financial Ombudsman Service in the exercise of his compulsory jurisdiction.

3. *In section 2 above:*

i. "negligence" means a breach of any obligation upon us to take reasonable care, whether that obligation is imposed by virtue or a term (express or implied) of any relevant contract, or by the law of negligence or otherwise;

ii. "transaction" means any professional service provided by us to you, including (but not limited to) the arranging of insurance, advising on insurance cover and/or on particular wordings, notification of claims to insurers, and claims handling generally;

iii. "a series of related transactions" has its ordinary meaning (save that "transaction" has the meaning given at (ii) above), but includes (without limitation), (a) transactions concerning, connected with or arising out of the same policy of insurance or reinsurance

arrangement, or (b) where different policies or arrangements insure or reinsure (as the case may be) all or some of the same risks, transactions concerning, connected with or arising out of some or all of those policies or arrangements.

4. We are always prepared to discuss increasing the limit of our liability specified in this section in relation to any individual engagement, if particular reasons exist, but we reserve the right to decline to increase the limit or (in the event that we agree to increase it) to make an additional charge or to impose alternative or additional conditions. No agreement to increase the limit shall be valid unless made in writing and signed by a director of Butterworth Spengler Insurance Brokers.

5. Under these Terms of Business, you agree not to make any claim against any employee, director, consultant or other individual connected with BSIB. See paragraph 6 below. However, it is also understood and agreed that if for any reason the provisions of paragraph 6 hereof are held to be invalid or unenforceable in whole or in part, any claim made by you against any employee, director, partner, consultant or other individual connected with us is also subject to the limit of liability of £1,000,000 contained in this clause, and you understand and agree that any such individual may avail himself of this limitation.

6. *You agree:*

i. That your remedies in relation to the provision of professional services by us, arising out of or in connection with this engagement, lie exclusively against us and not against any employee, director, consultant or partner as individuals; *ii.* That you will not make any claim and/or bring any legal proceedings against any employee, director, partner, consultant or other individual, in respect of any act or omission by any such person or persons (whether negligent or not).

7. You understand and agree that the provisions of this clause may be enforced by an employee, director, partner, consultant or other individual connected with us in accordance with the Contracts (Rights of Third Parties) Act 1999.

Privacy and Data Protection Notice

Butterworth Spengler Commercial Ltd and Butterworth Spengler Professional Risks Ltd act in the capacity of the data controller and will treat all your personal information as private and confidential, even when you are no longer a customer, in accordance with the Data Protection Act 1998 and any subsequent legislation.

Our Legal basis for processing data:

Data Processing is necessary for the purposes of legitimate interest pursued by us except where such interests are overridden by the interests, rights or freedoms of the data subject (you).

What information we collect about you and the purpose of its use:

When you contact us for the purposes of arranging and administering an insurance contract on your behalf, we collect the relevant information needed by an insurer for carrying out your request.

When we collect this information:

We collect this information during our meetings and/or telephone conversations, e-mail, or via online submission forms. This can be at any stage before or during the lifetime of a policy held with us.

How we store your personal data:

We hold your personal data electronically and in paper form. Our IT system is securely backed up to protect your data as best we can from cyber attack or hacking. Our paper records are securely stored at our premises or at specialist third party data storage facilities whose data security policies have been vetted by us.

How your information will be used and who we may share it with:

We will use and disclose the information we have about you in the normal course of arranging and administering your insurances and arranging the performance of a contract of insurance in order to meet our contractual obligations to you, which may include: (i) where we are required to do so by law; (ii) by virtue of our regulatory requirements and (iii) passing information about you to credit reference agencies for the purposes of arranging payments by instalments and may also pass to them details of your payment record with us.

Insurers may also use the information you supply to obtain credit and other checks that they need to take from Credit Reference Agencies or similar sources which may show as an entry on your credit record. This may happen at quotation stage even if you do not proceed with a policy.

Should you not wish us to use or process your data in this way, we may not be able to arrange or administer your insurances or process data as necessary for the performance of a contract in order to meet our contractual obligations to you.

E-Mail security

Email is not a completely secure means of transmission of data or documents, so by providing your email address to us you are giving your informed consent to us using this method to contact you and to send you your policy documents. If you would prefer us not to use this method of contact, please let us know.

Length of Data Retention

We will retain your data for a minimum of 6 years after our professional relationship has terminated. However, as a professional adviser we have a duty to be able to demonstrate the existence of insurance covers many years after the cover may have expired and may choose not to delete data if we feel it is in your best interest.

Your rights

Right of Access: You have a right, to obtain a copy of the personal information that we hold about you free of charge and within one month of the request.

Right to correct your information: If the information we hold for you is incomplete or incorrect, you have the right to request a correction.

Right to object: You have the right to object to us processing personal data based on grounds relating to your situation. If you object to us processing your personal data we will stop unless there are compelling legitimate grounds for the processing which override your interests, rights and freedoms or, the processing is for the establishment, exercise or defence of a legal claim.

Erasure rights: You have the right to remove consent for us to hold and use your data and at this point we will ensure that your data is no longer used for the purposes for which you have provided it.

Your Right to Complain: You can complain to the Information Commissioners Office if you feel there is a problem with the way we have handled your data. Please contact <https://ico.org.uk/concerns/handling/>

Transfer of Data outside the EEA

We will not transfer any data that we hold about you outside of the European Economic Area (EEA), member countries which apply the same level of protection to data held there as in the United Kingdom. If personal data is transferred outside the EEA it will receive an adequate level of protection as required by the Data Protection Laws. Third parties will only process your personal information on our instructions and on agreement that the information is kept secure and confidential.

Marketing

We take your privacy seriously and will only use your data to administer your account and to provide the products and services you have requested from us. **We will obtain confirmation from you that we may contact you about any other products and services that we feel may be suitable or appropriate.**

We will not use your information or share your information with any other company for marketing purposes without your prior consent.

You may exercise your right to give notice to stop data being processed for marketing purposes by contacting us at any time.

Except as set out in this document, we will not otherwise disclose any information to any other parties without your written consent, unless we are legally obliged to do so.

Our contact details for data protection purposes are:

P Coffey, Butterworth Spengler Insurance Brokers, 20-24 Faraday Road, Wavertree Technology Park, Liverpool, L13 1EH.

Tel: 0151 494 4400

E-mail: pcoffey@butterworthspengler.co.uk

Revisions to our Privacy Notice

We reserve the right to revise this Notice or any part of it from time to time and will provide you with a new Privacy Notice where any substantial updates are made. We may also notify you through other means, about the processing of your information.

In the interests of security and to improve our service, telephone calls are recorded.