



Guide to paying your Adviser

Introduction

When you engage with a professional adviser there are a number of ways in which they can get paid. Usually, they will inform you up-front of their charging model and what they will charge you for the work they undertake on your behalf.

The charges will usually take into account the amount of time the adviser (or intermediary) has spent on dealing with your request. This might include some or all of the following:

- Initial fact finding
- Assessment of your circumstances and needs
- Understanding your personal financial objectives
- Carrying out research
- Identifying suitable products and product providers
- Making a personal recommendation.
- Arranging your purchase
- Provide an ongoing service to include reviewing your plan and its continued suitability for your needs.

How can you remunerate your adviser / intermediary?

- **Up front**
 - You agree what you will pay with the adviser / intermediary. They may apply a standard tariff for the work they are doing for you. Sometimes this may be a fixed amount or a percentage of your investment
 - You can pay their fee directly
 - You can ask Canada Life to facilitate payment from your new plan when we set it up
- **Ongoing charges**
 - If you have agreed with your adviser, they may apply a regular ongoing charge for the additional work they do after setting up your plan. This might include reviewing performance and recommending changes to your investment holdings.
 - Canada Life can facilitate payments to your Adviser or intermediary if you provide written confirmation (which we usually ask for in your application form).
- **Ad-hoc charges**
 - Occasionally, you may request your adviser to perform a service outside of their normal day to day maintenance of your plan.
 - As a result the adviser may want to charge a fee for the extra work. We would only pay this if you have given us your authority (normally within an application for declaration)
- **Commission**
 - For certain products only where advice is not provided, we may be able to pay your adviser / intermediary a level of commission from your investment. This payment does not require your authority although you will be made aware of the amount of commission the adviser / intermediary will earn when we issue a product illustration before you buy the product.

The impact on your returns

- Charges can have a significant impact on the performance of your plan over time so it is important that you are aware of the impact before agreeing any payment. Details of the effect of charges are highlighted in our illustrations for all unit-linked products, including bonds, pensions and drawdown plans.

Tips on how to measure value

You may feel that the impact of adviser remuneration will have too much of an impact on your potential returns, or you may just feel it does not represent value for money. We would suggest that you ask your adviser what they would expect to charge, before you engage their services.

Shopping around for the right solution should include the cost of advice and the cost of any ongoing advisory service to be provided so doing initial research is important.

Additionally, you may be able to negotiate with the adviser in order to get to a point where you are comfortable that the costs represent good value to you.

Why engaging with advice is highly recommended

Advisers not only provide a level of clarity and information but when you engage an adviser, you are paying for experience, knowledge and expertise. If you later feel that the advice was not appropriate for you, you have protections provided by the Financial Conduct Authority (FCA), which means you may be able to claim compensation against the adviser for any losses as a result of the advice you received. This is one of the main reasons we believe engaging with a professional adviser is not only sensible but critical to ensuring the best possible outcome when buying a financial solution.



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