

THE CHARTERED INSURANCE INSTITUTE

AF5—FINANCIAL PLANNING PROCESS



FACT-FIND

October 2013

You are a financial adviser authorised under the Financial Services and Markets Act (FSMA) 2000. You completed the following fact-find when you met Mr and Mrs Pritchard recently.

PART 1: BASIC DETAILS

| | Client 1 | Client 2 |
|-------------------|-----------------------------|-----------------------------|
| Surname | Pritchard | Pritchard |
| First name(s) | Philip | Jane |
| Address | 32 Denton Avenue, Droitwich | 32 Denton Avenue, Droitwich |
| Date of birth | 18.7.1968 | 24.8.1972 |
| Domicile | UK | UK |
| Residence | UK | UK |
| Place of birth | UK | UK |
| Marital status | Married | Married |
| State of health | Good | Good |
| Family health | Good | Good |
| Smoker | No | No |
| Hobbies/Interests | Motorcycle racing | Choir |

Notes:

Phil and Jane have been married for 15 years. Phil was married previously.

Phil attends motorcycle 'track days' a number of times each year. He no longer races competitively but rides in 'time trials' on race circuits. He owns a number of motorcycles which he maintains himself. Jane is a member of a regional choir which regularly competes in national and international competitions.

PART 2: FAMILY DETAILS

Children and other dependants

| Name | Relationship | Age | D.O.B | Health | Occupation | Financially dependent? |
|---------|-----------------|-----|------------|--------|-----------------|------------------------|
| Sophie | Phil's daughter | 22 | 23.09.1991 | Good | Trainee Manager | No |
| Miles | Son | 14 | 06.06.1999 | Good | N/A | Yes |
| Harriet | Daughter | 12 | 12.08.2001 | Good | N/A | Yes |

Notes:

Sophie is Phil's daughter from his first marriage which ended in divorce. She graduated from university last year and recently began working for RBJ Sports as a trainee manager. Miles and Harriet attend local state schools. Phil and Jane have been very happy with the progress their children have made at the schools so far. They have no interest in considering private education.

PART 3: EMPLOYMENT DETAILS

| | Client 1 | Client 2 |
|-----------------------------|--------------------------|--------------------------|
| Employment | | |
| Occupation | Management Accountant | HR Consultant |
| Job title | Financial Controller | Director |
| Business name | Neville & Riley Ltd | JPHR Ltd |
| Business address | Fairfax Road, Bromsgrove | Denton Avenue, Droitwich |
| Year business started | | 2008 |
| Remuneration | | |
| Salary | £52,000 | £10,000 |
| Dividends | Nil | £27,000 |
| State Pensions | Nil | Nil |
| Overtime | Nil | Nil |
| Benefits | | |
| Benefits-in-kind | £2,000 p.a. | No |
| Pension Scheme | No | No |
| Life cover | No | No |
| Private medical insurance | Yes | Yes |
| Income protection insurance | No | No |
| Self Employment | | |
| Net relevant earnings | N/A | N/A |
| Accounting date | N/A | N/A |
| Partnership/Sole trader | N/A | N/A |
| Other Earned Income | | |
| | | |
| | | |

Notes:

Jane set up her HR consultancy business five years ago. She advises other businesses on matters such as employment law and health and safety obligations.

Phil has worked for his current employer for six years and has no plans to change jobs in the foreseeable future.

Phil's benefit-in-kind comes from family Private Medical Insurance paid for by Neville & Riley Ltd.

| | Client 1 | Client 2 |
|--------------------------------|--------------------|------------------------|
| Previous Employment | | |
| Previous employer | Madden Engineering | HR International plc |
| Job title | Accounts Clerk | HR Adviser |
| Length of service | 8 years | 6 years |
| Pension benefits (see part 11) | None | Group Personal Pension |

Notes:

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PART 4: OTHER PROFESSIONAL ADVISERS

| | Client 1 | Client 2 |
|-------------------|-------------------------------------|-------------------------------------|
| Accountant | | Michael Marshall, Bromsgrove |
| Bank | Securebank | Securebank |
| Building Society | | |
| Doctor | Dr Llewellyn, The Droitwich Surgery | Dr Llewellyn, The Droitwich Surgery |
| Estate Agent | | |
| Financial Adviser | | |
| Insurance Agent | | |
| Solicitor | Coopers of Droitwich | Coopers of Droitwich |
| Stockbroker | | |
| Other | | |

Notes:

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PART 5: INCOME AND EXPENDITURE**Income**

| | Client 1 | | Client 2 | | Joint | |
|------------------------------|--------------|---------------|--------------|---------------|--------------|---------------|
| | Monthly £ | Annually £ | Monthly £ | Annually £ | Monthly £ | Annually £ |
| State Pensions | | | | | | |
| Private Pensions | | | | | | |
| Net Relevant earnings/salary | | 52,000 | | 10,000 | | |
| Benefits-in-kind | | 2,000 | | | | |
| Investment income (gross) | | | | 2,160 | | |
| Dividends (net) | | | | 27,000 | | |

Notes:

Jane also receives Child Benefit in respect of Miles and Harriet, totalling £33.70 per week.

| | Client 1 £ | Client 2 £ |
|---------------------|---------------|---------------|
| Income Tax | | |
| Personal allowances | 9,440 | 9,440 |
| Taxable income | 44,560 | 32,720 |
| Tax | | |
| National Insurance | | |
| Net Income | | |

Notes:

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Expenditure

| Household Expenditure | Monthly | | | Annually | | |
|------------------------------------|----------|----------|-------|----------|----------|--------|
| | Client 1 | Client 2 | Joint | Client 1 | Client 2 | Joint |
| Mortgage/Rent | | | 1,000 | | | |
| Council tax | | | 290 | | | |
| Buildings and contents insurance | | | 30 | | | |
| Gas, water and electricity | | | 210 | | | |
| Telephone | | | 30 | | | |
| TV licence and satellite | 50 | | | | | 145 |
| Property maintenance | | | | | | 3,000 |
| Regular Outgoings | | | | | | |
| Life assurance (see part 8) | | 15 | | | | |
| Health insurance | | | | | | |
| Savings plans | | | | | | |
| Car tax, insurance and maintenance | | | | 1,500 | | 1,000 |
| Petrol and fares | 150 | 100 | | | | |
| Loans | | | | | | |
| Hire purchase | | | | | | |
| School fees | | | | | | |
| Childcare | | | | | | |
| Further education | | | | | | |
| Subscriptions | | | | | | |
| Food, drink, general housekeeping | | | 650 | | | |
| Pension contributions | | | | | | |
| Other Expenditure | | | | | | |
| Magazines and newspapers | | | 300 | | | |
| Entertainment | 550 | 300 | | | | |
| Clubs and sport | | | | 3,000 | | |
| Spending money | 400 | 200 | | | | |
| Clothes | | | | 1,000 | 2,500 | |
| Maintenance | | | | | | |
| Other (Holidays) | | | | | | 6,000 |
| Total Monthly Expenditure | 1,150 | 615 | 2,510 | | | |
| Total Annual Expenditure | | | | 5,500 | 2,500 | 10,145 |
| Total Outgoings | | | | | | 69,445 |

Notes:

Do you foresee any major/lump sum expenditure in the next two years?

Notes:

They plan to use Jane's inheritance to repay their mortgage in full.

PART 6: ASSETS

| | Asset | Client 1 £ | Client 2 £ | Joint £ | Income (Gross) £ |
|----|--|---------------|---------------|------------|---------------------|
| 1. | Main residence | | | 550,000 | |
| 2. | Contents/car | 8,000 | 7,000 | 35,000 | |
| 3. | Current account – Securebank | 4,000 | 2,000 | 3,000 | 0 |
| 4. | Easy Access Savings Account – Securebank | | 300,000 | | 2,160 p.a. |
| 5. | Individual share portfolio | | | | |
| 6. | Stocks & Shares ISAs | | | | |

Notes:

The interest figure quoted above for Jane's Securebank Easy Access Savings account is her estimate of the amount she will receive in the tax 2013/14 year.

PART 7: LIABILITIES

| Mortgage Details | Client 1 | Client 2 | Joint |
|--------------------|--------------|--------------|---------------|
| Lender | | | Securebank |
| Type of mortgage | | | Interest only |
| Amount outstanding | | | £150,000 |
| Start date | | | 2001 |
| Term/maturity | | | 25 years |
| Monthly payment | | | £1,000 |
| Interest rate | | | 4.5% |
| Life policies | (see part 8) | (see part 8) | |

Notes:

Although the mortgage has been set up on an interest only basis, Phil and Jane have always overpaid to reduce the outstanding balance.

| Other Loans | Client 1 | Client 2 | Joint |
|--------------------|----------|----------|-------|
| Lender | | | |
| Type of loan | | | |
| Amount outstanding | | | |
| Start date | | | |
| Term/maturity | | | |
| Monthly payment | | | |
| Interest rate | | | |
| Payment protection | | | |

Notes:

Phil and Jane do not have any loans.

Other Liabilities (e.g. tax)**Notes:**

PART 8: LIFE ASSURANCE POLICIES

| | Life/Lives assured | Ownership | Sum assured £ | Premium £ | Term | Start date | In trust? | Surrender Values £ |
|----|--------------------|-------------|---------------------------|-----------|----------|------------|-----------|--------------------|
| 1. | Jane | Single Life | 210,000 | 15 p.m. | 25 years | 2001 | No | N/A |
| 2. | Phil | Single Life | 210,000 (see notes below) | 125 p.m. | 25 years | 2001 | No | N/A |

Notes:

Phil was heavily rated when he took out this policy, as he was still racing motorcycles competitively at the time. When Jane received her inheritance and it became clear that they would be able to repay their mortgage, Phil cancelled the direct debit for the premium on his policy.

PART 9: HEALTH INSURANCE POLICIES

| Type | Life Covered | Current Sum Assured £ | Start Date | Term/ Review | Deferred Period | Premium £ |
|---------------------------|-----------------------------|-----------------------|------------|--------------|-----------------|-----------|
| Private Medical Insurance | Phil, Jane, Miles & Harriet | | | | | |

Notes:

Private Medical Insurance premiums are paid by Phil's employer, Neville & Riley Ltd.

PART 10: REGULAR SAVINGS

| Type | Company | Ownership | Fund | Amount Saved £ | Sum Assured | Maturity Date | Current Value £ |
|------|---------|-----------|------|----------------|-------------|---------------|-----------------|
| | | | | | | | |
| | | | | | | | |

Notes:

Phil and Jane have no regular savings plans.

PART 11: PENSION DETAILS**Occupational pension scheme**

| | Client 1 | Client 2 |
|-------------------------------|-------------------------------|----------|
| Member of employer's scheme | Neville & Riley Ltd | |
| Type of scheme | Group Personal Pension | |
| Date joined | Scheme starting on 01.01.2014 | |
| Retirement age | 65 | |
| Pension benefits | Defined contribution | |
| Death benefits | Return of Fund | |
| Dependants' benefits | None | |
| Contribution Level (employee) | 1% | |
| Contribution Level (employer) | 1% (and matching arrangement) | |
| Fund type | Default – Lifestyle fund | |
| Fund value | Nil | |

Notes:

Phil's employer is setting up a Group Personal Pension with effect from January next year, which will replace the current designated Stakeholder scheme. Phil did not join this scheme and is yet to decide whether he will join the new Group Personal Pension.

Phil and his employer will each contribute 1% of basic salary to the new scheme, if Phil chooses to join. The company will also match further employee contributions to the scheme up to a maximum of an additional 4% of basic salary.

Additional Voluntary Contributions (including free standing additional voluntary contributions)

| | Client 1 | Client 2 |
|-----------------|----------|----------|
| Type | | |
| Company | | |
| Fund | | |
| Contribution | | |
| Retirement date | | |
| Current value | | |
| Date started | | |

Notes:

Phil and Jane do not have any AVC schemes.

Personal Pensions

| | Client 1 | Client 2 |
|-----------------|----------|------------------------|
| Type | | Group Personal Pension |
| Company | | ABC Life |
| Fund | | Managed |
| Contributions | | Nil |
| Retirement date | | 2032 |
| Current value | | £26,000 |
| Date started | | 2002 |

Notes:

Phil does not have any Personal Pension plans. Jane's Group Personal Pension was established whilst she worked for HR International. No contributions have been made to the plan since she left their employment.

Previous pension arrangements

| | Client 1 | Client 2 |
|--------------------|----------|----------|
| Employer | | |
| Type of scheme | | |
| Date joined scheme | | |
| Date left | | |
| Preserved benefits | | |

Notes:

Phil and Jane have no other pension arrangements.

State Pension

| | Client 1 | Client 2 |
|-------------------|----------|----------|
| Basic pension | | |
| SERPS/S2P | | |
| Graduated pension | | |
| Total | | |

Notes

Phil and Jane do not know their entitlement to State Pensions.

PART 12: INHERITANCES

| Wills | Client 1 | Client 2 |
|-----------------------------|-----------------|-----------------|
| Do you have a current will? | No | No |
| | | |

Notes:

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| Trusts | Client 1 | Client 2 |
|--------------------------------------|-----------------|-----------------|
| Are you a beneficiary under a trust? | No | No |
| If yes, give details | | |
| Are you a trustee? | No | No |
| If yes, give details | | |

Notes:

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| Gifts | Client 1 | Client 2 |
|---|-----------------|-----------------|
| Give details of gifts made and received | | |

Notes:

Phil and Jane have not made any gifts.

| Inheritances | Client 1 | Client 2 |
|---|-----------------|-----------------|
| Give details of any inheritances received or expected | None | £300,000 |
| | | |

Notes:

The £300,000 in Jane's Easy Access Savings Account came from an inheritance she received after her mother died in December last year. Inheritance Tax was paid before Jane and her sisters received their inheritances. Jane's father died four years ago and left his entire estate to her mother.

It took some time to arrange probate on her mother's estate so Jane only received the inheritance very recently.

PART 13: ATTITUDE TO RISK

What level of risk are you prepared to take to achieve your financial objectives?

Notes:

Phil and Jane do not want to take too much risk with their money.

PART 14: BUSINESS RECORDS**Compliance**

| | | |
|--------------------------|-----------|--|
| Date fact-find completed | 20.9.2013 | |
| Client agreement issued | 20.9.2013 | |
| Data Protection Act | 20.9.2013 | |
| Money laundering | 20.9.2013 | |

Consultations

| | | |
|-------------------|-----------|--|
| Dates of meetings | 20.9.2013 | |
|-------------------|-----------|--|

Marketing

| | | |
|---------------|----------|---|
| Client source | Referral | Referral from Coopers of Droitwich (Solicitors) |
| Referrals | | |

Documents

| | | |
|--------------------------------|--|--|
| Client documents held | | |
| Date returned | | |
| Letters of authority requested | | |

Notes:

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PART 15: OTHER INFORMATION

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