

KEY FACTS

SCOTTISH WIDOWS DIRECT ADVICE SERVICES

IMPORTANT INFORMATION ABOUT OUR SERVICES AND COSTS

Scottish Widows Limited, PO Box 17037, 69 Morrison Street, Edinburgh EH3 8YD

This document explains the services you are being offered and how you will pay for them.

WHAT SERVICES DO WE PROVIDE?

We advise on products provided by Scottish Widows Limited and Scottish Widows Unit Trust Managers Limited only. This is referred to as 'restricted advice' and means we do not provide advice on any other companies' products.

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

WHAT WILL YOU PAY US FOR OUR SERVICES?

- For advice on investment products, including pensions and annuities, you will pay us an Adviser Charge. This will be deducted from the initial amount you choose to invest, or from the value of your investment over time. It covers the cost of remuneration, including basic salary and bonus, services and support for your adviser.

We will discuss your payment options with you and answer any questions you have. We will not charge you until we have agreed with you how we are to be paid. **You will not normally be charged unless a product or product increment is recommended and you proceed with the recommendation.** Further information is provided in the 'Cost of our Services' section on page 3.

- For advice on our protection products, including term assurance and critical illness policies, the cost of our services is included in the premiums you pay for the cover you buy. The costs include the cost of remuneration, services and support for your Financial Adviser. You will receive a quotation which will provide details of the actual costs.

HOW WILL WE DEAL WITH YOU?

Unless we tell you otherwise, Scottish Widows will deal with you as a 'retail client'. Retail clients are afforded the highest level of protection under the rules of the Financial Conduct Authority (FCA). You should be aware that other organisations, including the Financial Ombudsman Service (FOS) and Financial Services Compensation Scheme (FSCS), may classify you differently. If they do, they may afford you lesser rights than those which normally apply to retail clients.

We will communicate with you in writing, via telephone or in person. We may also communicate via e-mail.

You will receive a Key Features or Key Investor Information Document and Supplementary Investor Information Document for any investment products that we recommend or arrange for you. These documents will contain important information about the product, together with the charges that are payable and the costs attributable to Scottish Widows.

If we provide you with a recommendation, you will receive a detailed written report. The report will set out the information that you provide to us, your financial objectives and any financial restrictions that you may wish to include in your discussions with us. The report will also explain why we consider our recommendation to be appropriate to your circumstances and financial objectives. You will not be obliged to act on any recommendation we make and will not be charged for the advice given unless you proceed with the recommendation. If you subsequently choose to proceed with the recommendation through a different channel (for example, by taking out the recommended product online on a non-advised basis), you could still incur a charge which would be subject to VAT and be issued with a standalone invoice.

Your financial circumstances are likely to change over time. It is, therefore, important that you regularly review your investments to ensure that they continue to meet your financial objectives.

You can ask to speak with a Scottish Widows Financial Adviser at any time to discuss your circumstances and objectives. For further information about any of our services please contact your Financial Adviser.

WHO REGULATES US?

Scottish Widows Limited is a life insurance company. We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our Financial Services Register number is 181655.

You can check this on the Financial Services Register by visiting the FCA's website www.fca.org.uk/firms/systems-reporting/register

ARE WE COVERED BY THE FINANCIAL SERVICES COMPENSATION SCHEME (FSCS)?

Yes, we are covered by the FSCS for advising on and arranging investments and insurance business. You may be entitled to compensation from the FSCS if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

- For advising on and arranging investments, including pensions and annuities, the FSCS provides cover up to a maximum limit of £50,000.
- For advising on and arranging protection products, the FSCS generally covers up to 90% of the value of the claim, without any upper limit.
- For information on the FSCS cover which applies to the products provided by Scottish Widows Limited and Scottish Widows Unit Trust Managers Limited, please refer to the relevant product literature.

Further information about the FSCS is available at www.fscs.org.uk

WHAT TO DO IF YOU HAVE A COMPLAINT

If you wish to register a complaint, please contact us either by writing to **Scottish Widows Limited, Customer Relations, 15 Dalkeith Road, Edinburgh, EH16 5BU** or by telephoning **0131 655 6000**.

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

DATA PRIVACY NOTICE

Who looks after your personal information

Your personal information will be held by Scottish Widows Ltd which is part of the Lloyds Banking Group. More information on the Group can be found at www.lloydsbankinggroup.com

Our full data privacy notice

This privacy notice contains key information about how we will use and share your personal information and the rights you have in relation to this. If you want to know more please access our full privacy notice at www.scottishwidows.co.uk/legalprivacy or ask us for a copy.

How we use your personal information

We will use your personal information:

- to provide products and services, manage your relationship with us and comply with any laws or regulations we are subject to (for example the laws that prevent financial crime or the regulatory requirements governing the products we offer).
- for other purposes including improving our services, exercising our rights in relation to agreements and contracts and identifying products and services that may be of interest.

To support us with the above we analyse information we know about you and how you use our products and services, including some automated decision making. You can find out more about how we do this, and in what circumstances you can ask us to stop, in our full privacy notice.

Who we share your personal information with

Your personal information will be shared within Lloyds Banking Group and other companies that provide services to you or us, so that we and any other companies in our Group can look after your relationship with us. By sharing this information it enables us to better understand our customer's needs, run accounts and policies, and provide products and services efficiently. This processing may include activities which take place outside of the European Economic Area. If this is the case we will ensure appropriate safeguards are in place to protect your personal information. You can find out more about how we share your personal information with credit reference agencies below and can access more information about how else we share your information in our full privacy notice.

Where we collect your personal information from

We will collect personal information about you from a number of sources including:

- Information given to us on application forms, when you talk to us in branch, over the phone or through the device you use and when new services are requested.
- from analysis of how you operate our products and services, including the frequency, nature, location, origin and recipients of any payments.
- from or through other organisations (for example card associations, credit reference agencies, insurance companies, retailers, comparison websites, social media and fraud prevention agencies).
- in certain circumstances we may also use information about health or criminal convictions but we will only do this where allowed by law or if you give us your consent.

You can find out more about where we collect personal information about you from in our full privacy notice.

Do you have to give us your personal information?

We may be required by law, or as a consequence of any contractual relationship we have, to collect certain personal information. Failure to provide this information may prevent or delay us fulfilling these obligations or performing services.

What rights you have over your personal information

The law gives you a number of rights in relation to your personal information including:

- the right to access the personal information we have about you. This includes information from application forms, statements, correspondence and call recordings.
- the right to get us to correct personal information that is wrong or incomplete.
- in certain circumstances, the right to ask us to stop using or delete your personal information.
- from 25 May 2018 you will have the right to receive any personal information we have collected from you in an easily re-usable format when it's processed on certain grounds, such as consent or for contractual reasons. You can also ask us to pass this information on to another organisation.

You can find out more about these rights and how you can exercise them in our full privacy notice.

Other individuals you have financial links with

We may also collect personal information about other individuals who you have a financial link with. This may include people who you have joint accounts or policies with such as your partner/spouse, dependents, beneficiaries or people you have commercial links to, for example other directors or officers of your company.

We will collect this information to assess any applications, provide the services requested and to carry out credit reference and fraud prevention checks. You can find out more about how we process personal information about individuals with whom you have a financial link in our full privacy notice.

How we use credit reference agencies

In order to process your application we may supply your personal information to credit reference agencies (CRAs) including how you use our products and services and they will give us information about you, such as about your financial history. We do this to assess creditworthiness and product suitability, check your identity, manage your account, trace and recover debts and prevent criminal activity.

We may also continue to exchange information about you with CRAs on an ongoing basis, including about your settled accounts and any debts not fully repaid on time, information on funds going into the account, the balance on the account and, if you borrow, details of your repayments or whether you repay in full and on time. CRAs will share your information with other organisations, for example other organisations you ask to provide you with products and services. Your data will also be linked to the data of any joint applicants or other financial associates as explained above.

You can find out more about the identities of the CRAs, and the ways in which they use and share personal information, in our full privacy notice.

How we use fraud prevention agencies

The personal information we have collected from you and any one you have a financial link with may be shared with fraud prevention agencies who will use it to prevent fraud and money laundering and to verify your identity. If fraud is detected, you could be refused certain services, finance or employment. Further details of how your information will be used by us and these fraud prevention agencies, and your data protection rights, can be found in our full privacy notice.

How we share personal information about insurance products

If you apply to us for Insurance, we may pass your details to the relevant insurer and their agents. If a claim is made, any personal information given to us, or to the insurer, may be put onto a register of claims and shared with other insurers to prevent fraudulent claims.

Our full data privacy notice

It is important that you understand how the personal information you give us will be used. Therefore, we strongly advise that you read our privacy notice, which you can find at www.scottishwidows.co.uk/legalprivacy or you can ask us for a copy.

How you can contact us

If you have any questions or require more information about how we use your personal information please contact us using https://www.scottishwidows.co.uk/secure/forms/contact_us/individual_customers/policy-enquiries You can also call us on 0345 300 2244.

If you feel we have not answered your question Lloyds Banking Group has a Group Data Privacy Officer, who you can contact on 0345 300 2244 and tell us you want to speak to our Data Privacy Officer.

Last updated on 6th April 2018

CONFLICTS OF INTEREST

In accordance with FCA regulations we have established and implemented procedures for identifying, and preventing or managing, conflicts of interest. Conflicts of interest can occur in our day to day business activities, for example, where one of our clients could make a gain at the direct expense of another client, or we might be faced with an opportunity to make a gain but this would be to the direct disadvantage of one or more of our clients.

Depending on the exact nature of the conflict of interest involved, we may take certain actions to lessen the potential impact of the conflict. Such actions may include putting in place controls between the opposing sides of the conflict, which may control or prevent the exchange of information, and/or involve the appropriate management of staff activities and segregation of duties. In instances where such controls would not be enough to eliminate the potential risk of damage to clients from specific conflicts, we will disclose the general nature and/or source of those conflicts of interest to you and the steps taken to lessen the potential risk, before we take on the relevant business.

Our procedures for dealing with conflicts of interest may be revised and updated from time to time. If you would like more information on the procedures, or on any specific conflict of interest that you think might affect you, please contact us.

THE COST OF OUR SERVICES

Investment Advice Service

Our advice charge is exempt from VAT. We reserve the right to apply an Adviser Charge in complex cases where no product recommendation is made. In these instances VAT will be payable.

Our Adviser Charging Structure	
Service	Initial Charge
<p>Provision of investment advice which includes:</p> <ul style="list-style-type: none">• Initial fact finding meeting to determine your aims and objectives• Advice and recommendations on the following areas:<ul style="list-style-type: none">- Retirement Planning- Pension Transfers- At retirement – Annuities/Income Drawdown- Savings and Investments	<p>0.75% of the value of your investment up to £500,000, subject to a minimum charge of £500.</p> <p>The maximum initial advice charge will therefore be £3,750, with a minimum initial advice charge of £500.</p> <p>Where a multiple recommendation is made the Adviser Charge will normally be proportioned across the products recommended. Your Adviser will provide more details.</p>
<p>Protecting your family and business</p>	<p>If you buy a protection policy, the cost of our services is included in the premiums you pay for the cover you buy. The costs include remuneration, services and support for your Financial Adviser. The cost of our services will be shown on your product quote.</p>

Ongoing Advice Service

We offer an optional ongoing investment advice service ('Ongoing Advice Service') where we provide ongoing access to a Financial Adviser for any information, guidance and advice you require throughout the year, as well as a minimum of a full annual financial review. Please ask your Adviser if you require further details about this service.

An Ongoing Adviser Charge will apply if you opt for our Ongoing Advice Service.

The charge will be set at a rate equivalent to 0.2% per annum of the value of your investment product(s), capped at £750,000. The maximum charge will therefore be £1,500 per annum. There is a minimum charge of £300 per annum. The Ongoing Adviser Charge will be calculated and deducted each month at a rate of 1/12th of 0.2% of the value of your investment product(s). Where this charge cannot be taken from the value of your product(s), you can pay by cheque annually in advance based on the starting value of your investments on the policy anniversary each year.

You can opt to leave the Ongoing Advice Service at any time by contacting your Financial Adviser who will arrange for the charge to be stopped. If you have paid the charge annually in advance we will refund this back to you on a pro-rata basis for the months remaining in the policy year.

Your Payment Options

Settling your Adviser Charge in a single payment

You will not normally be charged for the advice given unless a product or product increment is recommended and you proceed with the recommendation.

Your Adviser Charge will usually be deducted from your product but can be paid in a single payment by cheque.

- For annuity and income drawdown products, the Adviser Charge can be deducted from the remaining fund after any tax free cash is taken or can be paid by separate cheque.
- For certain pension products you also have the facility to pay the Adviser Charge through the product where new money is being invested, which is normally more tax efficient.

The Adviser Charge payment is due when an application form is submitted, but where an invoice is issued, we expect settlement within 30 days. You will be provided with a receipt upon payment. **We do not accept payment in cash.**

Paying by instalments through your recommended product

On some pension products we offer the option of deducting the Adviser Charge by monthly instalments at a rate of 50% of your premium over a maximum period of 11 months, which is normally more tax efficient. However, the deductions reduce the amount left for investment. Your adviser will be able to explain this process and let you know which products and scenarios have this facility.

No interest is payable on the monthly Adviser Charge instalments.

Keeping up with your payments

If you cancel your product in the cooling-off period then any Adviser Charge you have paid will be refunded in full. Your Financial Adviser will tell you about cooling-off period time scales. However, if you cancel the product or do not keep up with your Adviser Charge payments after the cooling-off period, you will still be liable to pay the Adviser Charge in full. We will seek to recover the outstanding amount due from you.

If you transfer your product to another provider before settling your Adviser Charge in full you will be liable to pay the amount outstanding. We will seek to recover the outstanding amount due from you.

Scottish Widows Limited. Registered in England and Wales No. 3196171. Registered office in the United Kingdom at 25 Gresham Street, London EC2V 7HN.
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Services Register number 181655.

43681 RDR 03/18

