

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, 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 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 or by contacting the FCA on **0800 111 6768**.

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

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

Your personal information will be shared within the Lloyds Banking Group 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 your needs and provide products in the efficient way that you expect.

If you apply to us for insurance, a pension, health insurance or life assurance, we may ask you for some 'sensitive' details, for example your medical history. We will only use this information to provide the service you require and we will ask for your explicit consent.

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 Statement, which you can find at www.scottishwidows.co.uk/legalprivacy or you can ask us for a copy.

By continuing with the fact find process, you agree to your personal information being used in the ways we describe in our Privacy Statement. Please let us know if you have any questions about the use of your personal information.

OUR CONFLICTS POLICY

In accordance with the Financial Services regulations, Scottish Widows, which is a member of the Lloyds Banking Group, has established and implemented a Conflicts Policy. The Conflicts Policy sets out how we must seek to identify and manage all material conflicts of interest.

Such 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 in accordance with the Conflicts Policy 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 material risk of damage to clients from specific conflicts, we'll disclose the general nature and/or source of those conflicts of interest to you before we take on the relevant business.

The Conflicts Policy may be revised and updated from time to time. If you'd like more information on the Conflicts Policy, 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.