



Chartered
Insurance
Institute

AF5 – FINANCIAL PLANNING PROCESS FACT-FIND - July 2020

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

PART 1: BASIC DETAILS						
	Client 1	Client 2				
Surname	Finch	Finch				
First name(s)	Tim	Kathy				
Address	Worcester	Worcester				
Date of birth	20.02.1959	31.01.1959				
Domicile	UK	UK				
Residence	UK	UK				
Place of birth	Worcester	Stafford				
Marital status	Married	Married				
State of health	Good	Recovering from injury				
Family health	Good	Good				
Smoker	No	No				
Hobbies/Interests	Cricket, Sport	Theatre, Cinema				
Notes:						
<p>Tim and Kathy retired a few months ago after Kathy suffered an accident at work.</p> <p>Kathy is due to receive a compensation payment of £100,000 in the next few weeks after her former employer's insurer accepted liability for her accident. Kathy has recovered well following treatment paid for by the company private medical insurance plan and expects to make a full recovery over the next twelve months although her mobility may continue to be affected for a number of years.</p>						
PART 2: FAMILY DETAILS						
Children and other dependants						
Name	Relationship	Age	D.O.B	Health	Occupation	Financially dependent?
Amy	Daughter	34	1.03.1986	Good	Teacher	No
Sophie	Daughter	32	5.01.1988	Good	Dentist	No
Notes:						
<p>Tim and Kathy have two daughters, Amy and Sophie who are both married with two children each, aged between seven and three.</p>						

PART 3: EMPLOYMENT DETAILS		
Employment	Client 1	Client 2
Occupation	Retired Management Consultant	Retired Operations Manager
Job title	Management Consultant	Operations Manager
Business name		
Business address		
Year business started		
Remuneration		
Salary		
State Pensions		
Overtime		
Benefits-in-kind	N/A	N/A
Pension Scheme	See Part 11	See Part 11
Life cover	N/A	N/A
Private Medical Insurance	See Part 9	See Part 9
Income Protection Insurance	N/A	N/A
Self Employment		
Net relevant earnings		
Accounting date		
Partnership/Sole trader		
Other Earned Income		
Notes:		
<p>As a result of Kathy's accident, Tim and Kathy both retired early.</p> <p>Neither intend to return to work in future.</p>		
Previous Employment		
	Client 1	Client 2
Previous employer	BDE Consultants	Kinem Logistics Ltd
Job title	Management Consultant	Operations Manager
Length of service	30 years	28 years
Pension benefits	See Part 11	See Part 11
Notes:		
<p>Tim and Kathy spent most of their working life with one employer.</p>		

PART 4: OTHER PROFESSIONAL ADVISERS

	Client 1	Client 2
Accountant		
Bank	Access Bank	Access Bank
Doctor	Dr Knowles	Dr Knowles
Financial Adviser		
Solicitor	Henson Davies LLP	Henson Davies LLP
Stockbroker		
Other		

Notes:**PART 5: INCOME AND EXPENDITURE****Income**

	Client 1		Client 2		Joint	
	Monthly £	Annually £	Monthly £	Annually £	Monthly £	Annually £
State Pensions						
Private Pensions						
Salary (gross)						
Benefits-in-kind						
Savings income (gross)		234		338		525
Rental (gross)						
Dividend income		8,300		1,800		

Notes:

The savings income is derived from Tim and Kathy's Cash ISAs and Deposit Savings account.

The dividend income is derived from Tim and Kathy's ISA holdings and Tim's OEICs and Investment Trusts.

	Client 1	Client 2
Income Tax	£	£
Personal allowances		
Taxable income		
Tax		
National Insurance		
Net Income		

Notes:

Expenditure

Household Expenditure	Monthly £			Annually £		
	Client 1	Client 2	Joint	Client 1	Client 2	Joint
Mortgage/Rent						
Council tax			216			
Buildings and contents insurance						600
Gas, water and electricity			200			
Telephone			70			
TV licence and satellite			90			
Property maintenance						3,000
Regular Outgoings						
Life assurance (see Part 8)						
Health insurance (see Part 9)						5,200
Savings Plans (see Part 10)						
Car tax, insurance and maintenance				1,200	1,000	
Petrol and fares	210	120				
Loans						
School fees						
Childcare						
Further education						
Subscriptions						
Food, drink, general housekeeping			600			
Pension contributions (see Part 11)						
Other Expenditure						
Magazines and newspapers				120	60	
Entertainment			400			
Clubs and sport		60		1,400		
Spending money	400	200				
Clothes				1,800	3,000	
Other (Holidays)						2,000
Total Monthly Expenditure	610	380	1,576			
Total Annual Expenditure	7,320	4,560	18,912	4,520	4,060	10,800
Total Outgoings						50,172

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

Notes:

Tim and Kathy have been using their cash savings to fund their current expenditure since they retired.

PART 6: ASSETS

	Asset	Client 1 £	Client 2 £	Joint £	Income (Gross) £
1.	Main residence			600,000	
2.	Contents/car			65,000	
3.	Current account			15,000	
4.	Deposit Savings Account – Instant Access			35,000	525
5.	Cash ISA	18,000			234
6.	Cash ISA		26,000		338
7.	Stocks and shares ISAs – UK Smaller Companies funds	180,000			900
7.	Stocks and shares ISAs – Multi-Asset Growth funds		120,000		1,800
9	OEICs – Global Equity funds	290,000			5,800
10	Investment Trusts – Emerging Markets	160,000			1,600

Notes:

Tim and Kathy have invested regularly into their stocks and shares ISAs but are unsure if their chosen investment funds remain suitable now they are retired. They have maximised their ISA allowance for the current tax year.

Tim and Kathy are concerned that the dividend yields on their ISAs, OEICs and Investment Trusts are currently insufficient to meet their longer-term income needs and would like to review these holdings.

Tim purchased the OEICs and Investment Trusts several years ago. He invested a sum of £200,000 into the Global Equity fund OEICs and a sum of £80,000 into the Investment Trusts.

Tim and Kathy are planning to hold the compensation payment from Kathy's employer in their deposit savings account pending future investment.

PART 7: LIABILITIES

Mortgage Details	Client 1	Client 2	Joint
Lender			
Type of mortgage			
Amount outstanding			
Start date			
Term/maturity			
Monthly payment			
Interest rate			
Life policies			

Notes:

Tim and Kathy have repaid their mortgage.

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

Notes:

Tim and Kathy have no outstanding loans.

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

Tim and Kathy have no other liabilities.

PART 8: LIFE ASSURANCE POLICIES

	Life/Lives assured	Ownership	Sum assured £	Premium £	Term	Start date	In trust?	Surrender Values £

Notes:

Tim and Kathy were members of their respective employer's death-in-service schemes but since retiring, these benefits are no longer available to them.

PART 9: HEALTH INSURANCE POLICIES

Type	Life Covered	Current Sum Assured £	Start Date	Term/ Review	Deferred Period	Premium £
Private Medical Insurance	Kathy	N/A	N/A	Annual Review	N/A	5,200 per annum

Notes:

Kathy was offered the option of continuing with the private medical insurance which was previously available through her employer. This was offered on the same basis as whilst she was employed.

Kathy accepted this and now pays the premium on a personal basis.

PART 10: REGULAR SAVINGS

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

Notes:

Tim and Kathy are not making any regular savings since they retired. They are keen to set up regular savings plans for their grandchildren once they have settled into retirement.

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

	Client 1	Client 2
Member of employer's scheme		
Type of scheme		
Date joined		
Retirement age		
Pension benefits		
Death benefits		
Dependant's benefits		
Contribution Level (employee)		
Contribution Level (employer)		
Fund type		
Fund value		

Notes:

Tim and Kathy do not have any occupational pension benefits.

Additional Voluntary Contributions (including free standing additional voluntary contributions).

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

Notes:

Tim and Kathy do not have any additional voluntary contributions plans.

Personal Pensions

	Client 1	Client 2
Type	Self-Invested Personal Pension	Personal Pension
Company	Assure SIPP Ltd	UK Life Ltd
Fund	Global Equity, UK Equity and Commercial Property funds	UK Managed fund
Contributions		
Retirement age		
Current value	£670,000	£575,000
Date started		

Notes:

These fund values include benefits that were transferred in from previous pension schemes.

Tim and Kathy have stopped all contributions into their pensions following retirement.

Tim and Kathy wish to look at how to generate a regular and sustainable income from these pension plans throughout retirement.

Tim wishes to diversify his current investments within his SIPP and is considering investing into a range of Exchange Traded Funds.

Previous pension arrangements

	Client 1	Client 2
Employer		
Type of scheme		
Date joined scheme		
Date left		
Current Value		

Notes:

All previous pension arrangements were transferred into their current plans.

State Pension

	Client 1	Client 2
State Pension		
Total		

Notes:

Tim and Kathy have not yet checked their State Pension entitlement.

PART 12: INHERITANCES

Wills	Client 1	Client 2
Do you have a current Will?	Yes	Yes

Notes:

Tim and Kathy have up-to-date Wills which leave everything to each other on first death and then to their two daughters in equal shares on second death.

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:

Gifts	Client 1	Client 2
Give details of gifts made and received	None	None

Notes:

Tim and Kathy are concerned about a future Inheritance Tax liability on their estate on second death and are considering options to mitigate this.

Inheritances	Client 1	Client 2
Give details of any inheritances expected	None	None

Notes:

Both Tim and Kathy's parents are in good health and neither expect to receive any inheritances in the future.

PART 13: ATTITUDE TO RISK

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

Notes:

Tim and Kathy have completed a full risk-profiling assessment. Tim has been identified as a high-risk investor and Kathy is a medium-risk investor.

Neither Tim nor Kathy have any ethical preferences.

PART 14: BUSINESS RECORDS**Compliance**

Date fact-find completed	01.07.2020	
Client agreement issued	01.07.2020	
Data Protection Act	01.07.2020	
Money laundering	01.07.2020	

Dates of meetings	01.07.2020	
-------------------	------------	--

Marketing

Client source		
Referrals		

Documents

Client documents held		
Date returned		
Letters of authority requested		

Notes:**PART 15: OTHER INFORMATION**