

## **TERMS OF BUSINESS AGREEMENT**

**Letton Percival Ltd, The Old Malthouse, Trueman Street, Liverpool L3 2BA - Tel: 0151 236 4568**

### **The Regulator**

The Financial Conduct Authority (FCA) is an independent watchdog that regulates financial services.

Our Financial Services firm reference number is 796836 and you can check our status and permissions at <https://register.fca.org.uk/> or by contacting the FCA on 0800 111 6768.

### **Law and Language**

This Terms of Business Agreement is subject to English Law and the jurisdiction of the English Courts. We will use the English language for all communications, the contractual terms and conditions, and any information we are required to supply to you before and during the duration of the contract.

### **Our Activities**

We are an insurance distributor, which means the FCA has authorised us to advise, arrange, deal in and assist with the placing and administration or prepare in any other way the conclusion of all types of General Insurance policies and Pure Protection policies.

We are also authorised to undertake the following Consumer Credit Activities.

Credit Broking (where we act as a credit broker).  
Debt Administration.  
Debt Collection.  
Debt Counselling (Limited to no debt management).

### **Our Service**

We are an insurance distributor (intermediary) and can act both as agent of insurer, and on behalf of you, the customer. We have in place management controls to deal with any conflicts of interest that might arise. Unless we advise you otherwise, we are acting on your behalf.

We also act on behalf of insurers when collecting premiums under risk transfer (See "Money" section).

We will ask questions to enable us to assess reasonably your insurance requirements, this may include checking information that we already hold about you and your existing insurance arrangements with us and other parties.

We will provide you with advice and guidance, after assessing what you want and need and recommend a suitable policy based on our experience of dealing with similar risks.

We will confirm to you the level of service we are providing as part of our sales process. In all cases our service will include arranging and administering your insurance, including helping you with ongoing changes.

If we use the services of another intermediary or distributor to place your insurance, we will advise you of the name of the intermediary or distributor we use and the name of the insurer.

### **Demands and Needs**

#### **Consumers**

In assessing your demands and needs we will ask you a number of questions.

It is your responsibility to ensure you give us complete and accurate answers to any such questions, not only when you take out your policy, but also when you decide to renew or make any changes during any term of a contract of insurance (this applies to any changes in information relating to any individual named on the policy).

We will make a specific personalised recommendation for product suitability based on our understanding and appraisal of your demands and needs requirements. Where we provide you with specific advice, we will give you the relevant information you require, honestly, fairly, and professionally and in a way that is in your best interests (i.e., we will alert you to important terms and conditions about the contract of insurance, and we will provide you that information when it is most relevant). This may include information about comparable products between different product providers, all of which will help you to decide whether to go ahead with any particular contract of insurance.

#### **Non-Consumers**

If you are dealing with us in a commercial capacity, you will be under a duty to make a fair presentation. You are therefore required to disclose any matter which you know or ought to know that would influence the judgement of an insurer in deciding whether to insure the risk and on what terms.

If you are unsure whether matter is relevant or not you should provide sufficient information so as to put an insurer on notice that it needs to make further enquiries if necessary.

We will make a specific personalised recommendation for product suitability based on our understanding and appraisal of your demands and needs requirements.

Where we provide you with specific advice, we will give you the relevant information you require, honestly, fairly, and professionally and in a way that is in your best interests (i.e., we will alert you to important terms and conditions about the contract of insurance, and we will provide you that information when it is most relevant).

This may include information about comparable products between different product providers, all of which will help you to decide whether to go ahead with any particular contract of insurance.

#### **Our Product Selection (Fair and Personal Analysis)**

We offer products from a wide range of product providers (i.e., insurance companies) and sometimes use other distributors (i.e., sub-agents) to access products. Our selection usually involves presenting to a reasonable number of insurance companies that will insure for the risk at hand, and this is called a fair and personal analysis of the market.

Sometimes we may only approach a specified number of product providers (i.e., insurance companies) and this is a Panel, or in some cases, we may only approach one product provider, in either case, we will tell you the basis as part of our selling process. The processes we have in place means that the characteristics of these products take account of our target customer's demands and needs and include sourcing products from one or more of the product providers we deal with.

Our framework, means we have in place written processes, proportionate to the level of complexity and risks related to our products, which we follow stringently, allowing us to ensure any distributors (including us, and our employees) have the necessary knowledge, experience and competence to understand the product and ensure it is consistent with a customer (or potential customers) demands and needs; even where our distribution chain is long, we aim to ensure this goal is met.

#### **Product Oversight and Governance**

All of the products we offer are ultimately manufactured by product providers (usually the Insurance Companies providing cover. As a distributor we have measures in place to:

- Obtain information about the product, the product approval process and understand the identified target market.
- Ensure that they understand the value assessment that the manufacturer has undertaken, so that they can distribute the product accordingly.
- Consider the impact that their distribution strategy and process have on the value of the product. This includes considering any remuneration they receive as part of the distribution strategy and ensuring that it does not result in the product failing to offer fair value to the end customers.
- Provide information to support the manufacturer in their product reviews. This includes information on remuneration where this has an impact on the value of the product.
- Amend their distribution processes if they identify it results in harm to customers. This should include taking appropriate remedial action
- Carry out annual product reviews for all products

#### **Method of Communication**

Whilst you do have a choice in the way we communicate with you, we will principally provide you with information using post or email means (usually this will be e-mail or some other means to enable you to access information electronically). During the process of dealing with us you will be given an option to receive information in this way, meaning if you would like information in a paper format, we will be happy to provide it.

#### **Training**

We maintain training to a minimum standard to ensure our workforce is appropriately skilled but where specialism in particular activities is required, we have in place more detailed requirements, including the need for our staff to attain a professional qualification where relevant.

#### **Limit of Liability**

This clause restricts the amount that may be recoverable because of our negligence. Other than injury or death of any person (for which no cap on liability will apply), our liability to you for the services we provide shall not exceed £1,000,000 about any one event or connected events.

#### **Conflict Management**

Whilst we act in the capacity of agents for our product providers (i.e., the insurance companies we do business with) we are required to have in place appropriate governance controls to help us meet our regulatory objectives. We have in place effective organisational controls, including appropriate supervision, to ensure we manage any and all conflicts of interests which may arise or may be identified from time to time, this includes gifts and benefits granted and accepted, which may damage the interests of our relationship with either our distributors or our customers.

#### **Our Customers Best Interests**

Our primary aim is to ensure, for any customer (or potential customer) that we act honestly, fairly and professionally and in the customers best interest including giving customers information they might need to understand the relevance of any information we provide, as well as objectively giving that information when it is most useful to a customer to enable informed decision making.

#### **Financial Strength**

We regularly assess the financial strength of the Insurance Companies and other intermediaries that we deal with. The process usually involves general observation of the financial ratings applied by independent rating agencies such as Standard & Poor's and A M Best published with other readily available information within industry guides, newsletters, and press releases. Whilst we take care to deal with companies that maintain reasonable solvency margins, we cannot guarantee their financial ability to pay claims.

#### **Money**

We will hold money that you pay to us in accordance with the regulator's rules or under a risk transfer agreement with insurers. This will include holding your money in one of the following ways.

A **statutory trust client bank account** that only allows us to use the money held in trust on behalf of a customer for paying that customers' premium to an insurance company and to pay premium refunds or claims we receive from that insurance company to the customer, once the premium has been received from that insurance company. We **cannot** use that customer's money to pay other customers premium or refund. We do not pay any interest on premiums held by us in the course of arranging and administering your insurance, unless, in the case of consumer transactions we receive more than £20 per transaction, and then we will ask for your permission to retain the interest. Unless you tell us otherwise, you are consenting to us holding your money in this way.

A **non-statutory trust insurer bank account** in accordance with our agreements with Insurance Companies that transfer the risk of money we receive from customers to them, these agreements deem any money you pay to us, to be received by them and they will bear the risk of any losses in the event that our firm becomes insolvent. This includes claims money or premium refunds we receive prior to being paid to you.

**By holding your money in one of these ways means that in the event that this firm becomes insolvent your money remains protected.**

In arranging your insurance, we may employ the services of other intermediaries who are regulated by the FCA and your premium may be passed to these intermediaries for payment to insurers. These firms are also required to hold clients' money in a separate trust account. We will also inform you if at any time we are required to pass your premium to firms that operate outside the UK where the protection may be different. Should you not wish us to pass premiums to a firm outside of the UK, please inform us.

#### **Insurance Premium Tax (IPT)**

Your premium detailed in the policy will include IPT at the prevailing rate. Should the rate of IPT be amended by the Government, your premium will be amended by the insurer to reflect the change.

#### **Our Remuneration**

We usually receive a commission from the insurance provider with whom we place your business, and this is expressed as a percentage of the premium you pay and in such a case, the commission will be paid to us either when we are in receipt of cleared funds from you (or the premium finance company, if one has been used) or, when the insurer has received cleared funds from us in respect of the premium due under your policy. The individual agreements we have with each insurer will determine which of the two methods above is used to make this transfer of commission. Using premium finance makes the overall cost of the insurance more expensive. A full breakdown of the cost of your insurance and the cost of credit will be provided as part of your new business or renewal quotation before you make a decision whether to proceed.

If we charge you a fee for arranging your insurance full details will be provided to you at the outset but we do not routinely charge a fee.

#### **Payment Options**

We will provide you with full details of all the payment options available to you when we provide you with your insurance premium.

If you choose to enter in a finance arrangement, your details will be passed to a third party (insurer or lender) to enable them to contact you and you should contact us at the address given in this document if you do not want your details passed to that party. This finance arrangement will be subject to interest charges that we will confirm to you when providing the full details. Importantly, the arrangement you will enter into will be with the finance company not us. It is an entirely separate contract irrespective of the insurance contract. In the event of your failure to meet with the contractual obligations regarding payment the finance provider could approach the insurer to seek a termination of the insurance contract to recoup their outstanding finance arrears. You will be liable to

pay their costs and charges if you do not keep up your repayments and cover is cancelled under your policy. This is because the agreement is between you, the policyholder and the finance company direct, not us or the insurer.

**It is important that you read the finance agreement that is sent to you before you agree to enter into such an agreement.**

**We do not charge any fees to you for introducing you to a credit provider.**

If you are a consumer as defined under the Consumer Credit Act, you will have the benefit of a 14-day cooling off period.

**Please Note: Your policy cover will cease if you fail to keep up payments on an instalment agreement or premium finance facility related to it.**

#### **Your Right to Cancel (Applicable to Consumers only)**

Please contact us if you wish to cancel any policy that we have arranged for you. Customers acting outside their trade or profession (Consumers) will usually have a legal right to cancel policies for any reason, subject to no claims having occurred, within 14 days of receiving the full terms & conditions. You will always be advised where this Right applies. Cancellation under this right must be in writing, prior to expiry of the cancellation period, to our usual office address.

#### **Cancellation non consumer**

Commercial insurance policies do not routinely have cancellation rights except those available to the insurer. As a Commercial customer, you do not have the same cancellation rights by law as a consumer but may still have specific contract rights and reference should be made to the policy document to ascertain your position.

Where returns of commercial premiums are made on cancellation, it is usually following cancellation by the insurer, not the policyholder. On cancellation of a policy any refund or premium allowed by the insurer will be paid to you after deducting our annual commission and fees.

#### **Complaints**

Our aim is always to provide our customers with a first-class service; however, we are aware that, occasionally, it is possible that we may fail to meet your expectations. If for any reason we have not met your expectations, let us know as soon as possible, by calling our main office telephone **0151 236 4568** or write to **John Leaver, Letton Percival Ltd, The Old Malthouse, Trueman Street, Liverpool L3 2BA** or email **john.leaver@lettonpercival.co.uk**

If we are unable to resolve the issue to your satisfaction by the end of the third business day following receipt, we will formally investigate the matter. You will receive an acknowledgement of the matter together with a copy of our complaints process promptly and certainly within 5 working days. We will then aim to investigate and provide a resolution as quickly as possible, informing you of a final response no later than 8 weeks.

If you are not happy with our response, or the position after a period of 8 weeks, you may be eligible to refer your complaint to the Financial Ombudsman Service (FOS) for an independent assessment and opinion.



The FOS Consumer Helpline is on **0800 023 4567** (free for people phoning from a "fixed line" (for example, a landline at home) or **0300 123 9123** (free for mobile-phone users paying monthly charge for calls to No's starting 01 or 02).

Alternatively, you can contact them at Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London, E14 9SR. [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

**A full copy of our complaints procedure is available on request.**

**Financial Services Compensation Scheme (FSCS)**

If we are unable to meet our obligations, you may be entitled to compensation from the FSCS. If we have advised or arranged insurance for you this will be covered for 90% of a claim, without any upper limit, however, claims under compulsory insurance, professional indemnity insurance and certain claims for injury, sickness or infirmity of the policyholder are protected at 100%. Further information is available from the FSCS helpline on 0800 678 1100 or 020 7741 4100 and [www.fscs.org.uk](http://www.fscs.org.uk).

The FSCS is the UK's statutory fund of last resort for customers of authorised financial services firms. Compensation is usually payable if an authorised firm is unable or unlikely to pay claims usually because it has ceased trading or become insolvent.

**Marketing**

We may use the information we hold about you to provide you with information about other products and services that we offer and that we feel may be appropriate to you and are relevant in ensuring we carry out our professional duty to you in arranging adequate insurance cover.

**Ownership**

Letton Percival Ltd is 100% owned by Holding Company ALP Holdings (Liverpool) Ltd.

## IMPORTANT INFORMATION

**WARNING – CONSUMERS (WHERE THE PURPOSE OF THE CONTRACT IS UNRELATED TO THE CONSUMER'S TRADE, BUSINESS OR PROFESSION)**

### Your duty to give information

When applying for insurance or varying an insurance policy, your broker and/or insurer will ask you questions to enable the insurer to properly assess the risk prior to entering into or varying an insurance contract. It is your duty to ensure that you answer all questions fully, honestly and accurately and when providing information it is essential that you do not mislead your broker or insurer and that all information is accurate and up to date.

If you carelessly, recklessly or deliberately provide incorrect, misleading or inaccurate information to your broker or insurer, whether in response to a question or otherwise, then this may be considered a 'qualifying misrepresentation' which may entitle your insurer to terminate the insurance contract, decline to pay all claims and retain the premium or amend the or amend the terms of the insurance contract and decline to pay any claim in whole or in part and/or to charge you an additional premium.

**FAILURE TO ANSWER QUESTIONS HONESTLY AND REASONABLY, WHEN ASKED, MAY LEAVE YOU WITH NO COVER AND A CLAIM NOT PAID**

**WARNING – COMMERCIAL CUSTOMERS (WHERE THE PURPOSE OF THE CONTRACT OF INSURANCE IS RELATED TO THE CUSTOMER'S TRADE, BUSINESS OR PROFESSION)**

### Duty to Make a Fair Presentation

The Insurance Act 2015 places a requirement upon you to make a 'Fair Presentation' of your risk. This requires you to tell your Insurers about all information you know or ought to know that would affect Insurers' judgement in deciding to write your cover, and on what terms. Failing that, you must give enough information so that Insurers know they need to ask further questions. In addition you are required to make enquiries of anyone who might be able to give material information within your Company.

Examples would include anything unique to your business or changes in business activities. Personal information about you, such as Criminal Convictions (you have a duty to give this information even when the insurance relates to a business and not you). General information about the risk, such as the construction of a building, (for example, concrete floor, timber frame with brick, stone and a slate roof); if you are not sure how much information to provide or do not understand the question please ask.

**FAILURE TO DISCLOSE THESE FACTS MAY LEAVE YOU WITH NO COVER AND A CLAIM NOT PAID**

## WARNING

### Warranties and Conditions Precedent

Your policy contains a number of **WARRANTIES** and **CONDITIONS PRECEDENT**. These are onerous terms which you must comply with word for word, otherwise the insurer might not pay any claims and might cancel your policy from the start, even if there is no connection between a breach of these terms and the cause of the loss.

Failure to comply with these terms may leave you with no insurance cover and your claim not being paid.

An insurance warranty is not a guarantee of something; it typically means that you must comply with terms in order that your insurance protection remains operative.

Conditions Precedent: Some conditions do impose a responsibility on you to have done something or completed something before a certain section of the policy will operate. If you do not do the thing stated, cover will not be in place.

**FAILURE TO COMPLY MAY LEAVE YOU WITH NO COVER AND A CLAIM NOT PAID**

## IMPORTANT

Warranties are not always referred to as such within a policy and schedule. They may be referred to as conditions, endorsements, special terms as well as warranties.

It is important that you look out for these and if you have any doubt about a particular statement, please ask us for advice.

**FAILURE TO COMPLY WITH THESE MAY LEAVE YOU WITH NO COVER AND A CLAIM NOT PAID**

### **LIMITATION OF LIABILITY – IMPORTANT NOTICE**

1. This section forms part of our Terms of Business. We accept instruction to act on your behalf strictly subject to the following limitation upon our liability.
2. Our liability to you for any act or omission (including, but not limited to, our negligence and/or the negligence of any other parties in respect of which we are legally liable to you), whether such liability be in damages, equitable compensation or otherwise, shall not exceed the sum of £1,000,000 in respect of any one transaction or series of related transactions.

This figure has been carefully chosen in order to enable us to offer reasonable redress to our customers in the event of a claim, whilst enabling us to retain competitive levels of fees and commissions and make appropriate arrangements to ensure that any proper claim is met.

This section does not apply to awards made by the Financial Ombudsman Services in the exercise of his compulsory jurisdiction.

3. In section 2 above:
  - i. 'negligence' means a breach of any obligation upon us to take reasonable care, whether that obligation is imposed by virtue of a term (express or implied) of any relevant contract or by the law of negligence, or otherwise.
  - ii. 'transaction' means any professional service provided by us to you, including (but not limited to) the arranging of insurance, advising on insurance cover and/or on particular wordings, notification of claims to insurers, and claims handling generally;
  - iii. 'in a series of related transactions' has its ordinary meaning (save that 'transaction' has the meaning given at (ii) above), but includes (without limitation), (a) transactions concerning, connected with or arising out of the same policy of insurance or reinsurance arrangements, or, (b) where different policies or arrangements insure or reinsure (as the case may be) all or some of the same risks, transactions concerning, connected with or arising out of some or all of those policies or arrangements.
4. We are always prepared to discuss increasing the limit of our liability specified in this section in relation to any individual engagement, if particular reasons exist, but we reserve the right to decline to increase the limit or (in the event that we agree to increase it) to make an additional charge or to impose alternative or additional conditions. No agreement to increase the limit shall be valid unless made in writing and signed by a director of Letton Percival Ltd.
5. Under these Terms of Business, you agree not to make any claim against any employee, director, partner, consultant or other individual connected with us. See paragraph 6 below. However, it is also understood and agreed that if for any reason the provisions of paragraph 6 hereof are held to be invalid or unenforceable in whole or in part, any claim made by you against any employee, director, partner, consultant or other individual connected with us is also subject to the limit of liability of £1,000,000 contained in this clause, and you understand and agree that any such individual may avail himself of this limitation.
6. You agree:
  - i. that your remedies in relation to the provision of professional services by us, arising out of or in connection with this engagement, lie exclusively against us and not against any employee, director, consultant or partner as individuals;
  - ii. that you will not make any claim and/or bring any legal proceedings against any employee, director, partner, consultant or other individual, in respect of any act or omission by any such person or persons (whether negligent or not).

You understand and agree that the provisions of this clause may be enforced by any employee, director, partner, consultant or other individual connected with us in accordance with the Contracts (Rights of Third Parties) Act 1999.



## PRIVACY NOTICE

### 1 Introduction

This policy notice tells you what we do with information we collect about you.

Letton Percival Ltd acts in the capacity of the data controller and will treat all your personal information as private and confidential, even when you are no longer a customer.

### 2 What personal information we process about you

The personal information we hold is restricted to information that will be used to arrange an insurance contract and any associated services. This could include names, addresses, contact details, medical information or details of criminal convictions.

### 3 Who we are sharing your data with

We will use and disclose the information we have about you in the normal course of arranging and administering your insurances and arranging the performance of a contract of insurance in order to meet our contractual obligations to you, which may include:

- (i) where we are required to do so by law
- (ii) by virtue of our regulatory requirements and
- (iii) passing information about you to credit reference agencies for the purposes of arranging payments by instalments and may also pass to them details of your payment record with us.

However, where we need to collect sensitive or special categories of personal data in connection with your insurance application or policy, such as medical details or medical history, we will make this clear to you at outset and seek your additional consent before proceeding.

Insurers may also use the information you supply to obtain credit and other checks that they need to take from Credit Reference Agencies or similar sources which may show as an entry on your credit record. This may happen at quotation stage even if you do not proceed with a policy.

Should you not wish us to use or process your data in this way, we may not be able to arrange or administer your insurances or process data as necessary for the performance of a contract in order to meet our contractual obligations to you

Email is not a completely secure means of transmission of data or documents, so by providing your email address to us you are giving your informed consent to us using this method to contact you and to send you your policy documents. If you would prefer us not to use this method of contact, please contact us.

We will not disclose any information to any third party who does not have an interest in your insurance without your prior consent, unless the disclosure relates to a matter mentioned elsewhere in this notice.

We may use the information we hold about you to provide you with information about other products and services that we offer and that we feel may be appropriate to you and are relevant in ensuring we carry out our professional duty to you in arranging adequate insurance cover.

At renewal, we shall assume the personal and any special categories of data we hold about you is correct, and will ask you to confirm this. We will then use this to provide quotations when policies fall due for renewal. If this is not the case and the data has changed in any way, please let us know.



Your information will be disclosed to Insurers and in some cases other Brokers in order to arrange your insurances, some of whom may store your data outside the EEA. These parties may pass your data to Government or Regulatory bodies to satisfy their own legal obligations and also to credit reference and other agencies with a view to mitigating insurance fraud and to comply with international financial sanctions legislation. They may also pass your data to other Insurers or Reinsurers, their own advisors, Loss Adjusters or trade associations to ensure regulatory compliance.

#### **4 How long we will keep your data**

We will retain your personal information for as long as is reasonably necessary to fulfil the relevant purposes set out in this Privacy Notice. The retention period will primarily be determined by relevant legal and regulatory obligation and/or duration of our business relationship with you, your employer or another associated party. We maintain and update regularly our data retention policy with a detailed retention schedule. We will securely delete or erase your personal information if there is no valid business reason for retaining your data. In exceptional circumstances, we may retain your personal information for longer periods of time if we reasonably believe there is a prospect of litigation, in the event of any complaints or there is another valid business reason the data will be needed in the future.

#### **5 Your rights**

You have the following rights:

- request access to data relating to you
- the rectification or erasure of data held about you (subject to other conditions)
- the right to request copies of your data held by us
- the right to object to our use of your data
- If you believe that any information we are holding about you is incorrect or incomplete, please write to or email us as soon as possible. We will promptly correct any information found to be incorrect. You also have the right to complain to the Supervisory Authority (ICO at [ico.org.uk](http://ico.org.uk)) about our data processing activities.
- You may exercise your right to give notice to stop data being processed for any purpose by contacting us at any time.

#### **6 Contact details of the Data Protection Officer**

If you have any questions relating to data protection that you believe we will be able to answer, please contact our Data Protection Officer:

John Leaver ACII  
Letton Percival Ltd  
The Old Malthouse  
Trueman Street  
Liverpool  
L3 2BA

Email: [info@lettonpercival.co.uk](mailto:info@lettonpercival.co.uk)