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## **CONFLICTS OF INTEREST POLICY FOR MEDICS FINANCIAL SERVICES LTD**

### **1. Overview**

Medics Financial Services Ltd is required to establish, implement and maintain a written Conflicts of Interest policy.

A 'Conflicts of Interest' is a situation where the firm or an employee, or other associate of the firm has competing professional or personal interests which may potentially influence them to act in a manner that may not be in the best interests of the firm's customers.

This document provides information in relation to the policies we have in place to identify, prevent, monitor and manage conflicts of interest.

As a firm we are committed to taking:-

- all appropriate steps to identify conflicts of interest between ourselves and our customers, or between one customer and another;
- all appropriate steps to prevent conflicts of interest from arising in the first instance.

There will be some situations where the steps we put in place to manage the risks of a conflict leading to customer detriment can with reasonable confidence eradicate that risk.

There will be other situations where we believe that a conflict can be managed appropriately to minimise the risk that the firm or its employees may act inappropriately. In this circumstance we will make the customer aware of how we intend to manage the conflict to reduce the risk of the conflict influencing the firm to act in a manner that is contrary to the best interests of the customer. At this point and before any services to which the conflict relates are commenced, the customer will be given the option not to proceed with the services. This step will be undertaken for all relevant conflicts where there is more than one conflict in any given situation.

### **2. Identifying and Preventing Conflicts**

The firm takes all appropriate steps to identify conflicts of interests that arise or may arise, in the course of the provision of service(s) to customers, between:

- the firm, including managers and employees;
- any person directly or indirectly linked to the firm; and
- customers of the firm.

The management team will actively monitor all business activities and arrangements to ensure that conflicts of interest are identified. In addition, all employees within the firm are asked to identify to the management team any conflicts of interest that they become aware of.

Where such conflicts of interest are identified, the firm will take steps to prevent the conflicts of interest affecting the service provided to customers through appropriate measures. This may be achieved through a restructure of business arrangements or through other

appropriate means. For example, where we are advising customers with competing interests we will look to appoint a suitable independent third party to act for that customer. This might be relevant where two customers are in the process of divorce.

Where we are unable to remove a conflict of interest such that with reasonable confidence the risks of customer detriment are all but eradicated, we will disclose to the customer the nature of the conflict, the risks that the conflict presents and the steps that we will undertake to manage the conflict. The customer will be informed of the conflict before any services to which the conflicts relate are commenced and be given the opportunity to proceed or not. This step will be undertaken for all relevant conflicts where there is more than one conflict in any given situation.

### **3. Types of Conflicts**

The firm will take into account whether the firm, or a relevant person, or a person directly or indirectly linked to the firm:

- is likely to make a financial gain, or avoid a financial loss, at the expense of a customer;
- has an interest in the outcome of a service provided to a customer;
- has an interest in the outcome of a transaction carried out on behalf of a customer;
- has a financial or other incentive to favour the interest of a customer or group of customers over the interests of another customer;
- carries on the same business as a customer;
- receives, or will receive from a person, other than a customer an inducement in relation to a service provided to a customer, in the form of monies, goods or services, other than the standard remuneration for that service.

Below is a summary of the principal conflicts that could arise in our business and the steps we take to mitigate them.

#### **Firm level conflicts**

- Where firms have a beneficial link to a product provider with which it places business
- Where firms have a beneficial link to another intermediary firm to which it refers business
- Where firms have a beneficial link to any other type of service provider such as a platform, discretionary fund manager or collective investment scheme to which the firm may refer business

#### **Specific conflicts**

Examples of conflicts that may arise here include:-

Where the adviser/firm is requested to act on behalf of customers with competing interests such as:-

- Spouse and partner that are in the process of divorce;
- Staff member acting in the capacity of a trustee or executor for a client.

## **Remuneration**

In accordance with the Rules of our regulator, the Financial Conduct Authority (FCA), we are prohibited from accepting any form of remuneration (an adviser charge, commission or non – monetary benefit) which is likely to conflict with the duty the firm owes to its customers.

The firm may receive minor non–monetary benefits from product providers or other third parties. Such benefits are typically of a modest nature and generally relate to the provision of literature, participation in seminars, training and hospitality. The provisions of such benefits are designed both to enhance the quality of the services we provide to our customers and ensure that there is no detrimental impact to the quality of that service.

We also take steps to ensure that our policy for remunerating staff does not compromise the quality and suitability of the services we offer / provide to you. This will be achieved through the monitoring of the suitability of any services provided to you and general reviews of staff performance

How we are remunerated forms part of the firm's standard initial disclosure processes.

## **Personal Account Dealing**

Some of our employees who act on behalf of customers may on occasions undertake account dealing on their own behalf which may give rise to a potential conflict of interest. We have procedures in place to ensure that our customers are not disadvantaged by any personal dealings of the firm's employees (or their associates on the employee's behalf), in particular:

- Employees intending to undertake personal account dealing must first obtain approval from certain designated senior individuals within the firm prior to dealing on their own account.
- All personal account dealings must be disclosed to the firm and are recorded in the firm's 'Personal Account Dealing' register.
- Employees acting for or on behalf of customers are not permitted to carry on any Personal Account Dealing in an investment subject to a customer recommendation within 6 months of such a recommendation being made, and without the express written consent of certain designated senior individuals within the firm.
- Employees are required to disclose to the firm if they hold an investment or beneficial interest in a company subject to a customer recommendation. This information will be recorded in the firm's Personal Account dealing register.

We will disclose to customers whenever a recommendation is made where the employee making the recommendation has a beneficial interest.

## **Gifts and inducements**

The firm may occasionally receive gifts from customers and product providers in recognition of services provided. We may also occasionally provide our customers with minor gifts. We take care to ensure that these gifts (received or given) are of a minor nature and do not create any obligations or debt or that will influence the firm's behaviour in any way that is detrimental to the interests of customers.

Gifts worth £50 or over or hospitality worth £100 must be declined. These must also be reported to the Compliance Supervisor and details recorded in the gifts and inducements register. Any gifts under the value of £25 may be accepted (unless otherwise prohibited by the firm's anti-bribery policy). Any gift or series of gifts from the same person, connected person or corporate entity over a 12 month period amounting to more than £25 should be notified to the Compliance Supervisor and recorded on the firm's gifts and inducements register.

In addition to the vetting of each gift received or given, the firm will regularly review the Gifts and Inducements Register to ensure that no unacceptable patterns of behaviour emerge. E.g. cumulative gifts from the same source over a period of time.

#### **4. Disclosure of Conflicts of Interest**

There will be some situations where the steps we put in place to manage the risks of a conflict leading to customer detriment can with reasonable confidence eradicate that risk.

There will be other situations where we believe that a conflict can be managed appropriately to minimise the risk that the firm or its employees may act inappropriately. In these circumstances we will disclose to the customer in writing the general nature or sources of the conflicts. This will give the customer the opportunity to make an informed decision about whether or not they wish to proceed. Wherever possible, this notification will be made prior to any services being provided but in all instances and where discovery of the conflict is later at the point at which the conflict is identified. The notification will confirm the risks presented by any conflicts of interest and the steps we will take to mitigate those risks and ensure the fair treatment of customers. This step will be undertaken for all relevant conflicts where there is more than one conflict in any given situation.

This notification may be disclosed to customers in writing.

#### **5. Recording Conflicts of Interest**

The firm will keep and maintain a record of circumstances in which a conflict of interest may arise, or has arisen, as a result of the activities carried out by the firm.

#### **6. Management oversight**

The firm's management body will have the overall responsibility to ensure that the firm identifies and manages any conflicts of interest appropriately effectively, and in line with the FCA's Rules and guidance.

This will include setting standards on:-

- Preventable conflicts;
- Conflicts that the firm will be prepared to accept and manage;
- Monitoring activities to ensure that any identified conflicts of interest are being managed appropriately
- Reviewing the firm's conflicts of interest policy

## **7. Staff Training and Understanding**

All employees will be made aware of this policy to highlight and emphasise the importance of identifying and managing conflicts of interest.

Employees will receive training at regular intervals, including at the point which any updates to this policy are made.

## **8. Review of Conflicts of Interest**

Our conflicts of interest policy is reviewed on a regular basis and at least on an annual basis.

If you require any further information on our Conflicts of Interest policy please contact Tracey Biggs, Compliance Administrator, Medics Financial Services Ltd, Tamworth Enterprise Centre, Corporation Street, Tamworth, Staffs B79 7DN. Telephone: 01827 53310

### **Re: Addendum regarding transfers of Safeguarded Benefits**

In addition to the above Conflict of Interest policy the following applies specifically to advice regarding the transfer of Safeguarded benefits.

#### **Specific Conflicts**

Conflicts of interest could arise with regard to the provision of non-monetary benefits. A number of product providers may provide Transfer Value Analysis, APTA, or equivalent calculations on a complimentary basis. This could represent a Conflict of Interest and affect the impartiality of any recommendations.

The involvement of a third party in the advice process, such as an external pension specialist or funds being transferred to offshore pensions or unregulated investments could also produce issues with regard to a Conflict of Interest.

#### **Our policy to address these conflicts**

The cost of all calculations in conjunction with safeguarded benefit transfers will be borne by Medics Financial Services Limited and these calculations will be obtained on an arm's length basis. We will not accept transfer value analysis or APTA calculations produced by product providers.

The work of the pension specialist will be provided in-house and no part of the advice process will be outsourced unless exceptional circumstances should make this necessary (e.g. the pension specialist is absent for an extended period).

Where it is necessary to introduce clients to other parties to advise them in connection with safeguarded benefits (e.g due to capacity constraints) the client relationship will subsequently be directly with the new adviser firm and the new adviser will take complete responsibility for the advice process. We will conduct appropriate due diligence on any advice firms to whom we chose to introduce clients.

We do not offer advice or arrange transactions for unregulated investments.