

# Financial Services and Credit Guide – Part 1

Our guide to our relationship with you and others



01 April 2011

## What is the purpose of this Guide?

This Guide is designed to provide information about the financial services provided by Suncorp Financial Services Pty Ltd (Suncorp Financial Services) and its authorised representatives.

It aims to assist you in deciding whether to use any of the services we offer and includes information about our remuneration and how we deal with complaints.

This Guide is only complete when the Adviser Profile is attached.

Our role is to understand your financial needs and objectives, and to recommend solutions that assist you in satisfying those requirements.

## The process we will follow includes:

- Providing this Guide to you and agreeing on the basis for providing our services to you;
- Obtaining the relevant information about your financial needs and objectives and your current financial affairs so that we can provide the most appropriate advice;
- Researching the solutions that are designed to assist you in satisfying those needs and objectives;
- Recommending only products approved by Suncorp Financial Services;
- Providing you with a written Statement of Advice (SoA) which sets out our recommendations and the basis for them, the key issues involved and our remuneration for providing our professional advice to you;
- Discussing the SoA with you, providing any explanations you require, and varying the recommendations if necessary;
- Credit Assessment- where our advice includes consideration of an existing credit product and/or strategies, we will provide you with an assessment of whether your existing product or strategy is unsuitable. Considerations would include amongst other things your capacity to repay and compatibility with your objectives;
- Although we are not in the business of recommending specific credit products, we may be able to refer you to a licensed provider of credit advice;
- Where you receive credit advice you can expect to receive the Provider's Credit Guide and a documented "preliminary assessment" and an "unsuitability assessment";
- Providing you with a Product Disclosure Statement (PDS) for each product recommended in the SoA. The PDS contains information about the product (fees, etc.);
- Implementing the agreed recommendations;
- Agreeing on a basis for review of your situation.

If at any time you do not understand the advice we provide, you should seek clarification from us.

## What advice document might I receive if I am an existing client?

If you are already a client of Suncorp Financial Services you may have been through the above process. Going forward you can expect to receive written confirmation of any further advice in the form of either a Record of Advice (RoA) or Statement of Advice (SoA). If you are receiving advice in relation to a different type of financial product or your circumstances have changed significantly then we will provide this advice in a SoA. If you wish to obtain a copy a previous SoA or RoA please ask your adviser.

## Before you get advice:

### Who is my Adviser?

Your adviser is an authorised representative and may also be a credit representative of Suncorp Financial Services Pty Ltd (Suncorp Financial Services). The Adviser Profile attached to this Guide will outline in more detail information about your adviser.

Suncorp Financial Services Pty Ltd (Suncorp Financial Services) is an Australian Financial Services Licensee (AFSL) and Australian Credit Licensee licensed by the Australian Securities and Investment Commission (ASIC), responsible for the advice and conduct of your adviser. We are not responsible for any unauthorised services (to the full extent permitted by law) so check the services being provided are outlined in the Adviser Profile.

## What financial services are we licensed to provide?

As an Licensee Suncorp Financial Services Pty Ltd is licensed to provide advice and deal in the following classes of financial products to retail and wholesale clients:

1) Deposit and payment products including:

- basic deposit products;
- deposit products other than basic deposit products; and
- non-cash payment products.

2) Life products including:

- investment life insurance products; and
- life risk insurance products.

3) Interests in managed investment schemes including:

- investor directed portfolio services.

4) Margin Lending/Gearing; and

5) Superannuation.

## Adviser Profile

An Adviser Profile which is attached forms part of this Guide. This profile provides details about your adviser.

If the Adviser Profile is not attached, please ask the Adviser for this Profile or contact our Head Office.

Suncorp Financial Services has authorised the distribution of this Guide.

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## What financial services are available to me?

### The services offered by Suncorp Financial Services include:

- Wealth accumulation;
- Asset allocation;
- Investment selection;
- Investment administration;
- Superannuation;
- Risk Insurance;
- Investment gearing;
- Debt management;
- Retirement planning;
- Redundancy planning;
- Centrelink;
- Estate planning;
- Salary packaging;
- Aged care;
- Self Managed Super Funds.

Your adviser may only be authorised to provide advice in some of the above areas. Their Adviser Profile will set out the areas in which they provide advice.

## What will your adviser do?

### Your adviser will:

- Provide you with advice to the best of their ability and deal with you efficiently, honestly and fairly;
- Provide advice tailored to your individual needs and circumstances;
- Recommend only products approved by Suncorp Financial Services to help you meet your objectives;
- Only implement strategies once you have agreed they are appropriate for you.

## What we expect from you:

To assist us in providing you with appropriate advice that remains current, and to protect you, we ask you to do the following:

- Provide accurate information about your personal circumstances to enable us to assess your situation and provide advice in line with that;
- Keep us updated on any changes to your circumstances;
- Do not make any payments for investment, contracts or fees 'made payable' to your adviser;
- Do not sign blank forms.

## Are there any restrictions on the products my Adviser can recommend?

Yes, advisers can only recommend investments and risk products on the Suncorp Financial Services Approved Product List (APL). A dedicated Investment Review Committee undertakes a thorough product analysis before including any new investment products on the APL. The Committee utilises leading industry research houses to assist with this analysis. The APL is regularly reviewed to ensure

that all fund managers and investment companies continue to meet Suncorp Financial Service's ongoing requirements.

As we are not mortgage brokers or a credit provider, we will not make specific product recommendations. Instead, our advisers may refer you to a registered broker for assistance.

Where the adviser may obtain a referral fee, you will be informed at the time of the referral or as soon as is practically known by the adviser.

## Professional Indemnity Insurance

Suncorp Financial Services has professional indemnity insurance which covers us and our advisers for errors or mistakes relating to our services.

This insurance meets the requirements of the Corporations Act.

and covers claims against our authorised representatives after they cease to be engaged by us, provided the insurer is notified of the claim when it arises and within the relevant policy period.

## Information about fees and our remuneration

The remuneration received by Suncorp Financial Services and its authorised representatives could be in the form of Upfront Commission, Ongoing Commission or Fee for Service.

Remuneration could be through payment of:

- **Upfront Commission** – paid by the issuer of the financial product/s recommended, payable when the product is issued to the client. This is included in the cost of the product for insurance. For investments and superannuation this cost is generally taken from the amount invested.
- **Ongoing Commission** – paid by the issuer of the financial product/s recommended, payable on an ongoing basis while the product is still in place. This is included in the cost of the product for insurance. For investments and superannuation this cost is generally taken from the amount invested.
- **Adviser Service Fee** – paid by the issuer of the financial product/s recommended payable on an ongoing basis while the product is still in place. This is NOT included in the cost of the product.
- **A direct fee paid by you to us** for the services rendered (your adviser will advise you of the fee before providing the service). This can either be charged on an hourly basis, a set fee per annum basis, as a percentage of funds invested, or a combination of these methods.
- **A combination** of both commission and fee for service.

The basis and amount of all commissions and fees for service will be set out in the SoA and explained by your adviser.

The explanation of the fees and charges of the product issuer will be contained in the PDS.

If you agree to the payment of a direct fee for the initial advice and/or annual review services, your adviser will outline the cost in writing before providing the service, provide you with an invoice and advise you in the SoA of the fees.

Commissions can be paid bi monthly, monthly, half yearly or annually to your adviser and the details of actual commissions (including any rebates of commissions), incentive bonuses, fees and other benefits paid by Suncorp Financial Services or a member of the Suncorp Group of companies will be detailed in the SoA or other disclosure documentation.

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## Superannuation Products

Suncorp Financial Services has an APL for superannuation funds. However, if you have an existing superannuation fund that is not on the APL your adviser is still able to make recommendations in relation to that specific fund.

## What is the range of commission payable on investment or insurance products Suncorp Financial Services recommend?

### Fees and Commissions

#### Advice Fees

The Upfront Commission we may receive with respect to investment products we recommend may vary between 0% and 10% on the amount invested. For example on a \$50,000 investment the commission would be between \$0 and \$5,000.

Ongoing Commission we receive may vary between 0% and 2% of the value of the investment and is usually part of the cost of the product. For example on a \$50,000 investment the Ongoing Commission would be between \$0 and \$1,000.

Adviser Service Fee can be paid directly or from the investments account balance to us. This can range from an agreed dollar amount or 0% to 4.0%. For example on a \$50,000 investment the Adviser Servicing Fee would be between \$0 and \$2,000.

#### Life and Disability insurance

For this type of product your adviser may receive payment in one of three ways – upfront, hybrid or level.

**Upfront** – your adviser may receive commission up to 140% of the first year's premium and 20% ongoing.

For example, on an annual premium of \$1,000 your adviser may receive up to \$1,400 upfront and up to \$200 each year ongoing.

**Hybrid** – your adviser may receive commission up to 90% of the first year's premium and 40% ongoing. For example on an annual premium of \$1,000 your adviser may receive up to \$900 upfront and up to \$400 each year ongoing.

**Level** – your adviser may receive commission up to 40% of the first year's premium and 40% ongoing. For example on an annual premium of \$1,000 your adviser may receive up to \$400 upfront and up to \$400 each year ongoing.

#### Share of Commission/Fees between Suncorp Financial Services and the Adviser

Suncorp Financial Services may pass between 92% and 100% of commissions / fees received through to the adviser. For example, if \$1,000 in commission is received by us. Suncorp Financial Services may pass on between \$920 and \$1,000 to the adviser. The actual Suncorp Financial Services / adviser share of the commission / fees will be outlined in the SoA.

#### Suncorp Rebate Scheme

Suncorp Financial Services will seek to reward productive practices with an annual dealer group rebate of up to 100%. A rebate will be paid based on the productivity of our practice compared with other SFS Agencies practices.

The level of rebate we may become eligible for will be determined by the level of revenue achieved by Suncorp through the business written. Please refer to the Adviser Profile accompanying this Guide for further information on the Suncorp Rebate Scheme.

## Client Servicing

Suncorp Financial Services practices may be offered exclusive client servicing rights after a period of time if certain conditions and criteria are met.

If your adviser participates in this programme, it will be fully detailed in the Adviser Profile.

## Our financial arrangements with product providers

Suncorp Financial Services has arrangements with investment / superannuation managers of certain wrap platforms and master trusts whereby they pay a commission bonus based on the total volume of funds that clients of Suncorp Financial Services have invested / placed through their platform or trust over a relevant agreed period (usually 12 months).

The amount paid is calculated as a percentage of all funds invested for the relevant agreed period and is paid out of the relevant platform provider's own administration fees. The arrangement does not further increase the administration fee or management expense ratio (MER) amount that would be charged by the investment / superannuation company if this remuneration arrangement was not in place.

The relevant investment / superannuation company will (subject to the relevant volume level being reached) pay us up to a maximum of 30% of the administration fee. For example, if the investment company charged you an administration fee of you were \$100, they would pay Suncorp Financial Services up to an extra \$30.

Suncorp Financial Services currently has commission bonus arrangements with the following investment / superannuation companies – Asgard, Suncorp WealthSmart, Colonial First State and Macquarie.

Suncorp Financial Services may have arrangements with Life Insurance Companies where they pay a commission bonus based on the total growth of in-force premiums over a relevant agreed period (usually 12 months). The maximum that Suncorp Financial Services may receive from any of these arrangements is 6.6% of the growth of in-force premiums. For example, if the in-force premiums grew by \$50,000 over a specified 12 month period then Suncorp Financial Services would be entitled to receive up to an extra 6.6% of this \$50,000 increase, which is \$3,300.

Suncorp Financial Services currently has arrangements with the following companies regarding Life Insurance – Suncorp LifeGuard, One Path, AIA, CommInsure.

The commission bonuses paid by investment / superannuation and life insurance companies are either

- Paid to Suncorp Financial Services which pools them and distributes yearly to participating advisers based on the number of year's service and/or the amount of revenue generated by the adviser. This is known as the adviser loyalty and production bonus. If your adviser participates in either the loyalty bonus and/or production bonus the way this is calculated will be outlined in their Adviser Profile.

or

- Paid to Suncorp Financial Services which passes them directly on to the adviser.

## Alternative Forms of Remuneration Register

Any benefits provided by product providers such as entertainment (e.g. lunches, sporting events etc.) or Professional Partner Sponsors at Suncorp Financial Services conferences and Professional Development days received by Suncorp Financial

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Services or our Authorised Representatives are outlined in our Alternative Forms of Remuneration Register. This is in accordance with industry requirements as outlined in the Financial Planning Association Alternative Remuneration Code of Practice. If you would like to obtain a copy of our register or this Code of Practice please let your adviser know or contact the Suncorp Financial Services Head Office.

## When you choose Suncorp, who are you dealing with?

Suncorp Financial Services Pty Ltd is a member of the Suncorp Group of companies, as a member of the Suncorp Group, we may deal in and advise on products provided from related Group companies, which include Suncorp Metway Limited, Asteron Life Limited, Suncorp Portfolio Services Limited, Suncorp Life & Superannuation Limited.

The different entities of the Suncorp Group are not responsible for or liable in respect of products or services provided by other entities of the Suncorp Group of companies.

Throughout this Guide any references to 'we', 'our', 'us' and Suncorp Financial Services means Suncorp Financial Services Pty Ltd as Licensee.

Suncorp Financial Services may receive a commission payment from the above companies as a result of you investing in one of their products or services.

## How can you provide instructions/information to us?

You can specify how you would like to give Suncorp Financial Services or your adviser instructions / information.

How you do this will depend on the type of product you have or want to purchase, or the changes you wish to make.

Usually we will need your instructions in writing. You can contact us initially by phone, email, or in person.

We will let you know what information we need or what forms you need to complete and sign. Our contact details are on the front of this Guide.

## We cannot act without your instructions:

We are required to act in your best interests, not those of the product provider.

However, we are not allowed to act without your instructions. For example, we cannot:

- Purchase or close a product on your behalf
- Act as your Power of Attorney
- Open or transact a trust account on your behalf
- Receive cash directly from you or have cheques made out to us.

## How we treat your personal information:

We use your information to make recommendations that suit your personal situation. Sometimes, to help us create your financial plan, we may share your information with service providers not associated with Suncorp.

Regardless, keeping your personal information private and secure is important to us.

Any personal information you give us will be maintained in a secure personal file. Any request for a copy of an advice document must be made within seven years from the date of advice was provided.

We may also use this information to contact you for marketing and research purposes and to let you know about other Suncorp products and services. If you don't want your information used for these purposes, please tell us.

Please ask if you would like a copy of our full Privacy Policy.

## What to do if you have a complaint

We want to hear about any problems you may have and work with you to resolve them. Firstly, please talk to us, or if you prefer you can tell us in one of the following ways:

We will try to resolve your problem within 24 hours. If we can't, we will acknowledge your complaint within 3 working days and try to fix it within 21 days.

If you are not satisfied with the outcome of your complaint, you can contact the Financial Ombudsman Service (FOS). FOS is an external dispute resolution scheme that provides free services to clients and can be contacted by:

	Phone 1800 689 762 (free call)
	Fax 1300 767 337
	Reply Paid 1453 Suncorp Customer Relations Unit (RE 058) GPO Box 1453 Brisbane QLD 4001
	customer.relations@suncorp.com.au
	At any Suncorp branch

If you are not satisfied with the outcome of your complaint, you can contact the Financial Ombudsman Service (FOS). FOS is an external dispute resolution scheme that provides free services to clients and can be contacted by:

	Phone 1300 780 808
	(03) 9613 6399
	GPO Box 3 Melbourne, VIC 3001
	info@fos.org.au
	www fos.org.au