

# Bonus Plan

Welcome to tax-exempt saving for your long-term future,  
with life insurance included



This document includes plan details and Terms and Conditions of your plan, along with information on how we manage your money. Please read this thoroughly and keep it in a safe place in case you need to refer to it in the future.

You'll also find details of your agreement with us under the terms of the plan, as well as additional information about us.

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# Plan details

## Shepherds Friendly Bonus Plan

The Shepherds Friendly Society Ltd is required by the Financial Conduct Authority (FCA), the independent financial services regulator, to provide you with this important information to help you decide whether our Bonus Plan is right for your savings needs.

You should read this document carefully to make sure you fully understand the plan and your commitments. **Please keep this guide in a safe place for future reference.**

### The aims of our Bonus Plan

#### To provide:

- a tax-exempt and disciplined form of regular saving for the first £25 per month;
- a tax-free lump sum after 10 years or more;
- investors with an opportunity to share in our profits; and
- valuable life cover throughout the Bonus Plan's term.

### Your investment in the plan

- You agree to pay a regular monthly or yearly premium by Direct Debit for a minimum of 10 years.
- The Bonus Plan should be considered as a long term (10 years or more) investment.

## **Risks associated with the plan**

- How your investment performs may vary during the term of the Bonus Plan. Because of this you may have a higher or lower lump sum than you expect at the end of the Bonus Plan.
- If you take your money out of the Bonus Plan during the first few years, you are unlikely to get back as much as you have put in.
- If you take your money out at any time before the end of the Bonus Plan, you may have to pay to do so. This cost could be more or less than the examples in this leaflet.

## Common questions about the plan

### What is the Bonus Plan?

The Bonus Plan is a 'With-Profits endowment assurance', designed to provide tax-exempt or taxable savings (or both) and life assurance cover over a period that we agree with you (see below for what we mean by tax-exempt).

### What do you mean by tax-exempt investments?

Shepherds Friendly has a special tax-exempt status. If you pay premiums which add up to no more than £25 a month or £270 a year, we do not have to pay tax on the increase in value of the fund, or on income from our investments.

The proceeds that we pay out if you die, or at the end of the Bonus Plan will be free of any tax (this means that you will not pay any Income Tax or Capital Gains Tax).

It's worth remembering that laws on tax may change in the future.

### Who can have a Bonus Plan?

Our Bonus Plan is a tax-exempt savings plan that allows you to save tax-efficiently for your long-term future, regardless of whether you've already used your annual ISA allowance or not. Available to anyone aged between 16 and 55 next birthday, you simply need to commit to paying premiums of up to £25 a month or £270 a year for at least 10 years.

### How much can I invest in the plan?

As the Society has a special tax-exempt status, the government allows you to invest up to a maximum of £25 a month or £270 a year so you can enjoy tax-efficient savings in our Bonus Plan.

If you decide that you would like to save more than the maximums indicated, you can certainly do so up to a total of £3,600 a year and, while the extra amount will not benefit from the same degree of tax efficiency as the original limits, the final maturity payment you receive will still be tax-free.

Because our Bonus Plan is what is known as a "Qualifying Life Policy", the limit of £3,600 is a set maximum sum which applies to any such policy with Shepherds Friendly or any other life company or friendly society.

### How will my investment grow?

We will invest the money in our With-Profits fund, which holds a mix of assets including stocks and shares, property, gilts, bonds and cash. The market value of these assets may vary over time and this may affect the level of annual bonus we are able to add to your plan.

The objective of our With-Profits Fund is to provide you with steady investment growth through annual bonuses and, in order to achieve this, we apply a process known as smoothing. This means we may keep back some of the fund’s growth when investment conditions have been good, so that we can add this back during periods when investment conditions are poorer.

The amount of bonus paid each year depends on payments received during the year.

Once a bonus has been added to the plan we guarantee to include it in the amount we pay out when the plan reaches maturity. At the end of the plan a final bonus may also be added depending on how the fund has performed.

You can find out more information about how our fund works in our document called “A guide to how we manage our With-Profit business” which can be found in the About Us section on our website.

### What might the benefits be after 10 years?

Example of a tax-exempt plan		
Age (next birthday) <b>30</b>	Monthly premium <b>£25</b>	
Contract term <b>10 years</b>	Total payments after 10 years <b>£3,000</b>	
If your investments grew at 2% a year your fund after 10 years would be £2,830.	If your investments grew at 5% a year your fund after 10 years would be £3,280.	If your investments grew at 8% a year your fund after 10 years would be £3,810.

## Will my investments work out exactly as in the example?

The example we've provided is meant to be an illustration of what your investment may be worth. What you will actually get back depends upon how our investments perform. You could get back more or less than this.

All friendly societies who offer life assurance plans use the same rates of growth for their illustrations, but their charges vary. Do not forget that inflation could reduce what you could buy in the future.

**Warning - Lower growth rates of 1.5%, 4.5% and 7.5% apply to premiums above £25 a month. They are not tax-exempt.**

## What happens if I die?

The Bonus Plan will provide a guaranteed sum, which will be the smallest amount we pay out if you die, unless you have stopped paying your premiums. This amount will depend on your premiums and your age at the start of the Bonus Plan. We will also include any yearly and final bonuses in the amount we pay if you die.

## What happens if I need to stop paying my premiums?

If you need to stop paying premiums, you should contact us as quickly as possible to discuss what options are available to you.

1. If the Bonus Plan started less than one year ago, we will cancel your Bonus Plan and you will not get any money back and the life cover will stop.
2. If the Bonus Plan started more than one year ago, you can ask for a 'cash-in' value and take your money and the life cover will stop. We may apply a Market Value Reduction when you cash it in. So, this means that the amount you might get back may be less or more than the amount we told you on your last bonus statement. (To find out more about this, see the next section 'What is a Market Value Reduction?').
3. If the Bonus Plan started more than one year ago and you do not take your money, we will make the Bonus Plan "paid-up" automatically 13 months after the date when you paid the last premium. If this happens, the amount of life cover will reduce and you will receive a lower lump sum at the end of the Bonus Plan.

**Warning - If you stop paying premiums during the early years, the value of your Bonus Plan could be less than you have paid in.**



## Are there any charges for this plan?

Charges are deducted from the investment to cover our expenses and the cost of administering and managing the investments.

## How do these charges affect my Bonus Plan?

For a 10 year Bonus Plan the effect of these charges are currently around 40% of the first year's premium and 10% of each subsequent year's premium. These are the current charges that we apply but they may vary in future years in line with the expenses of the Society. The last line of the table below shows that over the term to the Bonus Plan's end date, the cost of the deductions could add up to £588. Putting it another way, leaving out the cost of the life assurance, this would effectively bring the investment growth down from 5% to 1.8%.

### Example of tax-exempt plan deductions

The figures below assume the investments will grow at 5% a year

Age (next birthday) <b>30</b>	Monthly premium <b>£25</b>	Contract term <b>10 years</b>	
Effect of deductions table			
Year	Total paid to date	Effect of deductions	What you might get back
1	£300	£308	-
2	£600	£195	£435
3	£900	£237	£733
4	£1,200	£280	£1,040
5	£1,500	£326	£1,370
The later years			
10	£3,000	£588	£3,280

# How we manage your money in our With-Profits plans

This section will provide you with an overview of how we manage your money when you save in any of our plans that are invested in our With-Profits Fund. These are:

- Stocks and Shares ISA
- Stocks and Shares Junior ISA
- Bonus Plan
- Young Saver Plan
- Junior Money Maker

For a more detailed report of how we manage your money, you can download a copy of the full Principles and Practices of Financial Management (PPFM) on our website.

## What is the Shepherds Friendly With-Profits Fund?

When you choose to save in any of the plans above, your money is pooled with that of other plan holders in one single fund. This is known as our With-Profits fund and is invested by our investment managers in a mix of assets, with the intention of maximising the fund's returns over the medium to long-term.

These assets include:

- UK and overseas stocks and shares (equities)
- Property
- Gilts
- Government and company bonds
- Cash deposits

Assets of good quality are chosen and the mix may change over time depending on our investment managers' views on potential future returns and our Board's approach to risk.

## How might my plan grow through the addition of bonuses?

We aim to increase the guaranteed amount we will pay out on your plan by adding bonuses.

There are two types of bonus:

### Annual Bonus

This is normally added to your plan each year. However, the level of annual bonuses can vary and there is no guarantee that a bonus will be added every year. Once we have added an annual bonus this cannot be taken away, unless you alter the terms of your plan.

### Final Bonus

A final bonus may be added to your plan when you plan matures or if you decide to surrender it. The level of final bonus can go up or down and there is no guarantee that any final bonus will be added.

The level of bonuses you might receive is based on factors such as:

- How much you have invested
- When you made the investment
- The fund's performance over time
- The costs related to running our business
- Various profits and losses

## How might smoothing affect my investment?

We apply a process known as smoothing to try to minimise and even out the effects of stock market fluctuations during the period of your investment with us. This means we may keep some of the fund growth back when investment conditions have been good, so that we can add this back during periods when investment conditions are poorer.

The benefits of smoothing include:

- Protection of your investment from short-term market volatility
- Some protection of your plan's overall value
- Benefit from periods when financial markets are performing well and a reduction of the effects when markets may be under performing

## **What if I choose to surrender my plan?**

If you decide to surrender or transfer your plan early, we aim to pay out, on average, the asset share of your plan.

## **What guarantees do I have with my plan?**

Our With-Profits plans contain guarantees that on maturity or death, the amount you will receive will be no less than the initial guaranteed basic benefit, plus any annual bonus awarded to the date of your claim. No guarantees apply if you choose to surrender the plan.

## **What is a Market Value Reduction (MVR) and how might it affect my final plan pay out?**

In order to protect you and our other With-Profits fund savers, in periods of poor investment conditions, we may apply a Market Value Reduction (MVR) when a plan is cashed in. This may mean a reduction in the value of your plan as a result of stressed market conditions, which have caused worse than expected investment returns at the point in time when you may wish to cash in your plan.

We may take this decision in order to protect other plan holders in the fund who have not decided to cash in their plan at that point in time.

## **What are the risks associated with the With-Profits Fund?**

As a significant proportion of the fund is invested in stocks and shares, there are inevitably risks associated with the performance of financial markets. Unlike a cash-based savings account, where there is normally a set and guaranteed rate of interest on your savings, it is important that you view saving in one of our plans as a medium to long-term investment, which has the potential to offer better returns.

## **How can I find out more information?**

You can find more details about our With-Profits Fund by:

- Reading and downloading our full Principles and Practices of Financial Management (PPFM) document on our website
- Calling our Member Services team on 0800 526 249

# Terms and Conditions of the Shepherds Friendly Bonus Plan

This section sets out the Terms and Conditions of the Shepherds Friendly Bonus Plan. It details the terms of the contract between yourself and the Society and explains how your plan will be managed.

**Please note:** No advice has been provided to you by Shepherds Friendly. If you are in any doubt as to whether this plan is suitable for you, we recommend you get in touch with a financial adviser, who will be able to take you through the options available to you. Should you decide to consult a financial adviser, you should appreciate that there may be a cost involved and you should confirm and agree any cost beforehand.

## 1 The contract

- 1.1 The contract between you and us is made up of the following documents:
  - 1.1.1 The plan, including the plan document and endorsements (any changes made to the original plan);
  - 1.1.2 The application for the plan;
  - 1.1.3 These standard Terms and Conditions;
  - 1.1.4 Any letter, fax or email that you send us to tell us about any significant changes to your current circumstances;
  - 1.1.5 Any completed Shepherds Friendly nomination form. (See section 12 for details regarding nomination forms.)
- 1.2 We must be notified of any claims in writing by letter or by e-mail to [info@shepherdsfriendly.co.uk](mailto:info@shepherdsfriendly.co.uk). Alternatively claims can be made by phoning the Member Services team on 0800 526 249. We will pay any benefits to you or your legal representative.

## 2 Who can take out a plan?

- 2.1 You must meet the following conditions in order to apply for the Bonus Plan:
  - 2.1.1 You must be an individual;
  - 2.1.2 You must be between the ages of 16 and 55;

2.1.3 You must be resident in the UK. You will be ‘resident’ if you have spent a minimum of 183 days in the UK in each of the last 3 calendar years immediately prior to the date of signing the application.

Or

2.1.4 You perform duties which by virtue of the Income Tax (Earnings and Pensions) Act 2003 (Crown employees serving overseas) are treated as being performed in the UK,

Or

You are married to, or in a civil partnership with, a person who carries out those duties. (If you are unsure about any of the qualifying criteria please contact your tax office).

2.2 You must inform us if you no longer meet the residence qualification. The UK does not include the Channel Islands or the Isle of Man.

### **3 Amount of investment**

3.1 You can invest regular monthly or annual premiums into your plan.

3.2 The minimum premium is £10 per month.

3.3 The maximum premiums for a tax-exempt plan are £25 per month or £270 annually. (These limits are set by Her Majesty’s Revenue and Customs.)

3.4 The maximum premiums for a taxable plan are £200 per month or £2,400 annually.

### **4 Type of investment**

4.1 The Bonus Plan is a tax-exempt savings plan if premiums are under £25 per month, and a taxable savings plan if premiums are over £25 per month. It has a fixed term of 10 years or more. The investment is made in our With-Profits fund which holds a mix of assets including stocks and shares, property, gilts, bonds and cash. The market values of these assets move up and down over time but such movements are outside our control. These movements may affect how much we add to investments as bonuses. The aim of the fund is to provide you with steady investment growth over the full savings period of the investment. To do this we keep back some of the investment returns we make in good years so that we can pass them on in years when performance is not so good.

- 4.2 Your investment will take the form of a life insurance policy which will be in your name.
- 4.3 We manage the investment of the plan in line with our Principles and Practices of Financial Management (PPFM). You can look at this document on our website ([www.shepherdsfriendly.co.uk](http://www.shepherdsfriendly.co.uk)) or ask us to send you a copy.

## 5 Premiums

- 5.1 You must pay the premiums on time. All premiums must be paid by Direct Debit.
- 5.2 Please contact us if you are thinking of stopping the premiums. We can discuss the options that may be available.
- 5.3 If your bank returns a Direct Debit payment, we will only try and claim the premium once more. If the payment is not accepted, it is your responsibility to make the payment, usually by sending us a cheque or making a card payment over the phone. If this payment is made we will collect your next monthly payment on the next due date.

## 6 Lapsed and Paid-Up

- 6.1 You are responsible for making sure that you keep the premiums up to date.
- 6.2 If you miss two or more premiums the plan will be lapsed. Payments can be restarted as long as this is done within 13 months of the first missed premium. All missed premiums must be paid. If the plan is still in arrears 13 months after the first missed premium, we will make the plan 'Paid-up' and the life cover included in the plan will be reduced.

## 7 Bonuses

- 7.1 There are two types of bonus:
  - 7.1.1 **Annual Bonus:** this is calculated annually as a percentage of the plans sum assured, for example: if the sum assured is £1,000 and the declared annual bonus rate is 2%, then £20 would be added to the plan. Once added to your plan it cannot be taken away.

- 7.1.2 **Final Bonus:** this is calculated when the plan comes to an end. It is calculated as a percentage of the annual bonuses already added to the plan, for example: if the total of the bonuses already added is £100 and the declared final bonus rate is 50%, then £50 would be added to the plan. We pay this bonus to make sure that you receive your fair share from the growth of our With-Profits Fund during the time you have invested with us.
- 7.2 Please note that the addition of bonuses, either annually or final, is not guaranteed. Their addition depends upon the investment performance of our With-Profits fund. The percentage rate at which annual bonuses are calculated can change from year to year. We pay this bonus to make sure that you receive your fair share of your investment in our With-Profits Fund.
- 7.3 We will send you a statement each year so you can see how your investment is growing.

## 8

### **Maturity**

- 8.1 When the plan matures (comes to the end of its term, and becomes due for payment), we will write to you at least one month before the maturity date to explain what happens.

## 9

### **Surrender**

- 9.1 If the Bonus Plan has been running for less than a year it will not have a surrender value. If it has been running between one and two years it may have acquired a surrender value, but this depends on how long the plan has been in force and how well our investments have performed.
- 9.2 If you surrender the Bonus Plan we will deduct any missing premiums and a surrender penalty.
- 9.3 The surrender penalty is an actuarial calculation to ensure you receive a fair share of the With-Profits fund. This calculation is based upon a percentage of the sum assured plus a percentage of annual bonuses to date minus a percentage of the annual premium plus any final bonus due.



## **10 Market Value Reductions (MVR)**

- 10.1 If our investment returns have been low we may use a Market Value Reduction to make sure you do not leave the fund with more than your fair share of its assets. This is to protect plan holders who still have money in the fund, but it may mean that you receive less than you expected.
- 10.2 We would not use a Market Value Reduction if you die or at the end of the plan.

## **11 Payments made by us**

- 11.1 We need to make sure that the money is going to the right person so we prefer to pay the money into the account we receive premiums from, unless that account does not belong to the plan holder. If you want payment by cheque, or payment to a different bank account we will need a written request and evidence that the bank account is yours.

## **12 If you die**

- 12.1 The Friendly Societies Act allows the proceeds of this plan, in the event of death, to be nominated to a specific person, persons or registered charity. The maximum allowable nomination is £5,000 in total. A nomination form can be completed or revised at any time and in the event of the death of the life assured (the person named in the plan), Shepherds Friendly will use the most recent nomination form to determine who the proceeds of the plan should be paid to.
- 12.2 In the event of your death, Shepherds Friendly would need to be notified as soon as possible, and a claim pack completed and returned to us prior to any benefit being released. The amount payable on death prior to the plans maturity date will be the sum assured plus annual bonuses already added plus any final bonus at the rate that applies at the date of death.
- 12.3 If we discover that a date of birth is incorrect on an application, we may adjust the amount payable under the Bonus Plan to reflect the correct date of birth.

## **13 Cancellation**

- 13.1 You can cancel the Bonus Plan within 30 days of receiving the plan documents. If you cancel within this period, we will automatically refund any premiums you have paid.
- 13.2 You can cancel the Bonus Plan after 30 days of receiving the plan documents. This is called a surrender (See section 9 for details.)

## **14 Your commitments**

- 14.1 We will send correspondence to your last known address. It is your responsibility to let us know when you change your address.

## **15 Taxation**

- 15.1 You do not have to pay Income Tax or Capital Gains Tax on your investment at maturity and you do not have to include it on your tax return. If you surrender the plan before it has run 70% of its term (7 year on a 10 year plan) and you have made money on the amount paid you may be liable for tax on any investment gain. If this is the case we will send you a chargeable event certificate.
- 15.2 We have to pay tax on the dividend income from shares in the With-Profits fund, which we cannot reclaim. This does not affect the tax status of your investment. We do not pay any other Income Tax or Capital Gains Tax on the part of our fund that relates to your plan.
- 15.3 This taxation information is based on our understanding of current UK tax legislation and practice. However, both law and practice may change in the future. If there are any changes to the taxation of this plan, the effect on you may depend on your individual circumstances at the time.
- 15.4 Our Bonus Plan is a “Qualifying Life Policy”. This means you cannot pay more than a total of £3,600 each year into any qualifying life policy with Shepherds Friendly or any other life company or friendly society.

## **16 Fraud and negligence**

- 16.1 We are also required by legislation to establish the identity of customers we deal with. This means we may have to verify your identity and if so this would involve electronic identity checks, for example checking against the Electoral Roll.

- 16.2 We will not pay claims that we consider to be fraudulent.
- 16.3 If at any stage during the operation of the plan, we reasonably consider that there has been fraudulent misrepresentation or non disclosure of material facts, or if we decline a claim for benefit on the grounds that we have been misled, we reserve the right to terminate the plan with immediate effect.

## **17** Your data and our suppliers

- 17.1 We need your information to give you quotations, and manage your insurance plan, including underwriting and claims handling. Your information comprises of all the details we hold about you and your transactions and includes information we obtain about you from third parties. We will only collect the information we need so that we can provide you with the service you expect from us. This information may be held on computer or in paper records.
- 17.2 During the course of our dealings with you we may need to use your personal information to:
  - 17.2.1 Assess financial and insurance risks and conduct statistical analysis or systems integrity checks;
  - 17.2.2 Prevent and detect crime including fraud, anti-money laundering and financial sanctions;
  - 17.2.3 To comply with our legal and regulatory obligations;
  - 17.2.4 Develop our products, services, systems and relationships with you;
  - 17.2.5 Record your preferences in respect of products and services;
  - 17.2.6 Recover any debt or if you have any outstanding debt from previous dealings with us we will only offer you a plan upon settlement of the full outstanding amount;
  - 17.2.7 Review our records for signs of any previous fraudulent activity which may affect our ability to offer you cover;
  - 17.2.8 Administer your claims.
- 17.3 In carrying out the actions above we may:
  - 17.3.1 Carry out searches about you using publically available databases;
  - 17.3.2 Disclose some of your information to other insurers, third party underwriters, reinsurers, credit reference agencies, fraud prevention agencies, regulators, law enforcement agencies and other companies that provide services to us or you;

- 17.3.3 Share the information with agencies that carry out certain activities on our behalf (for example marketing agencies or those who help us underwrite your plan);
- 17.3.4 Use and share your information with our approved suppliers where this is reasonably required to help us administer your claim for example; medical experts and medical agencies, occupational health experts, employment consultants, rehabilitation providers, accountants and auditors, and legal advisors. Where we engage these suppliers we make sure that they apply the same levels of protection, security and confidentiality we apply. However, such information may be accessed by law enforcement agencies and other authorities to prevent and detect crime and comply with legal obligations;
- 17.4 Communications may be recorded or monitored to improve our services and for security and regulatory purposes. Please be aware that both inbound and outbound communication by email may not be secure as messages can be intercepted.
- 17.5 When applying for this plan and when making a claim, you are consenting to our collection of information and use of your data and personal information (including sensitive personal data) as described above.

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### **Emigration**

- 18.1 You can carry on the Bonus Plan, providing you still have a UK bank account. Alternatively, the Bonus Plan can be surrendered.

## 19

### **The law**

- 19.1 This plan is governed by the laws of England and Wales.
- 19.2 All references to section numbers above, are to section numbers within this document.
- 19.3 If there is a change in the law or the way tax applies to us or to you, we will have the right to adjust the benefit or the plan (or both) in a way which ensures that we do not break the law or taxation rules.

# Your agreement with us

Below you will find a full explanation of our obligations to you with regard to your Bonus Plan and your commitments to us as the plan holder.

## Our obligations to you

1. We agree to act in your best interests in the provision and subsequent administration of this plan to you.
2. We agree to identify and manage any conflicts of interest which may arise and to mitigate them so that they do not have a detrimental effect on you.
3. If we believe a conflict of interest has arisen, and we cannot, with certainty, prevent it from having a detrimental effect on you, we will advise you of it, so you can decide whether to use our services or not.
4. To ensure you fully understand the product before you buy it we will provide you with the following information and service depending upon product type -
  - A Key Information Document (when the product is savings or investment related).
  - An Important Information Guide.
  - Additional product information.
  - Information about our business.
  - The opportunity to ask a member of staff for further explanation.

This information will be provided in an accurate, clear and understandable way and you have the choice of receiving it in paper form or electronically to your email address.
5. Before we agree to provide this product to you we have established it meets your demands and needs.

6. In providing the product we will not be making a personal recommendation that it is suitable for you and therefore we are not giving you financial advice. We are providing you with all the information and assistance you need to arrive at your own informed decision to take the product based on your own understanding.
7. If you decide to purchase a plan with no personal input and no personalised prompting from us, then that would be classed as an “execution only purchase at your own initiative”. In this event you may lose some of your consumer protection benefits and we may not be liable for claims against us.
8. When we have accepted your application for the product we will provide you with the following information -
  - The plan Terms and Conditions
  - A confirmation that the plan meets your Demands and Needs
  - A cooling-off period Cancellation Notice
  - Confirmation concerning how premiums will be collected.
9. If your product is an Insurance Based Investment Product we will provide an Annual Statement on its value and the ongoing costs and charges applied.
10. You will always have the right to complain should you be dissatisfied, and we will handle any complaint in line with the requirements and standards set by the Financial Conduct Authority. We will publish our complaints procedure on our website or supply a written version upon request. If you remain dissatisfied after our final response you have the right to refer the matter to the Financial Ombudsman Service for an independent review.
11. In conducting Insurance Distribution Activity with you we will have collected personal data about you. We will hold and manage this data in accordance with the requirements and standards set by the General Data Protection Regulation (GDPR) and any other Data Protection Regulation, which may apply in the future. Your data will be held securely and will only be processed for the reasons allowed by the GDPR. We will at all times publish our data protection Privacy Notice on our website ([www.shepherdsfriendly.co.uk/privacy-notice](http://www.shepherdsfriendly.co.uk/privacy-notice)) or supply a written version upon request.

## Your commitments to us

12. When you provide information to us in connection with the application for a plan it must be accurate and truthful in all respects. There is a risk that providing inaccurate or false information could cause the plan to be invalid and you may suffer loss as a result.
13. In the event of a claim, or at maturity of a plan, you must supply us with all information we may request at that time to enable us to assist us in making payment to you. All information provided must be accurate and truthful.
14. You agree that you will read the Key Information Document and the Important Information Guide. If you then require further clarification you agree to read the additional information available from us, or contact us to discuss anything you do not understand. The onus is on you to understand what you are buying based on all the information we provide to you.
15. You will keep us up to date with information about how to contact you. Please always notify us of any change to your address and preferably also your telephone number and email address.
16. We have legal obligations to verify plan holder's identity during their relationship with us. We will advise you how we do this at the time it is being done and you agree to co-operate with us, if, or when, we have to do this.
17. You understand and accept that we do not have a financial advice relationship with you. We are able to provide you with information and guidance, but we cannot make a personal recommendation that a plan is suitable for you. Decisions to buy a plan are taken by you on an informed basis using information we provide.

# Additional information about us

## About our service

We always provide you with all the information you need about our products and the service that comes with them. We do that through this guide, the conversations we have with you and by providing the Key Information Document for the product, which you must read. The products we provide are the Society's own products.

We are not a financial advice company and we do not make personal recommendations about the suitability of the product for you. Provided we are satisfied that the product meets your demands and needs, and it is not inappropriate for you to buy it, the information we give enables you to take your own informed decision to proceed with the purchase.

Our Member Services team, when they speak with you, ensure that you have all the information you need and are there to answer your questions openly and honestly.

## How we remunerate our people

We take great care to ensure our people are remunerated in ways which do not create any conflicts of interest for them or you, and we structure their pay so that there is no inducement for poor sales practices.

We do this by paying our people by salaries with a bonus element for successfully doing their job. These payments are made by Shepherds Friendly Society.

If you wish to know the amount of any bonus related to the specific product you decide to buy, just ask and we will confirm it to you if one has been paid.

## How we remunerate our introducers

When we receive your application for a product which has been referred to us by a third party (such as a financial adviser) we may pay them a fee. If we pay such a fee the amount will be advised to you before we process your application. In return for payment of this one-off fee the introducer has agreed with us to continue to monitor that the product remains appropriate for you and to answer any questions you have about its performance and its terms and conditions.



## **Your financial protection**

The products we sell fall within the Financial Services Compensation Scheme and you are covered for 100% of the amount you invest with us should our Society suffer a complete financial failure. This compensation scheme is administered by the Financial Services Compensation Scheme (FSCS) who you can write to at PO Box 300, Mitcheldean, GL17 1DY. Telephone 0800 678 1100. Further information is available on their website - [www.fscs.org.uk](http://www.fscs.org.uk)

## Further information you should note

**Claims** - to make a claim please contact us by phone on 0800 526 249 and ask for the Claims Department. They will explain the claims process and send out a claim form.

**Cancellation Rights** - after we accept your application, we will send you a notice of your right to cancel. You will then have 30 days to change your mind and leave the plan.

**Complaints** - if you want to make a complaint; please contact: Compliance Officer, Shepherds Friendly, Haw Bank House, High Street, Cheadle, Cheshire SK8 1AL. Phone: 0800 526 249. Email: [complaints@shepherdsfriendly.co.uk](mailto:complaints@shepherdsfriendly.co.uk) If we don't deal with your complaint to your satisfaction you can complain to the: Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR. Phone: 0845 080 1800. Making a complaint will not affect your right to take legal action.

**Financial Services Compensation Scheme (FSCS)** - we are covered by the FSCS, which means you may be entitled to compensation under the terms of the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. For long-term plans such as this the scheme covers 100% of the claim with no upper limit. Further information about the scheme is available from the FSCS - Visit: [www.fscs.org.uk](http://www.fscs.org.uk) or call: 0800 678 1100.

**Financial crime** - we will take measures to protect members against financial crime. We may need proof of identification on application or claim and if required we may gather this proof by electronic means, for example checking Electoral Registers.

**Tax** - information that we provide in this leaflet about taxes in the UK is based on our understanding of current laws and HM Revenue and Customs practice which may change in the future.

**The Data Protection Act** - you have the right to ask to see any personal information which we may hold about you and to have any mistakes in this information corrected. You can do this by writing to the Data Protection Officer at our head office.

**Law** - the plan is governed by the laws of England and Wales.

# Contact us

## Opening a Bonus Plan is quick and easy



**Online:** [www.shepherdsfriendly.co.uk](http://www.shepherdsfriendly.co.uk)

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**Freephone:** 0800 526 249

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

All references to taxation are to UK taxation and are based on Shepherds Friendly Society's understanding of current legislation and HM Revenue and Customs practice which may change in the future. Investment growth is by means of bonuses, the amount of which cannot be guaranteed throughout the term of the contract. Please ensure that you read the full terms and conditions of this plan which are available from your financial adviser or by contacting us directly.

**Please note:** No advice has been provided by Shepherds Friendly. If you are in any doubt as to whether a plan is suitable for you, we recommend getting in touch with a financial adviser, who will be happy to take you through what options are available. Should you consult a financial adviser there could be a cost involved and you should confirm this cost beforehand.