

Exit Solutions for Retiring Financial Advisers

Introduction

Whitechurch Securities is an award winning wealth management firm. We are looking to selectively work with advisory firms and individual financial planners that are considering retiring or exiting the industry over the next decade.

We understand the challenges advisers face in managing their client base and the concerns they have about what may happen to their clients when they wish to retire. Whitechurch can offer a highly competitive exit route – through our Chartered Advisory division - **Whitechurch Financial Consultants**.

We are offering this service to provide you with a way of continuing to receive the vast majority of your ongoing income after you leave the profession, whilst ensuring that your client bank continues to be serviced properly.

The Whitechurch proposition

We are very clear and upfront about our offer to retiring financial advisers. In fact, we have two propositions to offer:

- We can offer up to 70% of ongoing advisory fees, for up to ten years from the date the agreement is signed by both parties.
- We can also offer a select number of advisers the opportunity to become an Appointed Representative of Whitechurch Securities. Thus aligning their business prior to retirement, to ensure the smoothest of transitions for their clients.

Frequently Asked Questions

1. Why should I become an Appointed Representative of Whitechurch?

You will be working strategically with an award winning investment firm. You'll receive administrative support; full Compliance and T&C guidance; along with Professional Indemnity Cover. You may also have the option of keeping your company name and office.

2. Why should I move my clients to Whitechurch?

Whitechurch is a well respected national company providing Wealth Management and Advisory services. We are able to offer clients an award winning investment management service as well as personally tailored quality advice from our highly qualified Financial Advisory Team.

3. Why is this better than selling my business / client book?

We believe that the proposition we provide will continue to pay an ongoing income flow that will be more attractive than the value that can be achieved from selling your business or client bank to a third party.

Naturally the amount you receive upon sale will be purely dependent upon the quality and earnings potential of your client bank. However, our experience is that the current market rate may only be a lump sum of two or three times the ongoing income stream. This is because there is currently a relatively small market for Advisory businesses. Under the Whitechurch proposals you should realise this value within four years and then continue to receive an ongoing income going forward.

Access to a quality adviser reduces the leakage to a competitor and the associated claw-backs and loss of ongoing income.

4. Can't I just continue to receive ongoing fee income from the product providers when I leave the profession?

It is our experience that there are a large number of product providers who are turning off the ongoing income once an adviser retires and becomes de-authorized. This means that your renewal pot will be reducing over time, which is where we can help as we can continue to pay the renewal income to you after you have left the industry. In providing a good level of ongoing service to your clients we feel that the chances of 'leakage' to another adviser are minimized.

5. What will happen to my ongoing income if I choose the Whitechurch proposition?

After you leave the profession, the agency of your clients will be transferred to Whitechurch Securities Ltd. In return we will agree to pay you the majority of ongoing income that you already receive as if you were still the servicing agent.

This would be payable to your spouse/estate in the event of your death during this period (see question 18).

6. What about any new business my client bank produces?

Whitechurch will receive all income on any new business from the date of the agreement.

7. Won't you just switch all of my clients into other investments?

No, we will look at each client individually and review the plans that are already in place and provide the best advice at all times.

Frequently Asked Questions

8. How will you service my clients that are not immediately accessible from Bristol?

Whitechurch Financial Consultants is a national adviser and where it is commercially viable we will meet clients on a face to face basis. If the situation arises where we inherit a significant client bank or there are a number of client banks in one area, we will consider basing someone in that area to service these clients.

9. What services will you be able to offer my clients?

We will try where possible to replicate the service that you offer to your clients and we will aim to get to know the clients before the handover of the client bank happens.

We will do this by meeting with you to discuss how you deal with your clients and what their expectations are.

10. My clients will not be familiar with Whitechurch. How will you get around this?

We can hold seminars to meet your clients and inform them about Whitechurch and what we have to offer. We would look to have joint meetings with your clients so that they get to know the consultant who will be dealing with them; and we would exercise a period of joint working.

11. If I accept your Exit Solution proposal, what would my position be with the regulator?

Your position with the regulator will not change. When you exit you will still de-register as normal and we will take on your clients and pay out the renewal income to you.

12. If I accept your Exit Solution proposal, what would be my tax position?

This would be dependent on your company structure and financial position. It would be your responsibility to seek specialist taxation advice on any potential tax liability from the transfer of your client bank to Whitechurch.

13. Will I be required to have Professional Indemnity Insurance run off cover in place?

Where you are Directly Authorised our view is that, if available, you should have Run Off Cover in place as you will be the first point of contact for any complaint.

14. How will I transfer my client bank to Whitechurch?

We will put together an agreement with you and this will allow us to write to the companies concerned and get them to transfer the agencies to Whitechurch Securities Limited. The agencies that will be set up will be specific to your client bank and will be kept separate from the standard Whitechurch Securities agencies. At the same time there will be a joint letter sent to the clients confirming that Whitechurch is now the point of contact for their financial advice requirements.

15. What is the timescale for transferring my clients?

We will be looking to work in partnership with you for a minimum of six months before you retire to ensure that your clients are aware and used to Whitechurch and the consultants who are going to deal with them. Naturally, we are happy to work around any existing arrangements you may have.

16. How can I ensure that I receive the income entitled to me?

We will set up a separate account designation and a separate bank account for you and you will receive a copy of the bank statements showing the incomings and outgoings from the account. We will also arrange where possible for you to receive a copy of your income statements from the companies you have dealt with.

17. When and how frequently will I receive my ongoing income in retirement?

We will pay the ongoing income to you at the end of each month once all the renewal income for that month has been received.

18. If I die, what happens to the ongoing income?

There will be a contract or agreement period (a maximum of 6 years from the date of retirement). Should you die during this period we will continue to pay this agreement to your spouse for the remainder of the period. If your spouse was to also die within the period, we would continue to pay up to the agreed level of renewal income to your estate for the remainder of the period.

If you have any further questions please contact our Exit Solutions team on:

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Whitechurch
Securities Ltd
WEALTH MANAGERS

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