

# Penfold



## **The Penfold Pension Terms and Conditions**

This is an important document which sets out the terms and conditions of your Penfold Pension and how it will be operated. You should read the whole document. If, having read the document, you have any questions, please contact Penfold, whose contact details are at the end of this document.

## **1. KEY INFORMATION ABOUT THESE TERMS AND THE PENFOLD PENSION**

### **1.1 These Terms**

- 1.1.1 These Terms apply to your Penfold Pension and the services we provide to you in relation to your Penfold Pension. We recommend that you read these Terms carefully and that you keep a copy safe for future reference.
- 1.1.2 Our agreement with you is made up of these Terms, your completed Application, and our Charges Guide.

### **1.2 About the Scheme**

- 1.2.1 Your Penfold Pension is part of the Scheme known as the Penfold Scheme. The Scheme is a registered pension scheme with HMRC which provides pension and death benefits for you and your dependants and or nominees. When you take out a Penfold Pension, you become a member of the Scheme.
- 1.2.2 In these Terms, references to “you” or “your” are to you as a member of the Scheme following acceptance by us of your completed Application and receipt of the first payment into your Penfold Pension. It also, where appropriate, includes your personal representatives after your death and any person who is entitled to receive benefits (other than lump sum benefits) following your death.
- 1.2.3 The operator and administrator of the Scheme is Penfold Savings Limited (Company Number 11668244), which is authorised and regulated by the Financial Conduct Authority with FCA Registration Number 826097. In these Terms, we refer to Penfold Savings Limited as the Operator.
- 1.2.4 The trustee of the Scheme is Penfold Trustees Limited (Company Number 13007093). In these Terms, we refer to Penfold Trustees Limited as the Trustee.
- 1.2.5 References in these Terms to “we”, “us” or “our” are references to both Penfold Savings Limited and Penfold Trustees Limited as appropriate.
- 1.2.6 The Operator has appointed Seccl Custody Limited to provide custody and associated services to the Scheme, as set out in more detail at Schedule 1 – Custody Terms. Seccl Custody Limited (Company number 10430958) is authorised and regulated by the Financial Conduct Authority with FCA Registration Number 793200. In these Terms, we refer to Seccl Custody Limited as the Custodian.
- 1.2.7 The Scheme was set up under a trust deed dated 22 June 2020 and is governed by the trust deed and attached rules as amended from time to time (referred to in these Terms as the Scheme Rules). From time to time the Operator may make changes to the Scheme Rules or vary the Scheme structure. A current copy of the Scheme Rules is available on request .

## **2. DEFINITIONS**

2.1 In these Terms, the meaning given to defined words in the Scheme Rules shall have the same meaning in these terms and the following words and expressions have the meanings set out below:

“Annual Allowance” means the maximum amount that can be contributed annually to a pension plan and still benefit from tax relief, as specified by HMRC pursuant to the Finance Act;

“Annual Fee” means the sum of the Administration Fee and the Annual Management Charge as set out in the Charges Guide;

“Annual Management Charge” means a charge levied on investors by a Fund Provider for the administration and management of a Fund;

“Annuity” means an investment or insurance contract, which you may be able to buy with your Penfold Pension, entitling you to a pension income for a fixed term or for each year in retirement;

“App” means the Penfold Pension software which enables you to set up, view the details of, and manage, your Penfold Pension whether accessed via a mobile device or via our Website;

“Application” means the application you complete in relation to your Penfold Pension in the App;

“Assets” means all cash and Permitted Investments that you hold in your Penfold Pension and any part or combination of these;

“Authorised Third Party” means the person authorised by you as the person with whom we will communicate and from whom we can accept instructions that is not registered with the FCA and whom we have agreed can act as your Authorised Third Party;

“Basic amount” means the amount which can be contributed annually to a pension plan irrespective of earnings or employment status.

“Benefit Crystallisation Event (BCE)” has the same meaning as in the Finance Act. A BCE occurs when your Penfold Pension is used to provide a pension or other benefits;

“Business Day” means any day on which banks in the UK are generally open for business, other than a Saturday, a Sunday and public holidays;

“Capped Drawdown” means a way of receiving benefits from some or all of a pension fund but only applicable to individuals who had elected for capped drawdown benefits prior to 6th April 2015. The amount of income that can be withdrawn is capped and reviewed every three years and then annually on attaining age 75. This method of drawdown is not available in your Penfold Pension;

“Charges” means the fees, charges, interest and other expenses, including “Administration Fees” (for the general administration of your Penfold Pension) and “Annual Management Charge (AMC)” taken by a Fund Provider that we, or where applicable, associated companies within the same corporate group as us, or third parties may require you to pay, or that you or we may incur in relation to your Penfold Pension, as set out in the Charges Guide;

“Charges Guide” means the document or page on our App that we will make available to you setting out all charges to be paid by you, as varied from time to time;

“Client Reference” means the unique identifier we use to identify each customer, and which is advised to you;

“Contact Us Page” means the Contact us section at the end of these Terms and on the Website which sets out how you communicate with us;

“Conflicts of Interest Policy” means the policy relevant to your Penfold Pension (as amended from time to time) stating how conflicts of interest are managed;

“Contribution” means a cash payment to your Penfold Pension, excluding transfers in from other pension arrangements;

“Crystallised Benefit” means the part of a pension plan that has been used to provide retirement or death benefits in the form of a lump sum payment, via an annuity or income drawdown arrangement.

“Custodian” means the firm appointed by us and the Operator to deal with and hold the Assets in your Penfold Pension, provide us with related services including cash payment services, asset price and information data and perform client money and asset reconciliation in accordance with the FCA Rules;

“FCA” means the Financial Conduct Authority (12 Endeavour Square, London E20 1JN) or any other successor entity regulating the UK financial services industry;

“FCA Rules” means the current rules and guidance of the FCA;

“Finance Act” means the Finance Act 2004 and any regulations made under it, as amended, re-enacted or replaced from time to time;

“Flexi-access drawdown” means a way of receiving benefits from some or all of your pension fund. Normally 25% of the fund being taken can be paid as a tax free Pension Commencement Lump Sum with the remaining

fund designated to a “flexi-access drawdown account” from which you can withdraw income, which will be subject to income tax at your marginal rate; When you withdraw income in this way, it will be made net of tax and can be paid at monthly or annual intervals.

“Fund” means an authorised unit trust scheme, open-ended investment company or recognised scheme (as these expressions are respectively defined in the FCA Rules or in these Terms), other alternative investment fund or similar pooled investment vehicle operated by a Fund Provider which is a Permitted Investment;

“Fund Provider” means the manager or distributor of a Fund;

“HMRC” means the Commissioners of Her Majesty’s Revenue & Customs;

“Key Features Document” means (as defined in the Regulatory Requirements) the document which sets out the high level aims and features of your Penfold Pension;

“Key Investor Information Document” means the key investment information document or equivalent document for a Fund, including the key information document for any Fund which is a packaged retail and insurance-based investment product or “PRIIP”;

“Lifetime Allowance” means the limit as to the combined total of pension benefits that can be accrued within registered pension schemes without triggering the Lifetime Allowance charge. See further the Key Features Document;

“Money Purchase Annual Allowance” means the allowance which applies from the point you first access any pension benefits flexibly and is the maximum amount that can be contributed annually thereafter to money purchase pension schemes and still benefit from tax relief;

“Nominee” means the firm appointed or removed in accordance with the Scheme from time to time, in whose name Assets held through your Penfold Pension will be registered;

“Order” means a confirmed instruction to execute a purchase, sale or other transaction in a Fund for your Penfold Pension given at the time of opening a Penfold Pension or subsequently;

“Permitted Investments” means the range of Funds which you can hold in your Penfold Pension and which are specified on our App or, where applicable, are specified in the Key Features Document for the Penfold Pension from time to time;

“Penfold Pension” means the SIPP Account or arrangement you have under the Scheme which provides you with certain benefits available from a registered pension scheme;

“Pension Commencement Lump Sum” means the amount of the pension fund which is taken as a tax free lump sum when you first take your pension benefits. It is often referred to as “tax free cash” and in the Penfold Pension can be taken in conjunction with flexi-access drawdown or annuity purchase;

“Pension Input Period” means the period from 6th April to 5th April each year used to test all your contributions to registered pension schemes against the annual allowances.

“Personal Representatives” means the individuals who have obtained probate, confirmation or letters of administration on your death; or the individuals who we are reasonably satisfied it is legitimate for us to take instructions from in relation to your estate, where no person has applied for probate, confirmation or letters of administration;

“Privacy Policy” means the policy statement setting out the implementation of the Regulatory Requirements under data protection and privacy applicable to your Penfold Pension (as amended from time to time);

“Qualifying Recognised Overseas Pension Scheme” has the same meaning as in the Finance Act – broadly, an overseas pension scheme that is recognised as eligible to make transfer to or receive transfers from registered pension schemes in the UK;

“Regulatory Requirements” means:

any obligation that we or, where relevant, another person, has to comply with under any law or regulation (including any tax legislation, rules or guidance made by an applicable regulatory body including the FCA), or as the result of a decision by a court, ombudsman or similar body; or

any obligation under any industry guidance or codes of practice which we or, where relevant, another person, follows; or

any other legal or regulatory requirement which is effective in the United Kingdom and to which we must give effect in operating Penfold Pensions;

“Relevant UK earnings” means income derived from a trade, profession or vocation as a self employed individual or a partner which is chargeable under Part 2 Income Tax (Trading and Other Income) Act 2005 and employment income such as salary, wages, bonus, overtime, commission providing it is chargeable to tax under section 7(2) Income Tax (Earnings and Pensions) Act 2003. Other sources of income may qualify and you should seek specialist advice if necessary;

“Scheme” means the registered pension scheme established by trust deed and rules dated 22 June 2020 known as the Penfold Pension and through which your Penfold Pension is provided and established;

“Scheme Bank Account” means the designated trust bank account maintained by the Custodian through which payments in and out of the Scheme will be made;

“Scheme Rules” means the trust deed and rules (as amended from time to time) which govern the Scheme;

“Security Details” means the personalised information (such as passwords, security questions and answers, personal identification numbers and account number) or the ‘Magic Link’ secure authentication email or text message that we send to you that apply to your Penfold Pension;

“SIPP Account” means an account or an arrangement under a registered pension scheme under the Finance Act which provides certain benefits available from such a registered pension scheme;

“Taxation of Pensions Act” means the Taxation of Pensions Act 2014 and any regulation made under it, as amended, re-enacted or replaced from time to time;

“Tax Year” means the tax year beginning on 6 April in any year;

“Terms” means these terms and conditions as amended from time to time;

“Uncrystallised Benefits” means the part of a pension fund that has not been used to provide retirement or death benefits in the form of a lump sum payment or via an annuity or income drawdown arrangement;

“Uncrystallised Funds Pension Lump Sum” means a way of receiving benefits from some or all of your pension fund. 25% of the lump sum is tax free with the remainder being subject to income tax at your marginal rate. When we make such payments to you from your Penfold Pension, they will be made net of tax and can be paid at monthly or annual intervals.

“Unit” means a unit or share in a Fund;

“Website” means [www.getpenfold.com](http://www.getpenfold.com) or any other internet address which we may tell you about.

### **3. ADVICE AND HELP**

#### **3.1 Non-advisory service**

3.1.1 It is your choice to open a Penfold Pension. You must make your own decisions as to whether your Penfold Pension and the investment choices you make are suitable for your own individual circumstances.

3.1.2 Our service is execution only. This means that we transmit your instructions, but we do not give financial advice or investment advice. You should not take anything we say as being a recommendation for a particular product or a way of investing. We do however provide lots of tools that are designed to help you decide how much to save. If you need professional guidance on any of the products mentioned in these Terms or on our App, please speak to an accountant, lawyer or other appropriate financial services professional specialising in SIPPs before you make any decisions about your own pension.

#### **3.2 Help available to you**

- 3.2.1 If you are 50 or over there is a free and impartial service called Pension Wise to help you understand what your choices are and how they work. This can be accessed online, over the telephone or face to face - see [www.pensionwise.gov.uk](http://www.pensionwise.gov.uk) or call 0800 138 3944.
- 3.2.2 It is strongly recommended that prior to accessing your pension benefits you seek advice from a suitably qualified financial adviser or obtain guidance from Pension Wise.

#### **4. JOINING THE SCHEME**

##### **4.1 FCA client categorisation**

- 4.1.1 For the purposes of these Terms, we agree to treat you as a retail customer (as defined in the FCA Rules) so that you will have the benefit of the highest level of protection given by the FCA.
- 4.1.2 You have the right to request to be re-categorised as a professional client (as defined in the FCA Rules) and we may agree to do so if you meet the applicable criteria under Regulatory Requirements and you agree to the changes we need to make to the Terms and the services we provide for you. However, if we agree to it, such re-categorisation may impact the protections afforded to you.

##### **4.2 Joining criteria**

- 4.2.1 Membership of the Scheme is at the discretion of the Operator.
- 4.2.2 You may not open a Penfold Pension jointly with anyone else.
- 4.2.3 You must be 18 years old or over to open a Penfold Pension. If you are 75 years old or over, you may open a Penfold Pension via a pension transfer only.
- 4.2.4 You must complete the Application set out on the App. If you do not give truthful information, any Penfold Pension opened on the basis of that information may be closed.
- 4.2.5 You may only open a Penfold Pension if, at the time your Penfold Pension is opened, you:
  - (a) do not have dual tax residence and are resident for tax purposes solely in the United Kingdom;
  - (b) have a permanent address in the United Kingdom; and
  - (c) unless specifically permitted by the Operator, you are not a US person or opening a Penfold Pension on behalf of a US person. For these purposes, a US person includes a citizen or resident of the United States of America. If you think you may be classed as a US person, please contact the Operator for guidance.
- 4.2.6 If you stop being resident in the United Kingdom for tax purposes or stop having a permanent address in the United Kingdom, you must inform Penfold by contacting us. Penfold may, at our discretion, continue to hold your Penfold Pension but you may not be able to buy further Assets for your Penfold Pension. We may also have to report details of your Penfold Pension to HMRC or other applicable authorities.
- 4.2.7 Your membership will formally commence from the point at which you receive confirmation from us by email or via the App that your Application has been accepted.
- 4.2.8 Any applicable fees will be deducted once the first payment into your Penfold Pension clears, irrespective of whether this is a transfer from another scheme or a contribution either from yourself or a third party. Once all such fees have been deducted the balance is available for investment.

##### **4.3 Identity and tax residence checks**

- 4.3.1 Before you open a Penfold Pension and during the course of our relationship, to meet our legal obligations including under anti money laundering regulations, we may ask you for evidence of your identity and tax residence as well as that of the beneficial owner(s) of the Penfold Pension (if different) and anyone controlling or paying for Assets.

- 4.3.2 We may open your Penfold Pension but we may not accept further instructions from you and we will not be able to return Assets to you until we have been able to satisfy ourselves as to your identity, and the identity of anyone authorised by you to give instructions.

## 5. OPERATING YOUR PENFOLD PENSION

### 5.1 Investing your Penfold Pension

- 5.1.1 You can use our App to manage and view details of your Penfold Pension. However, it is your responsibility to ensure that you comply with all applicable laws and regulations relating to this. This includes the requirement from the UK HMRC to account for and pay any relevant taxes related to your pension. If you need help understanding your obligations as far as tax is concerned, please contact HMRC.
- 5.1.2 When you first open your Penfold Pension we will ask you to choose a Fund from the range of Permitted Investments shown on our App. Subject to any minimum investment amounts, all subsequent contributions and transfers into your Penfold Pension will be used to buy more Units in your selected Fund.
- 5.1.3 You are free to change your nominated Fund at any time to one of the other Funds. When you do, the value in the original Fund will be transferred to the new Fund and all contributions after that date will be applied to the new Fund. This is known as a “switch”. A switch will involve the sale of Units in your current Fund and the purchase of Units in your newly chosen Fund. The sale will normally be placed by the end of the Working Day following receipt of your instructions and the purchase will normally be placed by the end of the Working Day following receipt of the sale proceeds. During the process of switching, your money may not be invested in either Fund.
- 5.1.4 When you or your employer set up a one-off or regular contribution into your Penfold Pension or you arrange a transfer into your Penfold Pension, this will create a one-off or recurring Order to purchase the corresponding number of Units of your chosen Fund (less any applicable fees or levies), at the next available dealing date after the contribution is applied to your Penfold Pension, provided you have set up the contribution or transfer correctly via our App.
- 5.1.5 When contributions or transfers are received that have been notified to us through the App, an Order shall be placed as soon as is practical after the monies have cleared to purchase Units in your chosen Fund.
- 5.1.6 If an unexpected contribution or transfer is received into your Penfold Pension we will notify you of this as soon as is practical. If we do not receive any confirmation from you within 3 Business Days regarding the origin of the funds (if required) and/or your intentions, we have the right to ask the Custodian to return the cash to the transferee without placing an Order.
- 5.1.7 You should ensure you are aware of fees and charges applying to your chosen Fund. Details of these fees and charges are set out in the Charges Guide and in the section of our App where you choose your Fund. It is your responsibility to determine whether any Fund is appropriate for you.

### 5.2 Third parties authorised to act on your behalf

- 5.2.1 If your Penfold Pension has been opened for you through a third party authorised to act on your behalf (an “Authorised Third Party”), we will treat only you as our customer.
- 5.2.2 If an attorney or other agent has been appointed by you or on your behalf, we will need proof that they have been properly appointed including, where applicable, evidence that the document appointing them has been appropriately registered, before we will accept them as an Authorised Third Party.
- 5.2.3 Once we have accepted that the appointment of your Authorised Third Party is valid, we will continue to act on the instructions of that person until we receive notice to our

reasonable satisfaction that that person no longer has authority to give us instructions for your Penfold Pension.

- 5.2.4 You may let us know that we can deal with an Authorised Third Party on your behalf:
- (i) in your Application; or
  - (ii) at any time during the course of our relationship, by completing a third-party authority form.
- 5.2.5 You will, at all times, remain fully responsible for the operation of your Penfold Pension by any Authorised Third Party.
- 5.2.6 We will not be able to accept subscription, switch or withdrawal instructions or changes to your personal details from any third party in relation to your Penfold Pension unless that person has been formally appointed to operate your Penfold Pension (for example by power of attorney) and we have accepted them as an Authorised Third Party. We have the right to reject any payment or contributions to your Penfold Pension from any person who is not you, your employer or an Authorised Third Party and/or if we are unable to verify the identity of the payee and the source of the monies.
- 5.2.7 When we receive instructions from a third party seeking to operate your Penfold Pension, we may, but do not have to, ask for proof of their authority to act and may require them to verify their identity. We will not be responsible for the consequences of any delay in processing the instruction as a result of making any such request.

### 5.3 Incapacity and Power of Attorney

- 5.3.1 In the event of your legal incapacity, our relationship will be suspended automatically upon our receipt of written notice unless and until you have granted a power of attorney under which we can continue to act, or another person becomes entitled to act on your behalf. We reserve the right to require proof or further details of your legal incapacity.
- 5.3.2 When your rights can be exercised by someone else, we will continue to administer the Penfold Pension in accordance with their instructions as an Authorised Third Party until such time as that power is revoked, or until the time of your death.

## 6. OUR APP

### 6.1 Availability

- 6.1.1 We will make reasonable efforts to make sure that our App and Website are available, but we cannot promise that you will always be able to access them at all times. We may suspend or withdraw or restrict the availability of all or any part of our App where necessary for business and operational reasons, but we will always try to give you notice if this happens. You may also have difficulties accessing our App because of problems with telephone or broadband networks or because you are in an area that does not have adequate mobile telephone coverage. We will not be liable to you if our App is temporarily unavailable for any reason.
- 6.1.2 If you are unable to use our App, you may still manage your Penfold Pension in any one of the ways we provide for you, as explained in section 19.2.1 of these Terms and using the contact details on the Contact Us Page.
- 6.1.3 We have the right to suspend your access to the App, at any time, if in our reasonable opinion you have failed to comply with any material provisions of these Terms.

### 6.2 Intellectual property

- 6.2.1 We own or licence all intellectual property rights in our App, and in all of the material available on them. This material is protected by copyright laws and treaties around the world and we reserve all rights in respect of this.



6.2.2 You are not allowed to use any of our Intellectual Property except in the course of your normal use of the App under these Terms.

### 6.3 Security

6.3.1 You must use the Security Details that we give you to access your Penfold Pension and to give us any instructions.

6.3.2 You must take all reasonable precautions to keep safe and prevent fraudulent use of your Security Details. You must take reasonable care not to disclose, or to allow the disclosure of, your Security Details. Please note we will never ask for your password. You should not respond to any unsolicited emails which look as if they originate from us which ask you to enter your password or personal information. We will never issue emails of this type unless specifically requested by you to do so.

6.3.3 We may rely on any instructions that we receive whilst your Penfold Pension has been activated using your Security Details.

6.3.4 You will be responsible for (and we shall be entitled to rely upon) any relevant instruction which is authenticated using your Security Details, unless you establish that the relevant instruction is not an authorised instruction and either:

- (a) we acted upon the relevant instruction after you had told us, or we otherwise had actual notice, that your Security Details or any other access details in relation to your Penfold Pension had been disclosed to or otherwise obtained by an unauthorised third party or if the safety of these Security Details was in jeopardy; or
- (b) the unauthorised use of your Security Details or any other access details in relation to your Penfold Pension (and our reliance on the relevant instruction) did not result from your failure to take reasonable care to protect such details or otherwise to comply with your obligations under these Terms.

6.3.5 You should change your Security Details and contact us immediately if you know or suspect that any of your Security Details or any other access details in relation to your Penfold Pension have been disclosed to, or obtained by, an unauthorised third party or if the safety of these Security Details may be in jeopardy.

6.3.6 We will act on any instructions given in accordance with our stated procedures that appear, in our reasonable opinion, to be valid, and have no duty to make any further enquiries in relation to such instructions.

### 6.4 Risks of online communication

6.4.1 We will take all reasonable measures to make sure that the security of our systems is not compromised. However, there are inherent risks in using an online system. Communications between us through the internet or by phone are not guaranteed to be secure or reliable. We cannot guarantee that they will be free from:

- (a) technical failure or corruption;
- (b) error or delay; or
- (c) misuse, fraudulent use or access by unauthorised persons.

6.4.2 We will not be liable for losses caused as a result of anything that is outside our reasonable control.

6.4.3 We recommend you and any person acting on your behalf use anti-virus software on your computer or any other electronic device that you use to access the App.

## 7. CONTRIBUTIONS

### 7.1 Making contributions to your Penfold Pension

- 7.1.1 You or your employer can make contributions by transfer to your Penfold Pension. You can make contributions on a single or regular basis. The Penfold Pension Key Features Document sets out the current provisions for how you may make contributions into your Penfold Pension.
- 7.1.2 We will not accept contributions into your Penfold Pension if you are no longer eligible to make contributions to the Scheme.
- 7.1.3 We may decline to accept any contribution (from you or your employer) into your Penfold Pension if it does not comply with the requirements of the Scheme Rules or the Finance Act or is not a Permitted Investment.
- 7.1.4 Any contribution to your Penfold Pension will be credited to your Assets and invested in your chosen Fund within the time periods required by the Regulatory Requirements.
- 7.1.5 We may, without your authority, refund a contribution (in whole or part) made in error to your Penfold Pension, subject to restrictions imposed by Regulatory Requirements.
- 7.1.6 Please note that if you have Enhanced or Fixed Protection (these are tax protections relating to the amount of the Lifetime Allowance applicable to you) then you will lose these tax protections if contributions are made to your Penfold Pension. There is more information in the Key Features Document. Please seek independent financial advice if you think this is relevant to you.

## 7.2 Tax treatment of contributions

- 7.2.1 Personal contributions made by you or on your behalf (but not including by your employer) will normally be treated as having been paid net of basic rate tax which we will claim on your behalf from HMRC to the extent that you are due tax relief on the contribution. HMRC may take several months to process the tax reclaim and the money reclaimed is not available for investment until we receive it from HMRC. You are responsible for informing us by 5 April in the year of assessment in which the event occurred or within 30 days after the event occurred (whichever is the latest), if you are not entitled to tax relief on all or part of your contribution. As a guide, circumstances where you may not be entitled to tax relief on your contribution are where, at the end of the tax year, your contributions exceed the higher of the basic amount or 100% of your relevant UK earnings. If you exceed the Annual Allowance or the lower Money Purchase Annual Allowance, which applies once you start drawing benefits flexibly, you may be subject to an annual allowance tax charge.
- 7.2.2 You are responsible for claiming any tax relief above the basic rate of income tax to which you are entitled, directly from HMRC.
- 7.2.3 Contributions paid by your employer are treated as being paid gross meaning there will be no further tax relief for us to claim. We will require your employer to complete a contribution schedule which indicates the payments they are committed to making on your behalf. Where payments are not forthcoming we are obliged to notify The Pensions Regulator. Contributions paid by other third parties are treated as having been paid by you for tax purposes.
- 7.2.4 When completing the application declaration, amongst other things, you are confirming that your contribution is eligible for tax relief. We do not accept personal contributions that are not eligible for tax relief.
- 7.2.5 If you make contributions to your Penfold Pension which, when combined with contributions to other UK pension schemes, exceed the amount on which you are entitled to tax relief, we may agree to refund the excess contributions to you provided there is sufficient cash in your Penfold Pension to make the refund to you and repay any amounts due to HMRC. Any investment loss or growth in respect of a refunded contribution will be deemed to be outside the Scheme.
- 7.2.6 If you are liable to an annual allowance tax charge and you qualify and give notice under 'Scheme Pays' legislative provisions for your Penfold Pension to pay some or all of the

charge to HMRC, you agree that you will only give such notice where there is sufficient cash available in your Penfold Pension to pay the charge. If you do give notice and there is insufficient cash available in your Penfold Pension then the Operator may direct the Trustee to dispose of Units within your Penfold Pension sufficient to pay the charge. You agree and understand that if there is insufficient cash or other assets within your Penfold Pension that you are personally liable to pay the charge and you must pay this to us immediately upon demand.

- 7.2.7 Your Pension Input Period, as defined by the Finance Act, will start on the first day you make a contribution and will end on the following 5th April. Subsequent periods will then run from 6th April to 5th April in future years.

## **8. TRANSFERS IN FROM OTHER SCHEMES**

### **8.1 Transfer criteria**

- 8.1.1 The Operator may, at its discretion, accept transfers of benefits from other registered pension schemes or Qualifying Recognised Overseas Pension Schemes, subject to the Scheme Rules, and the Finance Act.
- 8.1.2 For all transfers it is your responsibility to ensure a transfer of pension benefits is in your best interests. Consequently, you should consider taking advice from a suitably qualified financial adviser. Our acceptance of a transfer is in no way an endorsement of the suitability for you of the transfer.
- 8.1.3 We may decline to accept any transfer into your Penfold Pension if it does not comply with the requirements of the Scheme Rules or the Finance Act or is not cash or a Permitted Investment.
- 8.1.4 We will not accept transfers of defined benefits or safeguarded rights of any size.
- 8.1.5 We will only accept a transfer from another pension arrangement that has been used for Flexi-access drawdown if it does not prejudice the Scheme's status as a registered pension scheme.
- 8.1.6 Transfer of capped drawdown benefits will only be accepted on the basis that they will immediately be converted to flexi-access drawdown benefits. Acceptance of these Terms will be taken to mean that you have given your nomination for any capped drawdown benefits being transferred to be designated to flexi-access drawdown and understand that if you are not already subject to the Money Purchase Annual Allowance, you will become subject to it when you first receive income via flexi-access drawdown.
- 8.1.7 Any transfer into your Penfold Pension will be credited to your Assets and invested in your chosen Fund within the time periods required by the Regulatory Requirements.
- 8.1.8 We may, without your authority, refund a transfer (in whole or part) made in error to your Penfold Pension, subject to restrictions imposed by Regulatory Requirements.
- 8.1.9 Unless otherwise agreed with the Operator in its complete discretion, we will only accept transfers in to your Penfold Pension consisting of cash.
- 8.1.10 Where you request a cash transfer from an existing pension scheme you take responsibility for arranging disinvestment of any assets held within that scheme. We will not give disinvestment instructions to the existing pension scheme provider and accept no liability for delays in concluding the transfer as a result of disinvestment instructions not having been received or actioned by the transferring pension scheme provider.

## **9. CANCELLATION RIGHTS AND LACK OF CLEARED FUNDS**

### **9.1 Cancellation rights**

- 9.1.1 When you join the Scheme, receive transfers in to your Penfold Pension or commence drawing benefits for the first time, you are entitled to a 30 day cancellation period. This gives you the right to change your mind.
- 9.1.2 Where investments are made during this 30 day cancellation period, and we receive a valid notice of cancellation signed by you, you will be responsible for subsequently instructing disinvestment. We will not be liable if the amount realised is less than the cost of acquiring the assets and we will be entitled to charge your Penfold Pension an amount to cover our costs. We will notify you of the costs involved. Where costs have been incurred by third parties, the amount incurred by them will be deducted from any amount returned.
- 9.1.3 Where you decide to exercise your right to cancel in respect of a transfer, we will attempt to pay the funds back to the scheme or arrangement from which the funds have been received. The previous scheme or arrangement may refuse to take back the funds, or may only accept them on revised terms, which are not acceptable to you, in which case you will be responsible for nominating a new UK registered pension scheme or Qualifying Recognised Overseas Pension Scheme to which the funds can be transferred.
- 9.1.4 Where you decide to exercise your right to cancel in respect of commencing to draw benefits, it is conditional upon you repaying any payments you have received back into your Penfold Pension.
- 9.1.5 Where you decide to exercise your right to cancel, we are entitled to retain any fee for setting up your Penfold Pension and income drawdown arrangement, if applicable, but we do not normally do so.

## 9.2 Cleared funds

- 9.2.1 It is only possible to invest cleared funds. There are, however, certain situations where funds are received in respect of a contribution or transfer that subsequently fail to clear once investments have been made. In these circumstances, we may dispose of the assets without consulting you.
- 9.2.2 We will not be liable if the amount realised is less than the cost of acquiring the assets and we will be entitled to charge your Penfold Pension an amount to cover our costs. We will notify you of the costs involved.

## **10. SCHEME BANK ACCOUNT AND CUSTODY**

### 10.1 Cash

- 10.1.1 Cash received from or in respect of you, by way of contribution, transfer in or investment income, will be held through your Penfold Pension in accordance with the Regulatory Requirements. Cash payments to your Penfold Pension will be held in the Scheme Bank Account maintained by the Custodian with an approved bank on behalf of the Scheme. The Scheme Bank Account is segregated from the Trustee's own monies. The Scheme Bank Account is a pooled account so that in the event of a bank's failure your claim will be for a share of the cash held in the Scheme Bank Account. The Operator is responsible for the selection and monitoring of the chosen bank(s) but is not responsible for any acts, errors, omissions or default on the part of such bank(s).
- 10.1.2 No interest is paid on cash held on your behalf through your Penfold Pension. If this changes in the future, interest payments received on account balances of customer funds will be retained by us unless we advise you otherwise via our App. You consent to us retaining interest (as a percentage or as an actual amount) that we may retain from the gross interest received that is disclosed to you by us.
- 10.1.3 Borrowing is not permitted under your Penfold Pension. This includes overdrafts and accounts going overdrawn.

### 10.2 Assets

- 10.2.1 Assets are held as prescribed by the Scheme Rules and Regulatory Requirements. The Operator has appointed an independent Custodian to deal and hold the Assets in your Penfold Pension, provide cash payment services, asset price and information data and perform client money and asset reconciliation in accordance with Regulatory Requirements. The details are set out in Schedule 1 – Custody Terms. Ownership of the Assets in your Penfold Pension is held by the Custodian in the name of the Trustee, or in their nominee or a nominee controlled by them.

## **11. INVESTMENTS HELD IN YOUR PENFOLD PENSION**

### 11.1 Permitted Investments

- 1.1.1 You may only hold cash and Permitted Investments in your Penfold Pension. The current Permitted Investments are the Funds set out on our App.

- 11.1.1 We may alter the range of Permitted Investments available through your Penfold Pension at any time and may require the sale (or if permitted by applicable Regulatory Requirements, the transfer or withdrawal) of investments which have been removed from the range of Permitted Investments. When we do so, we will, where practical, give you advance notice. There may be occasions when we are not able to give you advance notice, for example when the change is:

- (a) required immediately to comply with Regulatory Requirements;
- (b) as a consequence of circumstances outside our control; or
- (c) required immediately in order to protect your interests.

- 11.1.2 If any such change affects your Penfold Pension, we will notify you via our App or email of the change and the options available to you.

- 11.1.3 Funds held in your Penfold Pension may have their own charges which include initial charges, ongoing charges and dilution levies. We are not responsible for telling you about these charges. However, they may be available in the regulatory documentation relating to the relevant Fund.

- 11.1.4 You cannot use the Assets held in your Penfold Pension as security for a loan.

- 11.1.5 Where appropriate and as required, you authorise the Operator to accept the terms and conditions of Fund Providers on your behalf.

### 11.2 Operator's discretion

- 11.2.1 The Operator will only act in accordance with directions from you, other than where the following sub-clauses apply, in which case the Operator has discretion to direct the Trustee to dispose of investments without consultation with you or without obtaining your prior agreement:

- (a) where in our opinion, continued retention of an investment would or may be unlawful;
- (b) where, in our opinion, the continued retention of the investment would or may impose tax or other costs which your Penfold Pension may not be able to meet;
- (c) the investment needs to be disposed of to meet any tax liability or other liabilities or costs (including our own incurred in the administration of your Penfold Pension);
- (d) the investment is no longer a Permitted Investment;
- (e) to comply with a court order; or
- (f) to pay out death benefits.

### 11.3 Income and dividends

- 11.3.1 You agree that any income and dividends received from the Funds in your Penfold Pension will be retained in your chosen Fund and you will be notified as such online via our App.
- 11.3.2 If you give us a sale instruction for a Unit with the benefit of a dividend which is then paid but to which you are not entitled (i.e. you sell 'Cum dividend'), that dividend will be paid into your Penfold Pension unless it is used by us to offset amounts you owe us against any amounts we hold for you or which are due from us to you.
- 11.3.3 We will allocate any income to your Penfold Pension within 10 Business Days after we receive it.
- 11.3.4 Where we receive income from a Fund in a currency other than pounds Sterling, we will convert it into pounds Sterling and will allocate the converted money to your Penfold Pension in pounds Sterling on the day we receive it.
- 11.3.5 If your Penfold Pension is transferred elsewhere we will send any income received from the Funds that were held in your Penfold Pension to your new registered pension scheme or Qualifying Recognised Overseas Pension Scheme, unless it cannot accept them in which case it will be transferred or paid to any other scheme or arrangement or charity as may be permitted under the Scheme Rules and Regulatory Requirements.

## **12. INVESTMENT INSTRUCTIONS AND DEALING**

### **12.1 Orders**

- 12.1.1 You may use our App to give us instructions on how you wish to invest your Penfold Pension. Orders to deal in Funds are normally routed to the appropriate Fund Provider for execution at the next available dealing date for that Fund. You therefore consent to Orders being executed outside a trading venue. Orders may be aggregated with other customer orders and bulked prior to executing with the Fund Provider.
- 12.1.2 We will comply with our Order Execution Policy in carrying out our duties to you under these Terms. Our Order Execution Policy is available on request and via our App. By agreeing to these Terms, you consent to our Order Execution Policy.
- 12.1.3 The purchase price for any Order is determined at the next valuation point for the relevant Fund (this is usually calculated by reference to a specific time on the next Working Day). There may be a delay for your Account to be updated.
- 12.1.4 You must make sure that instructions that you or an Authorised Third Party give us are complete, accurate, clear and unambiguous. You are responsible for the settlement of all Orders effected by us in accordance with instructions. We may delay or refuse to execute your instructions if your instructions are unclear or ambiguous, or if we have not received any information or documents we may have asked for, or where appropriate, the documents are not fully and correctly completed by you. We will try to contact you to obtain clarification but we will not be liable for any losses that you or any third party may incur as a result.
- 12.1.5 We may delay, or refuse to arrange to execute your Order if:
  - (a) we have reasonable cause to believe that the proposed transaction may constitute market abuse or market timing, or we otherwise have reasonable cause to be concerned that the placing of the Order may breach Regulatory Requirements;
  - (b) we have reasonable cause to suspect that the Order was not placed by you or someone that we have agreed may operate your Penfold Pension on your behalf/ that the Order has been placed fraudulently;
  - (c) we believe that you do not have a legal right or authority to deal in the Funds;
  - (d) your Order does not meet the minimum investment criteria for the Units that you want to buy;

- (e) the current criteria set for us to process an Order on our App have not been met; or
- (f) extreme market conditions exist, and we have stopped taking trades in either one Fund or investments in general.

12.1.6 We will tell you if we have had to delay or are unable to execute your Order (unless we are prevented from doing so because of Regulatory Requirements).

12.1.7 We will tell you if we are unable to process your Order through the App. You can place the Order using the contact details set out in the Contact Us Page or in section 19.2.1 of these Terms.

12.1.8 You agree that if at any stage it is determined that your Penfold Pension has been allocated Units in error, you will notify us as soon as you become aware of this fact and otherwise upon you notifying us or our notifying you, you shall take all reasonable steps as requested by us to assist us with correcting the error in Unit allocation (including your executing any necessary agreement, notices, declarations or deeds) as soon as possible.

## 12.2 Order confirmation

12.2.1 Contract notes will be issued no later than the first Business Day after the transaction, or if applicable, after we receive price confirmation from the Fund Provider and our system being updated.

12.2.2 Contract notes will be available to view online on your account page on our App.

12.2.3 The contract note will detail the amount debited or credited to your Penfold Pension. You must check that the information on the contract note is correct and tell us as soon as possible if it is not.

## 12.3 Settlement of Orders

12.3.1 If there are delays beyond our control in the settlement of a transaction, we can delay settlement of any subsequent sale or purchase until the first transaction has settled and been delivered.

12.3.2 Your contract note will confirm the relevant settlement date for the transaction.

12.3.3 Your Penfold Pension will be debited immediately on the trade date for purchases and so you must have cleared cash available in your Penfold Pension at the time you instruct us to deal. In all other cases you must ensure that cleared cash is available in your Penfold Pension on or before settlement day of a purchase order unless agreed otherwise with you, if not no purchase will be made.

## 12.4 Cancelling your Orders

12.4.1 Once we have received an Order from you and acted on it, you will not be able to change that instruction.

12.4.2 If you tell us that you wish to cancel an Order, we will use reasonable efforts to halt the execution of the transaction. However, we will not be liable for the financial consequences to you, if we are unable to stop the execution of the Order (for example if your Order has already been transmitted to a third party for execution).

12.4.3 We may cancel any duplicate or repeated instruction you give to us where the circumstances indicate that your intended transaction has been split into smaller Orders to take advantage of any market limitations or restrictions.

## 12.5 Conflicts of interest

12.5.1 Because of the complex nature of our business, circumstances may exist which give rise to a conflict between our respective interests or between you and another customer.

12.5.2 To make sure that we take these into account when we execute your Order and otherwise deal with you under these Terms, we have implemented a Conflicts of Interest Policy. This explains how conflicts of interest can arise and the arrangements we have for managing

them. Where a conflict arises, we will ensure that you are not treated any less fairly than if such a conflict had not arisen.

- 12.5.3 We will comply with our Conflicts of Interest Policy in carrying out our duties to you under these Terms. Our Conflicts of Interest Policy is available on demand.

### **13. TRANSFERRING OUT**

#### 13.1 Transferring out criteria

- 13.1.1 The Operator on behalf of the Trustee may transfer the value of your pension fund to another UK registered pension scheme or Qualifying Recognised Overseas Pension Scheme upon your request. If you meet the statutory criteria then the Operator must give effect to the transfer you have requested, and in other circumstances the Operator and Trustee have a discretion to allow your transfer request.
- 13.1.2 The transfer will be done as soon as practicable following your request and we will not charge you any penalty. You will still be liable for any accrued administration fees and tax charges, which will be levied prior to transfer together with any costs incurred in disposing of your Assets. The transfer will be made subject to current legislation and HMRC rules.
- 13.1.3 We will only transfer benefits in accordance with these Terms if we are satisfied as to each of the following:
- (a) we have proper authority to make the transfer;
  - (b) we are in receipt of all the necessary documentation;
  - (c) we have received all the fees due to us;
  - (d) all liabilities and costs have been satisfied by your Penfold Pension; and
  - (e) making the transfer is not likely to prejudice any protected benefits, or be unlawful or be made to an unrecognised or unregistered scheme or be made to a scheme suspected of being involved in a scam or pensions liberation.
- 13.1.4 We do not accept liability in respect of delays in completing the transfer due to carrying out all reasonable checks in accordance with the provisions of this Transferring Out section, nor where we refuse to transfer due to our findings.

#### 13.2 Transferring out process

- 13.2.1 In some circumstances it may be necessary for us to delay the transfer of benefits, particularly where the Custodian or the Fund Provider(s) are unable to realise or transfer some of the investments, for example, property related investments or other investments that are not readily realisable. Such circumstances could lead to you having to defer transferring or taking benefits. We will advise you where this is likely to be the case.
- 13.2.2 Where you instruct us to transfer your Penfold Pension in-specie (as an asset transfer rather than cash) we will at our discretion instruct the Custodian to liaise with your new pension provider and they will proceed on this basis subject to receiving confirmation that the new custodian(s) are prepared to hold the investments you have requested to be transferred in-specie. The Operator does not accept any liability in respect of delays in the completion of your transfer arising as a result of delays in the re-registration process.
- 13.2.3 Where you instruct us to transfer your Penfold Pension in the form of cash, the Custodian will provide disinvestment instructions to the Fund Provider(s). The Operator does not accept any liability in respect of delays in the completion of your transfer arising as a result of delays in the disinvestment process.

#### 13.3 Removing an Investment

- 13.3.1 You may only remove an Asset from your Penfold Pension for a purpose that is permitted under the Scheme Rules, and if the Operator agrees and you are prepared to meet the



costs of any such payment specifically if the payment would be an unauthorised payment under the Regulatory Requirements.

## **14. PAYMENT OF BENEFITS**

### **14.1 Taking benefits**

14.1.1 Penfold Pension benefits are the benefits you are entitled to take through the Penfold Pension. These should not be confused with transfers out of the Penfold Pension to another registered pension scheme (where you move your monies to another arrangement). The types of benefits available from the Penfold Pension are subject to the Scheme Rules from time to time, but in summary are:

- (a) A Pension Commencement Lump Sum;
- (b) The purchase of an Annuity with an insurer;
- (c) Flexi-access drawdown;
- (d) An Uncrystallised Funds Lump Sum.

For more information about the benefit options please read the Penfold Pension Key Features Document.

14.1.2 You should determine whether or not the benefit options we offer are suitable for you before you agree to sign up to them. Any pension options are available through our App and we provide specific details on how these options work.

14.1.3 We will send you an illustration every year of what you may receive when you take your pension benefits. If you have received income from your Penfold Pension, in a tax year, we will send to your annual illustration which shows you the likely effect of future withdrawals.

14.1.4 Benefits can be paid on you attaining the normal minimum pension age of 55, but may be paid earlier if ill health conditions are met. Benefit payments will be made to a UK bank account held in your name. Alternative banking arrangements will only be allowed at our discretion.

14.1.5 All payments are conditional on there being sufficient cash available in your Penfold Pension. Disinvestment instructions will be given by the Custodian to the Fund Provider(s) where necessary to meet your benefit requirements. Any instruction to pay an income must be received by us sufficiently in advance in order to allow us to process the payment.

14.1.6 You, or we at our discretion, may at any time use your Penfold Pension to purchase benefits by way of an appropriate policy or contract with an insurance company.

14.1.7 Where you first take benefits flexibly any contributions you make to a money purchase pension scheme thereafter will be subject to the Money Purchase Annual Allowance.

14.2 We will not pay benefits in accordance with these Terms unless we are satisfied as to each of the following:

- 14.2.1 we have proper authority to pay the benefits;
- 14.2.2 we are in receipt of all the necessary documentation;
- 14.2.3 we have received all the fees due to us;
- 14.2.4 all liabilities and costs have been satisfied by your Penfold Pension; and
- 14.2.5 all outstanding transfers have been received by your Penfold Pension.
- 14.2.6 Flexi-access drawdown You may instruct us to designate some or all of your Penfold Pension to Flexi-access drawdown, subject to the Scheme Rules. When you give us your instructions you must tell us when you wish income withdrawal to start and the amount of income to be paid to you. You may give us instructions about which Assets you wish to use

or sell to fund that income withdrawal. If you do not tell us which Assets you wish us to use, we will use cash first and then sell your Units proportionally.

14.2.7 When Flexi-access drawdown is requested, we will:

- (a) value the Assets you have told us you wish to use for Flexi-access drawdown as per HMRC regulations;
- (b) deduct applicable Charges;
- (c) pay the income withdrawal to you (if applicable) in accordance with your instructions but subject to the provisions of the Scheme Rules and the provisions of the Finance Act and the Taxation of Pensions Act; and
- (d) tell you of the maximum amount (if relevant) which can be used for Flexi-access drawdown.

14.2.8 We will value the Assets you have set aside for Flexi-access drawdown as and when required by the Scheme Rules, the Finance Act and the Taxation of Pensions Act and advise you of the maximum amount of income which can be taken.

14.3 Lifetime allowance charge

14.3.1 If any Benefit Crystallisation Event would give rise to the payment of a lifetime allowance charge (as defined in the Finance Act), we may pay the whole or part of the relevant benefit entitlement by reference to which the lifetime allowance charge would arise as a lifetime allowance lump sum (as defined in the Finance Act). For more information about the Lifetime Allowance please read the Penfold Pension Key Features Document.

14.4 Death benefits

14.4.1

14.4.2 When you open your Penfold Pension and at any time whilst your Penfold Pension is open, you are encouraged to give your wishes about what you would like us to do with your Penfold Pension on your death and who you would like to benefit. You can do this in the 'Expression of Wish' form. What will actually happen with your Penfold Pension will be at the Trustee and Operator's discretion, but this decision is made after careful consideration of your wishes, and circumstances made known after your death, and in the context of Regulatory Requirements and the Scheme Rules..

If you have not given us an Expression of Wish we will make decisions on the payment of death benefits from your Penfold Pension which we consider to be appropriate to the circumstances that are made known to us and that are permitted by the Scheme Rules, the Finance Act and the Taxation of Pensions Act.

14.4.3 If you bought an annuity before your death, the terms of that annuity will determine what will happen on your death and the annuity provider will give effect to the provisions of the annuity for your death.

14.4.4

14.4.5 On your death your Penfold Pension (not used for an annuity) may be used to provide your beneficiaries, selected as described above, with their own lump sum or drawdown or used to buy them an annuity, in accordance with the Scheme Rules. You may need to have nominated a beneficiary to receive the benefit in a particular way. If death occurs before your 75th birthday then the death benefit payments will generally not be subject to tax unless the benefits are subject to the Lifetime Allowance tax charge or the death benefits have not been settled within the two years of notification of your death. If death occurs on or after your 75th birthday then the death benefits are generally subject to tax at the recipient's marginal rate of income tax. We will value Assets in your Penfold Pension following your death using a "quarter up" valuation, as set out in the Regulatory

Requirements, being the lowest price available plus a quarter of the difference between the lowest price and the highest price available for any Asset as at the end of the day.

14.4.6 We will arrange to implement any instructions you have given to provide pension benefits to any person nominated by you in respect of unvested assets in your Penfold Pension on your death, subject to the Scheme Rules and the discretion of the Operator.

14.4.7 Subject to the Scheme Rules and the payment of our Charges, we may accept instructions from your Personal Representatives, or any person entitled to benefit from your Penfold Pension after your death, to defer buying an annuity or paying other death benefits or starting income withdrawal under Flexi-access drawdown. Disinvestment will take place as soon as we receive a certified copy of your death certificate.

#### 14.5 Payments or transfers on death

14.5.1 Your Personal Representatives should tell us about your death as soon as possible and let us have any documents that we reasonably request to evidence their authority to deal with your affairs before we will accept instructions from them in relation to your Penfold Pension.

14.5.2 These Terms including any Charges payable will continue to bind your personal representatives until your Penfold Pension is closed.

#### 14.6 Unclaimed Assets

14.6.1 In certain limited circumstances unclaimed Assets may be realised and transferred to charity.

14.6.2 We will maintain records of dealings with unclaimed Assets which are paid away.

### **15. VALUATIONS AND REPORTING**

#### 15.1 The App

15.1.1 You can use the App to access details of your Penfold Pension and see certain information about Penfold, our services and your Penfold Pension.

15.1.2 The details available on the App includes the value of your Penfold Pension, the Fund you have chosen, the details of any changes in the value of your Penfold Pension over time, the total value of your pension contributions, the details of the payment plan you have chosen and how much you have decided to contribute, an estimate of the potential future value of your Penfold Pension and information about the different ways in which your pension is currently invested.

#### 15.2 Pensions statements and illustrations

15.2.1 Once a year we are required to send you a 'Statutory Money Purchase Illustration' based on the current value of your Penfold Pension. It will provide you with an estimate of what your Penfold Pension may be worth in today's terms by the time you reach your selected retirement age.

15.2.2 If your contributions exceed the Annual Allowance or Money Purchase Annual Allowance, if applicable, we are required to send you a Pension Savings Statement. You are required to use the information in the statement to report the excess contribution to HMRC who will then levy the appropriate tax charge on you.

15.2.3 If the first time you flexibly access any benefits from any pension arrangements you may have is through your Penfold Pension, you must inform us of this and we will provide you with a Flexible Access Statement giving you information as to what you should do next. If you flexibly access benefits for the first time via another pension arrangement you must tell us within 91 days and provide the date it occurred.

15.2.4 When you draw any benefits from this Penfold Pension you must provide us with details of how much of the Lifetime Allowance you have already used up and any Lifetime Allowance

protections you are relying on. We will provide you with a Lifetime Allowance Statement detailing how much of the Lifetime Allowance has been used by taking benefits from your Penfold Pension and the amount of tax due if you are subject to a Lifetime Allowance charge.

15.2.5 We will provide all of the above documents to you via the App unless otherwise advised.

15.2.6 Please review any such documents on receipt and advise us as soon as possible if you notice any discrepancies with your own records.

## 1.1 Reporting and valuation of transactions

15.2.7 We will procure for you a contract note confirming details of your trades which will be available to you electronically via our App. We will physically send these to you only if required to do in accordance with Regulatory Requirements.

15.2.8 We will procure for you a transaction and valuation report in accordance with Regulatory Requirements and will notify you by email or via our App when each report is available in your Penfold Pension online account.

15.2.9 We will arrange to value your Penfold Pension Assets:

- (a) for regular reporting purposes;
- (b) if you ask us to do so (an additional fee will be charged for this as set out in our Charges Guide);
- (c) when we are told about your death with effect from your date of death; or
- (d) to facilitate the closure of your Penfold Pension; or
- (e) in line with HMRC guidance where a Benefit Crystallisation Event occurs.

15.2.10 The value will be set by the latest price published by the relevant Fund Provider. The value that you will see online is illustrative only and does not reflect what you may get if you decide to sell all of your Assets.

15.2.11 The value of the Assets that you hold in your Penfold Pension and which you can see online will be the price at close of business on the previous Business Day.

15.2.12 If you ask us, we may procure for you paper copy statements, reports or ad hoc valuations. We will charge for this as set out in our Charges Guide.

15.2.13 You must monitor the reports that we send or make available to you about your Penfold Pension and tell us immediately if you notice:

- (a) any error or omission in any contract note or other report that we send or make available in relation to your Penfold Pension;
- (b) you have not received confirmation of a trade that you are expecting; and/or
- (c) there have been any unexpected transactions.

15.2.14 We may not be able to take any action to correct any problems if we are not told of a concern within 6 months of the report being issued to you.

## 15.3 Information that we provide to you

15.3.1 You may download or print individual sections of the App and information from websites linked to it strictly for use in relation to your Penfold Pension, provided that you keep intact all copyright and proprietary notices but you must not reproduce or distribute any material without our consent. Please read our Website's terms of use available at <https://getpenfold.com/legal>.

15.3.2 Any news, prices and other information that we give you is provided solely to help you make your own investment decisions and is not a personal recommendation or financial

advice. It is also not an offer by us to buy, sell or otherwise deal in any particular investment.

- 15.3.3 When we provide market information, we use sources we believe to be reliable. If we use an independent information provider to provide that market information, we will use all reasonable care to make sure that the provider is suitable, but, because we have no control over the information sources, we cannot guarantee that the market information is accurate, complete or timely, or that it will always be available to you.
- 15.3.4 Market information is not necessarily available to you through all of our communication channels. You should satisfy yourself that market information is reliable before you make any decisions or take any actions based on it. We are not responsible for any decision or action you take or any loss you or anybody else may suffer as a result of your decision or action.
- 15.3.5 We are not responsible for the contents of any information that we send to you that has been prepared by a third party (for example a Fund Provider).

## **16. LIABILITY AND OUR RIGHTS AGAINST YOU**

### **16.1 Our liability to you**

- 16.1.1 Under these Terms we will only be liable to you, the holder of the Penfold Pension. We will not be liable under these Terms to any Authorised Third Party or any other third party.
- 16.1.2 We are not responsible for any losses you suffer in relation to these Terms or your Penfold Pension, unless these losses arise because:
  - (a) we are negligent or fraudulent;
  - (b) we knowingly or recklessly fail to comply with the Regulatory Requirements or these Terms, or otherwise materially breach the FCA Rules or these Terms;
  - (c) we have failed to transmit your instructions so that any of your Assets held by our Nominee are not adequately protected; or
  - (d) we have failed to exercise due skill, care and diligence in selecting a Fund Provider, selecting or retaining a bank, settlement agent or custodian.
- 16.1.3 We are not responsible for the default, insolvency or other failure by a third party bank or settlement agent, clearing agent, depository, clearing or settlement system or any participant in one of them, or any Fund Provider or Fund Provider's agent with whom any Order that you give us is placed; but where we have not correctly executed any instructions that you have given us in accordance with these Terms, we will restore your Penfold Pension to the condition it would have been in had the correct transaction taken place or the incorrect transaction not taken place. Once we have done so, we will have no further liability to you in respect of that transaction.
- 16.1.4 We will not be responsible in any circumstances for any loss that you suffer because:
  - (a) the value of your Fund goes down;
  - (b) of circumstances outside our reasonable control, including but not limited to, delays in executing your Orders, changes in market conditions (including price fluctuations) before your Order is executed and any change in the law;
  - (c) we are unable to execute any instruction because of a breakdown in communication between us and a Fund Provider;
  - (d) it arises from circumstances that we could not have reasonably anticipated when you gave us your instructions;
  - (e) of any delay which occurs whilst we verify your identity (or the identity of anyone acting on your behalf) or your instructions;

- (f) we have, in good faith, acted on instructions that appear to be valid and given in accordance with our stated procedures;
- (g) our systems are unavailable (unless this arises as a result of our negligence);
- (h) you have provided us with inaccurate or ambiguous information;
- (i) you have failed to provide us with any information which we require; or
- (j) of any error in data transmission.

16.1.5 If we cannot perform our obligations by reason of any circumstances beyond our reasonable control, we will take such steps as are reasonable and practicable in the circumstances with a view to minimising the effect of the event on our clients.

16.1.6 We will not be liable to you for loss of business, contracts, profits, anticipated profits or anticipated savings however caused.

16.1.7 We do not exclude or restrict liability in any circumstances where liability cannot lawfully be excluded or restricted.

## 16.2 Your liability to us

16.2.1 You will be liable:

- (a) for any Charges reasonably and properly incurred under these Terms or as a consequence of your breach of these Terms;
- (b) for the results of any error on your part even though we may, in our discretion, try to remedy the error; and
- (c) for the results of any instruction being unclear or ambiguous.

16.2.2 You will not be liable for claims, demands, liabilities, losses, expenses or costs (including costs of any third party) that we bear as a result of a breach of our obligations to you (including breach of FCA Rules) or of our negligence, wilful default or fraud.

## 16.3 Our rights if you do not comply with these Terms (including our right to sell your investments)

16.3.1 If you do not pay money due to us you will be in breach of these Terms and we may keep any Assets that we are holding for you as security against payment of a debt owed by you and to apply it to the repayment of that debt when due.

16.3.2 We may charge you interest on any money that you owe us at a rate of 2% above the prevailing Bank of England variable base rate, calculated on a daily basis from the date the money becomes due until full payment has been received by us.

16.3.3 If you do not pay money due to us we may combine all or any credit balances on any Penfold Pensions that you hold with us, and may use the credit balances to reduce any sums you owe to us (this is called a right of set-off).

16.3.4 If you do not have enough cash in your Penfold Pensions to pay the sums due to us and do not pay any balance due to us when we ask you, we may keep or sell some or all of your Assets to settle the sums due at our discretion.

16.3.5 If we choose to sell your Units in your chosen Fund in these circumstances, we will sell them in accordance with the Terms.

16.3.6 The net proceeds of any sale, after deduction of our Charges, will be used to reduce your liabilities. You may keep any money that is left after that.

16.3.7 If the proceeds of sale are not enough to cover the amount you owe us, you are still liable for the shortfall and must pay this to us immediately upon demand.

## **17. TAXATION**

- 17.1 When you make a personal contribution to your Penfold Pension you may be entitled to tax relief on that contribution, subject to the limits prescribed by the Finance Act and current legislation. You are responsible for making sure that all contributions are within allowable limits for tax relief. Where you exceed these limits, or if for any other reason tax relief is not available on your contribution, we may deduct from your Penfold Pension a sufficient amount to account for the excess tax relief and repay it to HMRC. You are required to inform us where you believe you may have contributed more than the limit.
- 17.2 If you provide us with the necessary information, we will arrange a claim for tax relief at the basic rate of income tax on your behalf. If you are a higher rate taxpayer, you will be responsible for reclaiming any higher rate tax relief on your contributions.
- 17.3 We will only refund a pension contribution at our discretion and if HMRC rules permit.
- 17.4 We will not make a claim for tax relief on your behalf if your employer operates a salary sacrifice (sometimes known as "salary exchange") arrangement in respect of Contributions to your Penfold Pension, except in the normal way for contributions paid by you. We do not prepare any documentation for such arrangements.
- 17.5 If we have to pay any tax liability that you incur on your behalf, we may recover these costs from you. We may also be liable from time to time to other tax charges, including a scheme sanction charge in relation to your Penfold Pension if a tax chargeable payment is made. Where such tax charges are incurred, other than through any fraud, negligence or breach of regulatory duty on our part, you agree to us deducting the necessary amounts from your Penfold Pension to meet the tax charges due. Where your Penfold Pension is unable to meet the payment of the tax charge, we may require you to pay us the amounts due.
- 17.6 The Finance Act also sets a limit as to the combined total of pension benefits that can be built up within registered pension schemes without incurring additional tax charges. This limit is known as the Lifetime Allowance. Where your combined pension benefits exceed this limit subject to any protection you may have in place, a tax charge will be incurred at the point you crystallise your benefits, to the extent that your crystallised funds exceed the Lifetime Allowance. At the time of taking any benefits from your Penfold Pension or at age 75 where you still have funds under your Penfold Pension, you are required to inform us of the percentage of the Lifetime Allowance you have already used up in order that we may calculate whether you have exceeded the Lifetime Allowance and the extent of any tax charge due. Where a tax charge is incurred, we will deduct from your Penfold Pension the necessary amounts to meet the tax charges related to the Lifetime Allowance being exceeded. We will tell you where this is the case and inform you as to the tax charge amounts.
- 17.7 You will be liable for all other taxes that are personal to you in respect of your Penfold Pension, Assets and transactions through your Penfold Pension. Your tax liability depends on your personal circumstances and may be subject to change in the future.
- 17.8 We will stop acting on your instructions until applicable taxes and duties along with any applicable third-party charges are paid by you.
- 17.9 We are obliged under UK legislation, agreements and tax treaties with worldwide jurisdictions to provide information on our clients and about you as the beneficial owners of your Assets and to levy the appropriate rate of withholding tax. We will endeavour to collect income on your behalf under the appropriate rate of withholding tax, provided that we have the appropriate documentation from you.

## **18. FEES, CHARGES AND EXPENSES**

- 18.1 Using our online resources to learn more about pensions and how you can use them is free.
- 18.2 Our Charges Guide sets out in detail what you will have to pay for your Penfold Pension and to use our App. It is important that you make sure that there is enough cash in your Penfold Pension at all times to cover any Charges that you incur. If you do not, we have the right to sell your Assets without giving you prior notice.

- 18.3 You will be charged an Annual Fee as set out in the Charges Guide which incorporates both an Administration Fee (payable to the Operator for the general administration of your Penfold Pension), and the Annual Management Charge (payable to the Fund Provider for management of your chosen Fund). The Funds have different Annual Management Charges, so the fees which you will be due to pay us depend on which Fund you choose.
- 18.4 The Charges Guide also sets out the current fees and charges for making a withdrawal and these may change before you decide to make a withdrawal. Please ensure you check the fees which apply before you seek to make a withdrawal.
- 18.5 We will not charge you for moving money between Funds, setting up your Penfold Pension with us or for cancelling your Penfold Pension application.
- 18.6 Taxes and duties may be imposed by the government or other bodies on the provision of your Penfold Pension. We will tell you whether these taxes and duties will be included in our Charges or are detailed separately. You may have to pay them even if your Penfold Pension is designed to take advantage of other relief or exemptions.

## **19. INFORMATION, COMMUNICATION AND NOTICES**

- 19.1 Information
- 19.1.1 We require you to provide us with all accurate information that we may reasonably require in order to administer your Penfold Pension and fulfil our obligations under these Terms.
- 19.2 Method of communication
- 19.2.1 Unless otherwise specified in these Terms, your communications (including instructions) to us for the purpose of these Terms should be given through our App, or via email to hello@getpenfold.com. Legal notices should be sent to hello@getpenfold.com.
- 19.2.2 We will normally communicate with you online including via the App and by email and you expressly consent to this means of communication. We may also choose to contact you by telephone. We may telephone you at any reasonable time to discuss your Penfold Pension without having been expressly invited by you to do so. Either way we will communicate with you using the most recent contact details that you have given us, and we hold on your records.
- 19.2.3 If we need to communicate with you by post, we will communicate with you by post using the most recent postal address that you have given us unless you tell us otherwise by contacting us directly.
- 19.2.4 If we make material changes to these Terms, we may send you notice by email or by post.
- 19.3 Notices
- 19.3.1 All correspondence and notices sent by us shall be deemed to be received by you when despatched if sent electronically, for example by email or uploaded to your documents section in your Penfold Pension account, or 2 Business Days after posting if sent by first class post to addresses within the UK, or 4 Business Days if sent by second class post to addresses within the UK, airmail post to addresses outside the UK. However, the Terms will not apply to any correspondence or notice if:
- (a) such correspondence or notice is returned to us undelivered; or
  - (b) you establish that you did not receive it at your address within the relevant period or at all; and
  - (c) any such delay or failure in receipt was not a result of your omission to inform us of a change of your address in accordance with your obligation to do so under these Terms.
- 1.1.1 Where, in these Terms, a period of notice is to be given to you, that period of notice will be calculated from the date on which the notice was sent to you. The exception to this is the



cancellation notice, for which the period of notice commences from the date you can reasonably be assumed to have received it.

19.3.2 We will make reasonable efforts to contact you using the contact details that you give us but if our emails bounce or our correspondence is returned marked, "gone away" or your phone number is no longer active we will not send any further communications to that address.

19.3.3 We will take reasonable steps to try to contact you to get your new details, but we do not have to send further communications until you provide us with correct details. The Terms provide further information on the action we may take if your Penfold Pension contains unclaimed Assets.

19.3.4 You must tell us without delay if your or their contact details change.

#### 19.4 Recording communications between us

19.4.1 You agree we may record and/or monitor telephone conversations, email or other communications between us to comply with applicable Regulatory Requirements, to record instructions that you give us and for training or research purposes. These records form part of the information that we hold about you and will be handled in accordance with the Regulatory Requirements and related Policies.

#### 19.5 Communicating with third parties

19.5.1 If agreed with you, we will send copies of communications to your agent, attorney, delegate, employer or any other third party nominated by you, including any Authorised Third Party. This may incur an additional Charge (as set out in our Charges Guide).

### **20. DATA PROTECTION**

20.1 Before we can offer you a Penfold Pension, you will need to provide certain information to us about you, your background and your consent to us using this information to offer pension products to you. We will always use your personal data in accordance with our Privacy Policy.

20.2 We are committed to protecting and respecting your privacy. Our Privacy Policy is to let you know:

- How and why we collect personal information;
- What we do with it;
- When and why we share it with other organisations;
- How long we keep it; and
- The rights and choices you have with regard to your personal information.

### **21. EVENTS BEYOND OUR CONTROL**

21.1 We may be unable, wholly or in part, to carry out some or all of our obligations in relation to your Penfold Pension due to circumstances or events beyond our reasonable control. In this event, we will inform you promptly of the circumstances or event and the probable extent to which we will be unable to perform or be delayed in performing the relevant obligation(s).

21.2 For the purposes of these Terms, circumstances or events beyond our reasonable control includes:

21.2.1 nationalisation, expropriation, imposition by any governmental or quasi-governmental authority of currency restrictions, exchange controls or other charges or restraints affecting your Penfold Pension or your Assets;

21.2.2 acts of war (declared or undeclared), terrorism, insurrection, revolution, civil disturbance, riot, blockade or other disturbance;

21.2.3 strikes, lockouts, other industrial action or other interferences with work;

- 21.2.4 failure or disruption of any relevant stock exchange, including depositories, settlement systems or markets;
  - 21.2.5 widespread failure or disruption of computer systems, including electronic mail systems; and
  - 21.2.6 earthquake, storms, floods, lightning, fire, explosions or similar natural events.
- 21.3 To the extent permissible under Regulatory Requirements, we will not be responsible for any loss or damage suffered by you as a result of our being unable to perform our obligations under these Terms by reason of any such circumstances or events beyond our reasonable control. We will use reasonable endeavours to minimise any such loss or damage to you.
- 21.4 If we are prevented from performing all or substantially all of our obligations under these Terms by any such circumstances or events beyond our reasonable control for a continuous period of 30 days or more then you shall be entitled, if you wish, to terminate these Terms immediately by giving us written notice.

## **22. TERMINATION, SUSPENSION AND CLOSURE**

- 22.1 These Terms, as varied from time to time, will continue until your membership of the Scheme ceases. Provisions relating to Termination, Suspicion and Closure are set out as below and remain subject to the Scheme Rules from time to time.
- 22.2 A Penfold Pension cannot be closed other than by:
- 22.2.1 exercise of your cancellation rights on opening a Penfold Pension (see Cancellation Rights section);
  - 22.2.2 a transfer to another registered pension scheme or Qualifying Overseas Registered Pension Scheme (see Transferring Out section);
  - 22.2.3 you having exercised such other options as are permitted under the Regulatory Requirements;
  - 22.2.4 your death;
  - 22.2.5 your Penfold Pension having a zero value as you have withdrawn all money available through Income Withdrawal; or
  - 22.2.6 your Penfold Pension having no value, and we contact you prior to closure to make you aware.
- 22.3 Closure by you
- 22.3.1 Subject to Regulatory Requirements, you may tell us that you want to close your Penfold Pension. You can do this at any time by giving us prior notice in writing. Your Penfold Pension will end once we have processed all outstanding Orders and payments due on your Penfold Pension and we have transferred any Assets remaining in your Penfold Pension to another registered pension scheme or Qualifying Recognised Overseas Pension Scheme or all your Penfold Pension assets have been used in providing you with retirement benefits before closure or you have exercised such other options as are permitted under the Regulatory Requirements.
  - 22.3.2 In each case our Charges will continue to be due until your Penfold Pension no longer has any Assets in it. To complete the closure instruction, you will need to give us an instruction through the App].
- 22.4 Dormant Penfold Pensions
- 22.4.1 If your Penfold Pension becomes dormant we will treat it as a paid up Penfold Pension (one to which we anticipate no contributions to be made to) which will be held until we receive further instructions from you or your Personal Representatives.
- 22.5 Suspension or closure by us

- 22.5.1 We may close your Penfold Pension at any time by giving you 90 days' prior notice in writing.
- 22.5.2 We may suspend or close your Penfold Pension and end these Terms immediately by giving you written notice if:
- (a) the law requires us to do so or we are unable to meet our obligations;
  - (b) for a period of more than 6 months there are no Assets in your Penfold Pension;
  - (c) we are not provided with satisfactory evidence of your identity and so cannot complete our anti-money laundering checks;
  - (d) you do not comply with these Terms in a material way;
  - (e) there is any concern as to who owns the Assets in your Penfold Pension;
  - (f) you do not pay sums due under these Terms;
  - (g) after making reasonable efforts to do so we cannot contact you using the details that you have given us;
  - (h) you are using your Penfold Pension for an illegal purpose or for market timing or similar activity;
  - (i) you are using your Penfold Pension to provide business services to another person; and/or
  - (j) you give us, or we become aware that you have given us, false or inaccurate information, but for which, we would not have opened a Penfold Pension for you, or because of which we are no longer able to offer you a Penfold Pension.
- 22.5.3 Where the circumstances relate to the conduct of your Penfold Pension or communications with us, we may suspend or close your Penfold Pension if any of these circumstances apply to anyone authorised to communicate with us on your behalf.

## 22.6 Effect of closure

- 22.6.1 When notice of closure has been served:
- (a) we will continue to execute any current instructions that you or an Authorised Third Party has given us, but we will no longer accept new instructions; and
  - (b) you must settle all Charges and sums due in respect of any unsettled transactions that are due to us or as a result of the closure of the Penfold Pension.
- 22.6.2 Once all outstanding transactions have been settled, we will:
- (a) deduct from the Penfold Pension balance any sums that are due to us from you including any sums that you owe us in relation to any other accounts that you hold with us (we may sell any Assets within your Penfold Pension to meet any Charges due to us if there is not enough cash in your Penfold Pension); and
  - (b) we will then forward any Assets in the Penfold Pension to such other registered pension scheme or Qualifying Recognised Overseas Pension Scheme account or accounts in your name, or as you direct consistent with the options available under the current Regulatory Requirements (unless we are prevented from doing so by any Regulatory Requirements).
- 22.6.3 Once any Assets remaining in your Penfold Pension have been transferred in accordance with these Terms, you agree that this shall constitute a discharge of our obligation to make further payments to you. For the avoidance of doubt, this discharge shall not act so as to prevent you from bringing any claim for any act or omission by us.
- 22.6.4 Closure of your Penfold Pension will not affect any legal rights or obligations that have already arisen.

### **23. VARIATION**

- 23.1 We may vary these Terms and our Charges at any time if we have a valid reason to do so. We consider the following to be valid reasons:
- 23.1.1 to respond proportionately to changes in Regulatory Requirements;
  - 23.1.2 to reflect any changes made to the Scheme Rules;
  - 23.1.3 to comply with any decision or recommendation of a legal body or legal decision;
  - 23.1.4 to reflect good industry practice or changes in the operation of the markets;
  - 23.1.5 as a result of changes to our systems and processes and the way our business operates, or any changes to or affecting any third parties with whom we engage whilst providing your Penfold Pension;
  - 23.1.6 to remedy obvious errors; or
  - 23.1.7 to proportionately reflect legitimate cost increases in, or restructures of, the Penfold Pension and how we operate it.
- 23.2 If we vary these Terms to your disadvantage or vary our Charges for a reason that is not specified in these Terms, we will give you 30 days' prior notice in writing, except in the case of changes that we have to make for the purposes of complying with Regulatory Requirements, when we may vary these Terms with immediate effect.
- 23.3 Whenever we give you notice of a material amendment that is to your disadvantage, you will be able to close your Penfold Pension during the notice period specified in accordance with your current Terms. If you do not do this, you will be deemed to have accepted the change.

### **24. COMPLAINTS**

- 24.1 You can address any complaints about our services by email or in writing, to the Chief Operating Officer, at the address shown in the 'Information, communication and notices' section above. The complaint will be dealt with in line with our complaints procedure, a copy of which is available on our App and on request.
- 24.2 If the matter is not dealt with to your satisfaction, you can refer your complaint to:
- The Pensions Ombudsman  
10 South Colonnade  
Canary Wharf E14 4PU  
Telephone number: 0800 917 4487  
[www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)
- 24.3 Or alternatively to:
- The Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR  
Telephone number: 0800 023 4567  
[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)
- 24.4 Making a complaint will not prejudice your right to take legal proceedings.

## **25. COMPENSATION**

- 25.1 Your Penfold Pension is covered by the Financial Services Compensation Scheme (FSCS). Under the FSCS you may, in certain circumstances, be entitled to receive compensation if we are unable to meet our or their obligations to retail clients, for example, if we cease trading or become insolvent.
- 25.2 The amount of compensation that you may be entitled to receive under the FSCS depends on the type of business being carried out and the circumstances of the claim. Most types of investment business are covered, as at the date of our Terms, up to £85,000 for any one claimant. These limits may change from time to time. Please note that compensation limits apply to your total holdings with an organisation in relation to each category of claim and therefore each limit includes all the investments or all the cash that you hold across your accounts with one organisation.
- 25.3 Please note that the FSCS does not protect against market volatility. In addition, compensation arrangements in overseas jurisdictions may differ to those in the UK.
- 25.4 Further information on the FSCS is available on their website [www.fscs.org.uk](http://www.fscs.org.uk)

## **26. OTHER IMPORTANT TERMS**

- 26.1 Transferring rights and obligations
- 26.1.1 We may delegate the performance of our obligations under these Terms to a third party. Before doing so we will take reasonable care to make sure that the third party will competently perform the obligations delegated, we will monitor the performance of the third party's activities and will remain responsible for the obligations delegated.
- 26.1.2 We may also transfer all or part of our rights and obligations under these Terms to a third party. We do not need your consent to do this but will only do so if we receive undertakings from that third party that you will be no less favourably treated than before the transfer was effected.
- 26.1.3 You may not assign or otherwise transfer any of your rights or obligations under the agreement to anyone else unless we have given you our prior written consent.
- 26.2 Legal/Tax/ Investment matters
- 26.2.1 We will not provide you with legal, tax or investment advice and recommend that you obtain your own independent advice.
- 26.3 Nobody else has any rights under these Terms
- 26.3.1 These Terms are between you and us. No other person shall have any rights to enforce any of their terms.
- 26.4 If a court finds part of these Terms illegal, the rest will continue in force
- 26.4.1 Each of the paragraphs of these Terms operates separately. If any court or relevant authority decides that any of them are unlawful, the remaining paragraphs will remain in full force and effect.
- 26.5 Even if we delay in enforcing any of these Terms, we can still enforce it later
- 26.5.1 If we do not insist immediately that you do anything you are required to do under these Terms, or if we delay in taking steps against you in respect of your breaking these Terms, that will not mean that you do not have to do those things and it will not prevent us taking steps against you at a later date. For example, if you miss a payment and we do not chase you, but we continue to provide the products, we can still require you to make the payment at a later date.
- 26.6 Regulatory Compliance
- 26.6.1 We conform to the Regulatory Requirements as they apply to us in the UK.
- 26.7 Which laws apply to these Terms and where you may bring legal proceedings

- 26.7.1 These Terms are governed by English law and you can bring legal proceedings in respect of these Terms in the courts of England and Wales.
- 26.7.2 If you live in Scotland, you can bring legal proceedings in respect of these Terms in either the Scottish courts or the courts of England and Wales.
- 26.7.3 If you live in Northern Ireland, you can bring legal proceedings in respect of these Terms in either the Northern Irish courts or the courts of England and Wales.

## **27. RISK WARNINGS**

- 27.1 Your Penfold Pension is used for investment purposes. As we provide an execution only service, we do not provide any financial advice or make recommendations which means that any decision is made by you or on the advice of a financial adviser which you have appointed. If you are in any doubt you should consult a professional financial adviser.
- 27.2 With all investments your capital is at risk and the value of your investments and the income deriving from it can go down as well as up. You may get back less than the amount you originally invested.
- 27.3 All investments carry an element of risk. There are general risks that apply to all investments and some which are specific to an individual fund or type of investment. Listed below is important information about the risks of investing, please note that this is not an exhaustive list of all the risks associated with any particular investment. You should read the relevant Penfold Pension Key Features Document and Charges Guide and the Key Investor Information Document (KIID), Key Information Document (KID) or Prospectus for any Permitted Investment you wish to invest in as these will contain important information that could influence your decision.
- 27.4 Laws and tax rules may change in the future without notice. This information takes no account of your personal circumstances which may have an impact on tax treatment.
- 27.5 Past performance is not a guide to future performance. Future returns are not guaranteed. What you receive when you sell your investments is not guaranteed, it depends on how your investment performs and the charges applied.
- 27.6 Foreign markets involve different risks from the UK market.
- 27.7 Investments in emerging markets or less developed countries may have less regulatory control and less supervision of their financial markets, and consequently less investor protection.
- 27.8 Transaction costs, commissions and local taxes may be higher than in more developed financial markets. This may all mean your money is at greater risk. Investments which are denominated in a currency other than Sterling may be affected by movements in exchange rates. Consequently, the value of an investment may rise or fall in line with exchange rates.
- 27.9 Investments may be adversely affected by changes in interest rates and expectations of inflation. They may be subject to credit, liquidity and duration risks. Adverse changes in the financial position of an issuer to repay their debt or have their credit rating reduced. Generally, the higher perceived credit risk of the issuer, the higher the rate of interest.
- 27.10 Illiquid securities can take a lot longer to sell than other types of investment so you may not be able to sell when you want to. Illiquid securities, like equities, can rise or fall sharply at any time.
- 27.11 Funds may invest in Derivatives. Derivatives are used to protect against currencies, credit and interest rate movements or for investment purposes. There is therefore a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions.



## SCHEDULE 1 – CUSTODY TERMS

### 1. BACKGROUND

- 1.1 Penfold has appointed Seccl Custody Limited ("SCL") as the custodian to provide:
- 1.1.1 the custody services more particularly described in this schedule;
  - 1.1.2 cash payment services, asset price and information data; and
  - 1.1.3 client money and asset reconciliation in accordance with the client asset sourcebook ("CASS") of the FCA rules.
- 1.2 SCL is authorised and regulated by the Financial Conduct Authority of 12 Endeavour Square, London, E20 1JN, registration number 793200, to arrange, safeguard and administer custody of cash and assets.
- 1.3 SCL is registered in England, registration number 10430958. To contact SCL, write to 20 Manvers Street, Bath, BA1 1JW.
- 1.4 Terms not defined in these custody terms have the meaning set out in the terms or the FCA rules.

### 2. SYSTEM OPERATION - APPLYING AND TRANSACTING

- 2.1 The custodian ensures that the custody of your cash and assets are managed compliantly in accordance with the applicable regulations.
- 2.2 Any deposits or withdrawals of cash or instructions to buy, sell or transfer investments, through Penfold, will be recorded and managed in accordance with CASS. SCL will ensure any investment instructions are placed in accordance with the terms.
- 2.3 All client cash will be held with an approved bank in a designated client money statutory trust account. The account is held separately from any monies held by either SCL, Penfold or the Trustee.
- 2.4 Client assets will be registered to Digital Custody Nominees Limited ("Nominee") which is a wholly owned subsidiary company of SCL. This arrangement safeguards and segregates your assets from those of SCL. SCL accepts the same level of responsibility under CASS to you for the nominee.
- 2.5 Your cash and assets will be held in a pooled arrangement. This means that SCL will have records that identify your individual ownership and entitlement to assets. For operational and servicing purposes it is more efficient for SCL to administer your investments on a pooled basis.
- 2.6 There may be instances where SCL needs to appoint third-party nominees or sub-custodians to maintain the custody services offered. By agreeing to these custody terms, you authorise SCL to do so.
- 2.7 SCL will use reasonable care and due diligence to perform its custodian duties. Your assets will be held separately to SCL's assets if SCL goes out of business. If any shortfall of assets arises as a result of SCL's or a third-party nominee or a sub-custodian's insolvency, these would be shared on a proportionate basis with affected clients.
- 2.8 Where SCL receives income from your investments through dividend payments, fund distributions and corporate actions, SCL will reconcile and credit these to your accounts.
- 2.9 As corporate action events arise, SCL will inform Penfold where actions are applicable to your assets.
- 2.10 SCL will facilitate the transfer of cash and assets in accordance with client instructions and the relevant provisions of these Terms.

### 3. CASH PROCESSES

- 3.1 Any client deposits or income will be credited to your respective account once identified and reconciled with the date SCL received monies.
- 3.2 SCL will not pay any interest on cash held in client money accounts. You will be notified by Penfold of any changes to the policy on client interest.



#### **4. SETTLEMENT**

- 4.1 Settlement of client assets will accord with market best practice.
- 4.2 For switch orders, SCL will place a buy order after the sell instruction is confirmed by the fund manager.

#### **5. ASSET RECONCILIATIONS**

- 5.1 SCL will reconcile client money and assets in accordance with CASS.
- 5.2 Client money will be reconciled on a business day basis and assets will be reconciled externally according to their type and registration.

#### **6. COMMUNICATIONS**

- 6.1 All communication with you will be in English through the Penfold App.
- 6.2 SCL will provide quarterly valuation statements and contract notes, which will detail the buys or sells instructed on your account. It is your responsibility to sign-in and read this information and it is important you notify Penfold promptly of any errors or omissions in respect of the accuracy of these documents.

#### **7. COMPLAINTS**

- 7.1 SCL has its own complaints policy. If you want to complain, please contact Penfold first. If the complaint relates to services provided by SCL, SCL will provide Penfold with all necessary information to resolve the complaint. Penfold may ask SCL to take control or assist on the complaint if necessary.
- 7.2 If you do not think this is appropriate or Penfold is unable to meet its obligations, please contact SCL by email at [complaints@seccl.tech](mailto:complaints@seccl.tech) or by post to the compliance officer, 20 Manvers Street, Bath, BA1 1JW.
- 7.3 If your complaint is not resolved satisfactorily or fails to be resolved within eight weeks of submitting your complaint, you can also direct your complaint to the financial ombudsman service at:
  - (a) Exchange Tower, London E14 9SR. Telephone: 0800 023 4567 Or 0300 123 9 123;
  - (b) email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk); and
  - (c) website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

#### **8. REMUNERATION**

- 8.1 Penfold pays SCL for custody services.

#### **9. CONFLICTS OF INTEREST**

- 9.1 SCL maintain a Conflicts of Interest Policy independent of Penfold. It is available by contacting Penfold.

#### **10. FORCE MAJEURE EVENT**

- 10.1 To the extent permissible under applicable law, neither Penfold nor SCL shall be responsible for any loss or damage suffered by the other party by reason of any natural and unavoidable catastrophes that interrupt the expected course of events and restrict Penfold or SCL from fulfilling obligations under these custody terms ("force majeure event"). If such loss, damage or failure is or may occur, due to a force majeure event, each party will use reasonable endeavours to minimise the effects and will notify the other as soon as possible.

#### **11. DATA PROTECTION**

- 11.1 In acting as custodian SCL will have access to the data you provide on application to Penfold service. In the service agreement between Penfold and SCL, both parties are joint data controllers and have independent privacy policies that summarise how your personal information will be used and with whom it is shared.

11.2 SCL will use your details for regulatory reporting purposes and will not use or share your information for marketing purposes.

## **12. FSCS**

12.1 Penfold is covered by the Financial Services Compensation Scheme ("FSCS"). If Penfold ceases trading and cannot meet their obligations, you may be entitled to compensation from the scheme up to a maximum of £85,000 (or such other value covered from time to time by the FSCS) for investment claims.

12.2 Further information about the compensation arrangements is available from the FSCS directly:

(a) Website: [www.fscs.co.uk](http://www.fscs.co.uk)

(b) Telephone: 0800 678 1100 / 020 7741 4100.

(c) Address: Financial Services Compensation Scheme, PO BOX 300, Mitcheldean, GL17 1DY

## **13. USE OF THIRD PARTIES**

13.1 To provide custody services SCL, will use the services of third-party service providers.

13.2 Examples include the provision of data and price feeds of assets, the execution of trading instructions, clearing and settlement services, banking services, client verification, regulatory reporting, card payment services and the facilitation of automated transfer instructions.

13.3 Where services are provided by a third-party, SCL will use reasonable care and due diligence in selecting them and monitoring their performance. Except for clause 2.4, SCL does not guarantee proper performance by the third-party and will not itself be responsible if a third-party provider fails to meet its obligations. This means that should the third-party default or becomes insolvent, you may lose some or all of your assets and will not necessarily be entitled to compensation from SCL. Including, in circumstances where it is not possible under the relevant national law and the registration under clause 2.6 to identify the client assets from the proprietary assets of the third-party firm.

## **14. TERMINATION**

14.1 SCL may terminate the custody terms in relation to any individual account by giving Penfold 30 days' written notice (subject to applicable law and regulatory requirements). There is no minimum duration of the terms.

14.2 SCL may also terminate the terms with immediate effect by written notice if required to do so for legal or regulatory reasons or on instructions from Penfold.

14.3 In this event, Penfold will instruct SCL where to transfer the client assets and client money. If Penfold does not do so promptly, or if Penfold no longer represents you, then you will on request give the relevant instruction. The custodian will transfer client assets and client money in accordance with the relevant instruction or, if it is unable to obtain instructions, it will transfer them directly to you. The terms will continue to apply until such transfer of the client assets and the client money is complete.

## **15. SEVERABILITY**

15.1 If any part of this agreement is declared unenforceable or invalid, the remainder will continue to be valid and enforceable.

## **16. NOTICES OF CHANGE/VARIATIONS**

16.1 SCL may change these custody terms in whole or in part, and can do this for the reasons stated in the Variation section of these Terms.

## **17. GOVERNING LAW**

- 17.1 This agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England.
- 17.2 You irrevocably agree that the courts of England shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with these custody terms or its subject matter or formation.

## **18. LIABILITY**

- 18.1 SCL will act with all reasonable skill, care and diligence in acting as custodian. SCL will be liable for any direct loss that is the result of fraud, negligence, wilful default or failure by SCL to account for assets in accounts or through a breach of FCA rules unless any such failure is the direct result of the fraudulent acts or omissions of you or Penfold.
- 18.2 Nothing in these custody terms shall be read as excluding or restricting any liability SCL may not exclude under applicable law, or which it may have for fraud, fraudulent misrepresentation, death or personal injury.
- 18.3 SCL will not be liable for the following:
- (a) loss of business, goodwill, opportunity or profit which is not a direct loss; or
  - (b) any special, consequential or indirect loss whatsoever.
  - (c) as a result of SCL doing (or not doing) anything in reliance upon an instruction given (or which reasonably believed to have been given) by you;
  - (d) as a result of your decisions relating to the choice, purchase, retention and sale of any assets in your account;
  - (e) from the default of any bank, fund manager or provider which holds your cash and assets (except as required under the FCA rules);
  - (f) from the performance of any assets and investments;
  - (g) from any tax liabilities or charges that are incurred in relation to your account and/or the assets held within it; or
  - (h) from any instruction sent by you that is not received by SCL, unless the failed receipt is due to a fault or omission on the part of SCL.
- 18.4 You accept and acknowledge that the internet and the telecommunication systems may be subject to interruption or failure through no fault of ours.

## **19. HEADINGS**

- 19.1 The section headings contained in this agreement are for reference purposes only and shall not affect the meaning or interpretation of this agreement.



## CONTACT US

You can contact Penfold via:

**Website:** [www.getpenfold.com](http://www.getpenfold.com)

**Email:** [hello@getpenfold.com](mailto:hello@getpenfold.com)

**Telephone:** 0208 003 5908

**Address:** Penfold, Uncommon Borough, 1 Long Lane, London, SE1 4PG

You can also contact us via webchat in the App, which you can access using the iPhone or android app on your mobile phone, or via our Website at [www.getpenfold.com](http://www.getpenfold.com).

Penfold<sup>®</sup> is a trading name of Penfold Savings Limited whose registered office is Uncommon Borough, 1 Long Lane, London, SE1 4PG and is registered in England and Wales (Company Number 11668244). Penfold Savings Limited is authorised and regulated by the Financial Conduct Authority (Firm Reference Number: 826097).

Seccl Custody Limited is registered in England and Wales (Company Number: 10430958), and authorised and regulated by the Financial Conduct Authority (Firm Reference Number: 793200).

You can check out these details on the Companies House website at [www.gov.uk/government/organisations/companies-house](http://www.gov.uk/government/organisations/companies-house) and the FCA's website at [www.fca.org.uk/register](http://www.fca.org.uk/register).

You can find links to these Terms, the Key Features Document, and the Charges Guide at [www.getpenfold.com/legal](http://www.getpenfold.com/legal).