

1 PURPOSE

The purpose of this guidance is to ensure that advisers at Impact Financial Services conduct a complete and accurate fact-find before making any recommendation.

A properly completed fact-find allows the adviser to:

- understand the client's circumstances
- identify financial needs and priorities
- assess affordability
- provide suitable recommendations

The fact-find forms the foundation of the firm's advice process.

2 IMPORTANCE OF THE FACT FIND

A fact-find is a structured process used to gather relevant information about the client.

The fact-find supports:

- suitability of advice
- compliance with regulatory requirements
- documentation of the advice process

Advisers must not make recommendations without completing a full fact-find.

Incomplete fact-finds may result in unsuitable recommendations and potential regulatory breaches.

3 WHEN THE FACT FIND MUST BE COMPLETED

A fact-find must be completed:

- before providing protection advice
- before recommending a mortgage
- when reviewing a client's financial situation
- when replacing an existing policy

Where the client's circumstances change, the fact-find must be updated.

4 INFORMATION THAT MUST BE COLLECTED

Advisers must collect sufficient information to understand the client's circumstances. This may include:

Personal Details

- name
- date of birth
- address history
- marital status
- dependants

Employment and Income

- employment status
- employer or business details
- income level
- additional income sources

Expenditure

- mortgage or rent
- loans and credit commitments
- living expenses
- other financial obligations

Assets and Liabilities

- savings
- investments
- property value
- outstanding debts

Existing Mortgage

- lender
- outstanding balance
- monthly payments
- interest rate
- remaining term

Existing Protection Policies

- insurer
- policy type
- cover amount
- premium
- policy term

This information must also be recorded within Pro System in the Existing Policies section.

5 CLIENT OBJECTIVES

A key part of the fact-find is understanding the client's objectives. Advisers should identify:

- mortgage objectives
- protection needs
- financial priorities
- future plans

Understanding the client's objectives ensures that recommendations align with the client's needs.

6 PROTECTION NEEDS ANALYSIS

Where protection advice is provided, advisers must assess:

- financial responsibilities of the client
- income protection requirements
- family protection needs
- mortgage protection needs

The adviser should also discuss the client's budget and affordability.

7 VULNERABILITY ASSESSMENT

Advisers must consider whether the client may be vulnerable. Examples of potential vulnerability include:

- health issues
- financial stress
- language barriers
- bereavement
- major life events

Where vulnerability is identified, advisers must adapt their communication and provide additional support where necessary.

8 HEALTH INFORMATION

Where protection advice is provided, the adviser may collect a summary of health information.

Detailed medical information may later be collected through the insurer's health questionnaire.

Advisers must handle health information carefully as it may constitute special category data.

9 REPLACEMENT ASSESSMENT

Where the client already has protection policies, the adviser must assess whether replacement is appropriate.

If replacement is recommended:

- the existing policy must be recorded in Pro System
- a Replacement Form must be completed with the client
- the risks of cancellation must be explained

Replacement must only be recommended where it is clearly beneficial for the client.

10 RECORDING THE FACT FIND

The fact-find must be recorded within the firm's CRM system Pro System.

Where a paper fact-find is completed during the meeting, the adviser must ensure the information is subsequently recorded in the system.

Maintaining accurate records ensures transparency and supports compliance monitoring.

11 CLIENT CONFIRMATION

Clients should confirm that the information provided during the fact-find is accurate. This may be done through:

- client signature

- written confirmation
- electronic confirmation where appropriate

12 MONITORING AND FILE REVIEWS

Fact-find completion may be reviewed during file reviews conducted by the T&C Manager.

File reviews may assess:

- completeness of information
- clarity of client objectives
- consistency with recommendations

Incomplete fact-finds may result in remedial actions or additional supervision.

✓ Good Practice

- asking open questions to understand the client's needs
- clearly documenting client objectives
- confirming affordability before recommending products
- ensuring the fact-find is complete before providing advice

✗ Poor Practice

- making recommendations without completing a fact-find
- failing to record existing policies
- failing to assess affordability
- relying on assumptions rather than client information

Such practices may lead to unsuitable advice and compliance concerns.

15 REVIEW OF GUIDANCE

This guidance may be reviewed:

- following regulatory changes
- following advice process updates
- following findings from file reviews

Impact Financial Services remains committed to maintaining high standards of advice and client understanding.