



## Client Protection

Investec Wealth & Investment is committed to protecting our clients' money and assets. The following document outlines our responsibilities to you and how we hold assets and cash on your behalf.

### The Company and its structure

Investec Wealth & Investment Limited (IW&I) is a wholly owned subsidiary of Investec plc, which is a listed company on the London Stock Exchange. IW&I does not undertake any principal trading on our own behalf and we do not carry out any corporate finance activity.

### Our Approach

As an Financial Conduct Authority (FCA) regulated firm, we follow the rules prescribed by the FCA in choosing where stock or cash will be deposited for safe keeping or custody. In relation to cash balances, the FCA Client Money rules require us to deposit Client Money in a client account with a bank or other credit institution of a type permitted under the rules.

### Client Assets

IW&I wholly owns four Nominee Companies, Ferlim Nominees Limited, Rensburg Client Nominees Limited, Hero Nominees Limited and Spring Nominees Limited, all of which are used to hold Client Assets in accordance with the Client Assets rules of the FCA, our Regulator.

A Nominee Company holds assets as the legal owner, but on behalf of clients as beneficial owners of the associated Client Assets.

IW&I does not hold any of its own assets in our Nominee Companies, they exist purely to hold Client Assets.

Assets of clients held in our Nominee Company are recorded in such a manner to clearly indicate that they do not belong to IW&I. Therefore, in the unlikely event of the insolvency of IW&I, a liquidator would be legally prevented from using clients' assets to settle the firm's liabilities.

Our Nominee Companies operate as pooled nominees, meaning all of our clients who hold their assets in our Nominee Companies have a claim against the relevant pooled nominee holdings in the event of any insolvency event.

Pooling your Investments with those of other investors means that your individual entitlement may not be identifiable by separate certificates, physical documents or entries on the register.

In the event of insolvency or other such default event, as your holding is pooled with other clients, this means that you will have a general claim on the assets alongside other clients, which in the event of any shortfall, may result in a proportionate distribution of such assets to you that are less than your recorded holding.

### Client Money

Client Money is held with a bank or approved credit institution as permitted by the FCA Rules, in an account which is designated as Client Money and covered by an FCA Acknowledgement Letter. The letter sets out the legal terms that apply to the protection and segregation of those funds and clearly differentiates it from our own firm's money. In the unlikely event of an IW&I insolvency, this means the money in these accounts would be held separate to our own firm's money and be available to the insolvency practitioner to distribute to the respective clients with a valid claim on the balance.

If you have elected for an offshore portfolio, your Client Money is held in a bank account in an offshore location, but forms part of our overall general pool of Client Money.

For any type of portfolio, because we operate a general Client Money pool, it means that any claim by you is against the Client Money pool in general, which means that the balance on all of our Client Money Bank Accounts will be divided proportionately to all clients who have a valid claim against the sum held in the general pool and this may or may not be equal to the individual sum you hold in your client portfolio.

### Diversification

We place Client Money with a number of banks and this helps us to optimise the service and also diversify to reduce the exposure of holding Client Money with a single bank.

We manage our deposits with strict banking limits in place, to cover any single bank or group of banks operating with a single banking licence.

This may not entirely eliminate any risk of loss to you in the event of a default situation, but we feel it is a beneficial control to assist in mitigation of the risk.

### Due Diligence

In appointing and using a third party to provide banking or custody services in relation to Client Money and/or Assets, the FCA Rules also require us to exercise all due skill, care and diligence in the selection, appointment and periodic review of the third party taking into account the standing, expertise and market reputation of the third party and we ensure we comply to the FCA Rules accordingly by conducting regular and periodic due diligence on our banks and custodians.

### Direct Financial Loss (Crime) insurance

In order to protect our clients, we have an insurance policy in place that covers clients for a Direct Financial Loss of up to £365m in any one loss and in all caused by:-

- Fidelity
- Forgery
- Counterfeit Currency
- Computer Fraud
- Loss of Property

### Professional Indemnity (Civil Liability) insurance

Insurance is maintained against IW&I's possible negligence of up to £365m for any one claim and in all.

### Compensation Schemes

There are financial compensation schemes in operation that cover deposits with banks that are licensed under the schemes.

In the UK, we have the Financial Services Compensation Scheme ("FSCS") and this is an independent body created under the Financial Services and Markets Act 2000.

The FSCS may pay compensation if a firm is unable, or likely to be unable, to pay claims against it. This will generally be because the firm has stopped trading and has insufficient assets to meet claims, or is in insolvency – otherwise known as default.

There are similar schemes in Guernsey, Jersey & the Isle of Man and you may be eligible for cover under these compensation schemes in the event of an insolvency situation.

It is possible that individual clients may be able to claim under this scheme if IW&I is not in default, but a bank with whom Client Monies are held is in default. However there is no guarantee that you will be eligible under these compensation schemes and it will be at the decision of the independent body operating such schemes to decide on eligibility.

There are limits for all compensation schemes and they may not cover the entire balance of your Client Money held. Further information can be found at the FSCS website at [www.fscs.org.uk](http://www.fscs.org.uk) or for the Isle of Man at [www.gov.im/fsc/investor/dep\\_comp](http://www.gov.im/fsc/investor/dep_comp), Guernsey at [www.dcs.gg](http://www.dcs.gg) and Jersey at [www.gov.je/Industry/Finance/DepositProtection](http://www.gov.je/Industry/Finance/DepositProtection)

## Compensation Limits

The actual level of compensation you receive will depend on the basis of your claim.

For example, the FSCS only pays compensation for financial loss. Compensation limits are per person per firm, and per claim category (listed below).

The maximum levels of compensation are:

- Deposits: £85,000 per person per firm (for claims against firms declared in default from 30 January 2017). £170,000 for joint accounts. The £85,000 figure is the sterling equivalent of €100,000 as required by the recast Deposit Guarantee Schemes Directive. 100% of £85,000.

- The FSCS provides a £1 million protection limit for temporary high balances held with your bank, building society or credit union if it fails. Refer to the FSCS Q&As about temporary high balances for more information.
- Investments: £50,000 per person per firm (for claims against firms declared in default from 1 January 2010). 100% of the first £50,000.

Further information can be found at the FSCS website at [www.fscs.org.uk](http://www.fscs.org.uk)

## Internal Controls

IW&I prepares an annual internal control report (referred to as an AAF 01/06 report) which is audited. This is available on request through your usual contact.

## The Financial Conduct Authority

Investec Wealth & Investment ("IW&I") is authorised and regulated by the Financial Conduct Authority (FCA) one of whose prime functions is to ensure investor protection through the regulation of financial services markets, exchanges and firms.

When IW&I provides services to its clients, it does so subject to day-to-day rules on the conduct of its business set by the FCA and designed to protect the interests of clients.

These rules include an obligation to ensure that assets belonging to clients (such as investments and cash) when under the control of IW&I are clearly segregated from assets of IW&I itself.

## Complaints

We take complaints very seriously and have established procedures in accordance with the FCA's requirements for the consideration and handling of complaints which ensures that they are dealt with fairly and promptly. Our written complaints policy is available upon request.

If in the future you would like to make a complaint you can either speak to your usual point of contact at IW&I or contact our Compliance Officer at 30 Gresham Street, London EC2V 7QN or email [complaints@investecwin.co.uk](mailto:complaints@investecwin.co.uk).

For most individuals and some small businesses, we are required to provide you with a final response within eight weeks from the date we received your complaint.

However, if you do not agree with our response or are dissatisfied with the outcome, you have the right to refer your complaint to the Financial Ombudsman Service (FOS) which is an independent dispute resolution service. The FOS website address is [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk), but you may contact them directly by email [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk) or by telephone (0300 123 9123).

**Bath** 01225 341580  
**Belfast** 02890 321002  
**Birmingham** 0121 232 0700  
**Bournemouth** 01202 208100  
**Cheltenham** 01242 514756

**Edinburgh** 0131 226 5000  
**Exeter** 01392 204404  
**Glasgow** 0141 333 9323  
**Guildford** 01483 304707  
**Leeds** 0113 245 4488

**Liverpool** 0151 227 2030  
**London** 020 7597 1234  
**Manchester** 0161 832 6868  
**Reigate** 01737 224223  
**Sheffield** 0114 275 5100

[investecwin.co.uk](http://investecwin.co.uk)