

Security of Clients' Assets



We place the utmost importance on doing all that we can to ensure the security of our clients' assets. NW Brown & Company Ltd is authorised and regulated by the Financial Conduct Authority, which means that we adhere to stringent industry requirements for safeguarding our clients' assets. In addition, we have put in place a number of our own arrangements.

Security of Assets

The vast majority of the investments we hold for our clients are registered in the name of one of two nominee companies, NW Brown Nominees Ltd and NW Brown ISA Nominees Ltd. These companies are set up purely for the purpose of holding client assets and have no other activity. These companies are incorporated in their own right and form no part of the balance sheet of either NW Brown & Company Ltd or NW Brown Group Ltd. The nominee companies are run in accordance with FCA rules and are regularly audited by our auditors. We hold all your investments in trust and they remain your property at all times.

In the case of our direct shareholdings we hold these in our nominee company names through our sponsored members account in CREST. This enables us to settle trades efficiently through the electronic settlement system rather than using paper share certificates. In the case of Unit Trusts, OEICs or direct overseas shareholdings we may use other specialist custodians where these investments are held in trust on behalf of NW Brown & Company Ltd.

Bank Accounts

All cash within client accounts is held at NatWest where we open a separate bank account for every client. NatWest is one of the largest retail banks in the United Kingdom and is a part of the Royal Bank of Scotland Group. These accounts are all set up on a trust basis. This means that they are treated by NatWest as being held on our clients' behalf and cannot therefore be used by the bank as part of its wider business to back loans or mortgages.

Professional Indemnity Insurance

As a firm responsible for clients' assets, we have in place a comprehensive set of systems, processes, checks and safeguards that we review constantly to ensure their integrity. In order to protect our clients further we have taken out Professional Indemnity Insurance. This provides cover against loss in the event of negligence, error, omission or fraud by any member of the firm where there is a contractual liability. The policy covers £3,000,000 for any one claim or number of claims arising from one action. A copy of the policy document is available on request.

Financial Services Compensation Scheme

The Financial Services Compensation Scheme (FSCS) has been created to provide compensation should a regulated firm go into administration and a client suffers a loss as a result. There are differing levels of compensation depending on whether the claim originates from an investment or a bank account. For investments that we manage on your behalf, individuals are currently covered for the first £50,000 per person should we go into administration and be unable to return your funds. This compensation is not designed to compensate for losses due to ordinary market movements or the failure of companies that we invest in.

Due to the trust status of the bank accounts, these accounts are owned by each individual client for the purposes of the FSCS and therefore would be eligible for compensation which is currently up to £85,000 per person per banking license. Please note that any other 'non-NW Brown' accounts held with NatWest would also count towards the £85,000 compensation figure.

For full details on the FSCS, please visit their website: <http://www.fscs.org.uk/>.

The arrangements outlined are designed to protect our clients against the failure of NW Brown. They do not compensate for investment losses. Please remember that the value of your investments may go down as well as up, and you may receive back less than you invested.

For more information please contact us on 01223 720 264.