

## DRAFT TERMS OF REFERENCE - FINANCIAL ADVISER

BACKGROUND

The Macfarlane Trust has been using a Financial Adviser to assist Registrants with financial planning and mortgage arrangement since early in 1991.

Susan Daniels was originally approached by Tudur Williams because Trust Registrants were finding it very difficult to obtain mortgages due to their HIV status and dependance on Benefits. Susan managed to negotiate a 'Benefits only' mortgage package for Registrants with Nationwide Building Society, and in the first 5 or 6 years of her involvement with Macfarlane Trust she arranged approximately 40 mortgages for Registrants and at the same time advised many on their personal finances.

As time went on Tudur Williams asked Susan Daniels to become involved with financial planning more and more frequently due to the number of Registrants who had spent their original MFT payments and were left in poor circumstances.

Following a period of 'negative equity' and a flat housing market, things have improved considerably in the past two years, and many Registrants have been able to move to more appropriate housing with help from Susan Daniels.

More recently, Susan has been called upon to provide debt counselling and in a number of cases to negotiate with creditors and reschedule debt in a way that is acceptable to them and manageable by the Registrant.

Susan Daniels also gives advice to families following bereavement, and has become very much part of the support network offered to Registrants by the Trust.

Susan Daniels is professionally qualified with a Financial Planning Certificate awarded by the Institute of Chartered Insurers and carries her own Professional Indemnity Insurance. Her work for the Trust falls into two main groups:

1. General Financial Advice, for which Susan charges fees of up to £100 per client on the basis that advice given is 'guaranteed to be totally disinterested' and for which her only financial return is the fee paid by Macfarlane Trust;

and

2. Mortgage Assistance for which the Trust pays a fee of £275 for each arrangement which in most cases is deducted from the 'Moving Home Grant'. Susan also receives a small fee from Nationwide as a mortgage broker.

The Trust also pays Susan Daniels her Travel Expenses when on Macfarlane Trust business.

Susan has set up her own business: JTA Financial Services, and her role as Financial Adviser to Trust Registrants has 'grown like Topsy' over the years.

It is now felt necessary to establish a professional and formal Agreement between JTA Financial Services and Macfarlane Trust that will cover the following areas:

- (i) Initiation of specific business - how SD knows that work is authorised by MFT and will be paid for.
- (ii) Range of advice covered by Agreement: Financial Planning; Mortgage Advice/Arrangement; Debt Counselling and Rescheduling; other areas to be considered.
- (iii) Fee negotiation and review; payment of expenses.
- (iv) Professional Indemnity Cover and updating of Qualifications.
- (v) Review and Renegotiation of Agreement: frequency and who should be involved.
- (vi) Any other relevant points

This issue is raised to give Trustees the opportunity for further discussion on a suitable Agreement.

Ann Hithersay  
Administrator