

How Tom, a retired army Captain, simplified his financial affairs (reducing costs and paperwork) and was helped to keep on top of things following a stroke.

Background

Tom (82) is a retired captain, never married, he had amassed a large portfolio of investments and moved to the Borders in 2008. He was using an adviser down south who “kept moving things around” and his Lawyer asked if he might prefer to use a more local adviser and suggested he contact Lowland.



Income from Tom's pensions was more than sufficient to maintain his expenditure

He had £220,000 invested in Unit Trusts and ISAs with 7 different companies

He also had £200,000 in cash ISAs, deposit accounts and Premium Bonds

Challenges

- Simplify the paperwork which was coming from 7 different places for his different investments.
- Grow the value of the investments and savings which he planned to leave to charity.
- Match his desire for growth from investments whilst maintaining a sensible reserve of low risk cash deposits and National Savings
- Minimise the tax consequences of Tom's savings and investments (his pensions put him into the 40% Tax bracket)

01896 751007 | www.lowlandfinancial.co.uk | advice@lowlandfinancial.co.uk

This case study is an example of how we have helped an actual client in the past and should not be seen as advice. Names and some details have been changed to protect identities. Our advice is always bespoke and dependent on your own specific circumstances and objectives.

What we did

- We reviewed his funds, checked them against our risk assessment and identified which funds we would suggest he kept and which ones might be switched to improve returns.
- We explained how 6 of his 7 investments (Unit Trusts and ISAs) could be consolidated into one account – a process known as “re-registration”.
- The company we recommended, Fundsnetwork, made no charge for this process and Tom retained exactly the same funds but now all under the same umbrella. All funds remain protected in exactly the same way as before.
- Any fund switches cost him less than before (saving up to 3% of each new fund).
- We recommended and with Tom’s agreement, implemented some fund switches to improve the potential returns.
- Lowland now receive 0.5%pa of the funds invested (rather than his previous adviser) as we now provide a range of ongoing advice and review services

The Results

- Tom’s initial concern that we were also moving things around to make money “just like the other lot” were proved to be unfounded and he appreciates the simplified paperwork, consolidated tax statements etc
- Every year we switch money from his investment funds (OEICs) into his ISA to improve the tax efficiency of his Portfolio. There is no charge for this advice or the switches as they are included in the review service
- Unfortunately Tom called to tell us he had had a mild stroke. This stopped him from driving and we offered to meet to review things with him at his home
- We have been to visit him on 3 occasions because he was frustrated and concerned about information needed for his tax return and needed help, in particular with the Building Society tax information
- We called his Building Society head office and asked them to send tax statements to his home address.
- The tax certificates duly arrived and we popped in to see Tom again to help work out what information should go onto his tax return

Consolidating Tom’s investments has cut paperwork making the administration of his funds much easier and saving Tom money every year

All fund switches (including OEIC to ISA) now cost Tom nothing as they are included in our R-12 service

He has completed his tax return and can now focus on regaining his driving licence which was withdrawn after the stroke

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