



## Financial Advice Provider Disclosure Statement

### Licensing Information

Wright Financial Solutions Limited (FSP500886) holds a Transitional Licence issued by the Financial Markets Authority to provide financial advice. Wright Business Solutions Limited (FSP728711) is the Authorised Body and the above companies are both trading as Wright Financial.

### What is Wright Financial's Identifying details?

Financial Adviser Name: Kathy Wright-St Clair (FSP41204)  
Financial Advice Provider: Wright Financial Solutions Limited t/a Wright Financial (FSP500886)  
Financial Adviser Name: Jared Wright-St Clair (FSP368286)  
Authorised Body: Wright Business Solutions Limited t/a Wright Financial (FSP728711)

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### What is Wright Financial's Nature and Scope of Advice?

Wright Financial provides financial advice to its clients in the areas of **Mortgage Lending, Life, Health and General Insurance, plus Investment Services**. Its financial advisers provide financial advice on financial products in these areas.

When a Wright Financial, financial adviser provides you with financial advice, they will consider your current financial position, spending behaviours and tolerances to risk. They will complete the analysis and endeavour to report back to you, with their recommendations within the agreed timeframe.

The recommendation our financial advisers will provide, will be presented to you in plain English, based on the information gathered at the time. Giving you the ability to make an informed decision and maximise the use of any funds you have available to either invest for the future or your retirement, purchase property and pay off debt, as well as protecting what is most important to you, your life, health, personal assets and wealth.

### What is Wright Financial's Duties and Obligations of Information?

Wright Financial and their financial advisers who give financial advice, have duties and obligations under the Financial Markets Conduct Act 2013 relating to the way that they give advice.

We are required to:

- Ensure you understand the nature and scope of service you ask me to provide.
- Provide an advice service that is relevant to this scope of service and suitable to your individual circumstances and needs.
- Listen to your needs, concerns and preferences and treat you fairly and with respect.
- Act with integrity, give priority to your interests by taking all reasonable steps to make sure our advice is not materially influenced by our own interests.
- Exercise care, diligence, and skill when providing you with advice.
- Ensure you understand my advice and recommendations and any associated risks.
- Keep you informed throughout the process, communicating in a timely, clear, and effective manner.
- Meet standards of competence, knowledge and skill set by the Code of Professional Conduct for Financial Advice Services (these are designed to make sure that we have the expertise needed to provide you with good advice).
- Meet standards of ethical behaviour, conduct and client care set by the Code of Professional Conduct for Financial Advice Services (these are designed to make sure we treat you as we should, and give you suitable advice).

This is only a summary of the duties that we have. More information is available by contacting us or by visiting the Financial Markets Authority website at <https://www.fma.govt.nz>.

## **What is Wright Financial's Complaint Handling and Disputes Resolution process?**

When we receive a complaint, we will consider it following our internal complaints process:

- We will consider your complaint and let you know how we intend to resolve it. Please be aware we may need to contact you to get further information about your complaint.
- You will be contacted either by phone or email within 48 hours a complaint being received. If we can't resolve this issue, we let you know we need more time to consider your complaint and how we propose to do so.

If we cannot resolve your complaint or you are not satisfied with the way we propose to do so, you can contact the Insurance & Financial Services Ombudsman (IFSO) Disputes Resolution Scheme. The IFSO Disputes Resolution Scheme provides a free, independent dispute resolution service that may help investigate or resolve your complaint.

If we haven't been able to resolve your complaint to your satisfaction. You can contact Insurance & Financial Services Ombudsman Disputes Resolution Scheme by emailing [info@ifso.nz](mailto:info@ifso.nz) or by calling: 0800 888 202. You can also write to them at: PO Box 10-845, Wellington 6143.

## **What is Wright Financial's availability of Information?**

The information we have discussed with you only, is available in writing, please let us know if you would like anything further in writing.

## **What Fees and Expenses do Wright Financial charge?**

Wright Financial generally does not charge fees for any mortgage advice or for the implementation of any mortgage products. Though we do reserve the right to charge fees in some lending situations, which will be disclosed up front at that time when the need is identified.

Wright Financial generally does not charge fees for any insurance advice or for the implementation of any insurance products. Though we do reserve the right to charge a fee for insurance advice when clients seek advice alone, which will be disclosed upfront at the time when the need is identified.

Wright Financial may charge a fee for investment plans and the implementation of an investment portfolio or may charge a fee on advice provided to a client where the hours worked exceed the estimate time included in the scope of service.

## **How does Wright Financial manage Conflicts of Interest and Incentives?**

For life, health and general insurance, Wright Financial advisers receive commission from the insurance company selected as your new insurance provider once your policy is issued. The amount of commission the financial adviser receives is based on the annual premium calculated by the insurer.

For mortgage lending and loans, Wright Financial advisers receive commission from the bank or lender selected as your new loan or mortgage provider after settlement. The amount of commission the financial adviser receives is based on the settlement figure of the loan or mortgage.

To ensure that our financial advisers prioritise their client's interests above their own, we follow an internationally recognised six step advice process that ensures our recommendations are made based on the client's personal goals, objectives and circumstances.

Our financial advisers also undergo regular training on managing conflicts of interest and maintain a register of any conflicts of interest they identify, along with records of any gifts or incentives they may or have received as a result of placing business with any particular provider. Wright Financial monitors these registers and provides additional training where necessary. Wright Financial performs an annual review of our compliance programme.

## **Who are the Lenders that Wright Financial work with and why?**

We work with the big four main banks, as well as three smaller New Zealand owned banks. We also work with fourteen other non-bank home loan and development companies, as well as five short term lenders. Working with multiple providers enables Wright Financial to offer a broad range of lending solutions.

The lending solutions Wright Financial provides, range from typical principal and interest (P&I) table mortgages as well as revolving credit, to short term unsecured personal or business lending, as well as short-term P&I and capitalised interest lending secured but not exclusively by residential property. The loan type our financial advisers will recommend to you, will be dependent on your own individual circumstances, objectives, suitability, and time frames.

- **Main-Bank Lenders – Home Loan and Mortgage Finance for Individual's and Business**  
ANZ, ASB, BNZ, Heartland Bank, SBS, Sovereign Home Loans, The Co-operative bank and Westpac.
- **Non-Bank Lenders – Home Loan and Mortgage Finance for Individual's and Business**  
ASAP Finance, Avanti Finance, Basecorp Finance, Bluestone, Cressida Capital, DBR, First Mortgage Trust, Funding Partners, General Finance, Liberty Financial, Pepper Money, Resimac Home Loans, Select Home Loans and Southern Cross Partners.
- **Main-Bank Lenders – Reverse Mortgage Finance for Individual's**  
Heartland Bank and SBS.
- **Non-Bank Lenders – Personal and Business, Secured and Unsecured Finance**  
Metro Finance, NZCU Baywide, Open for Business, Prospa NZ and Zip Business.

## **Who are the Insurers that Wright Financial work with and why?**

We work with five different life insurers, four different health insurers, we also work with two different general insurers. Working with multiple insurers enables Wright Financial to offer a broad range of risk solutions.

The risk solutions Wright Financial provides, range from Health, Life & Income Protection to Trauma and Total Permanent Disability cover as well as house, contents, and car cover. The type of cover that will be recommended to you, will be dependent on your own individual circumstances, objectives, and risk tolerance.

- **Life Insurers – Life and Income Insurance for Individual's and Businesses**  
AIA, Asteron Life, Cigna, Fidelity Life and Partners Life.
- **Health Insurers – Health and Medical Insurance for Individual's and Business**  
AIA, NIB, Partners Life and Southern Cross.
- **General Insurers – Fire and General Insurance for Individual's**  
AON Stylecover and Tower.

## **Who are the Investment Companies that Wright Financial work with and why?**

We work with five different KiwiSaver providers, as well as two QROPS UK Pension and Australian Pension transfer schemes. We also work with two managed fund investment companies. Working with multiple providers enables Wright Financial to offer a broad range of fund management investment solutions.

The investment solutions Wright Financial provide, is a diverse offering under these two companies. These portfolio plans are totally flexible, meaning none are locked in for any term. These funds are NZ-based managed investment funds, which include NZX50 and ASX200 equities, as well NZ government and corporate bonds and international equities. The type of fund or investment plan our financial adviser will recommend to you, will be dependent on your own individual circumstances, objectives and tolerance to risk.

- **KiwiSaver Providers – Superannuation for Individual's**  
AON KiwiSaver, Booster, Generate, NZ Funds and Select Wealth Management.
- **QROPS UK Pension and Australian Pension Providers – UK and AU Superannuation Transfer Service**  
NZ Funds and iSelect.
- **Managed Funds Providers – Diversified Investment Services for Individual's**  
NZ Funds and Select Wealth Management.

## What are Wright Financial's Advisers paid for arranging the Finance?

The following lenders pay our financial advisers the following commission percentages, which is based on the loan amount settled at the time. Your financial adviser will explain exactly how much this in dollar terms once they have identified the lender that best suits your needs and circumstances.

Upfront commission is paid approximately a week after settlement, with trail commission being paid monthly in arrears, based on the loan amount that is in place. Some lenders are flexible and enable the adviser to select the commission type, i.e. a financial adviser can select a smaller upfront amount 0.55% with a mix of trail 0.15% or select the larger upfront amount 0.85% with no trail.

Note: The commission these lenders pay our financial advisers does not cost our clients. These lenders have simply factored these commissions into their cost of doing business.

Lender	Upfront Commission	Trail Commission	Mortgage Refix
ANZ Bank	0.85%	N/A	\$150.00
ASB Bank	0.85%	N/A	\$150.00
Avanti Finance	0.80%	N/A	N/A
Bluestone	0.60%	0.15%	N/A
BNZ Bank	0.55%	0.15%	N/A
The Co-operative Bank	3.00%	N/A	N/A
Heartland Bank – Reverse Mortgage	\$500.00	N/A	N/A
Heartland Bank – Asset Finance	1.5%	N/A	N/A
Heartland Bank – Business Loan	2%	N/A	N/A
Liberty Financial – Star (AAA)	0.60%	0.15%	N/A
Liberty Financial – Star (non-AAA)	0.80%	0.15%	N/A
Liberty Financial – Private	0.70%	N/A	N/A
NZCU Baywide – Personal Loans	3.50%	N/A	N/A
NZCU Baywide – Home Loans	0.50%	N/A	N/A
Pepper Money – Prime	0.60%	0.15%	N/A
Pepper Money – Specialist	0.75%	0.15%	N/A
Prospera NZ – Small Business Loans	2%	N/A	N/A
Resimac – Prime	0.60%	0.15%	N/A
Resimac – Specialist	0.80%	0.20%	N/A
SBS Bank – Residential (<85%)	0.80%	N/A	\$150.00
SBS Bank – Residential (>85%)	0.75%	N/A	\$150.00
Select Home Loans	0.60%	0.15%	N/A
Sovereign Home Loans – Upfront with Trail	0.60%	0.20%	N/A
Sovereign Home Loans – Up Front	0.85%	N/A	N/A
Westpac Bank - Residential	0.60%	0.20%	N/A
Westpac Bank - Commercial	0.50%	N/A	N/A
Zip Business – Business Loans	1.5%	N/A	N/A

The following lenders will capitalise the brokerage fee onto the loan amount.

Lender	Upfront Commission
ASAP Finance	1%
Basecorp Finance	1%
Cressida Capital	1%
DBR	1%
First Mortgage Trust	1%
Funding Partners	1%
General Finance	1%
Metro Finance	1%
Southern Cross Partners	1%

## What is Wright Financial's Lenders Applicable Commission Clawbacks?

Commission clawbacks occur, when a loan is repaid in full early (i.e. within 27 months), which could be due to a sale of the property or refinance of the lending to another party. When this happens, the financial adviser will have to repay all or a portion of the commission they received back to the lender.

Below is a schedule of the applicable clawback per lender and time frame.

Lender		Clawbacks			
ANZ Bank	Months in place	0-9	10-18	19-27	
	Amount Paid Back	100%	66%	33%	
ASB Bank	Months in place	0-6	7-12	13-18	19-27
	Amount Paid Back	100%	75%	50%	25%
Avanti Finance	Months in place	0-6	7-12		
	Amount Paid Back	100%	50%		
Bluestone	Months in place	0-6	7-12	13-18	19-24
	Amount Paid Back	100%	75%	50%	25%
BNZ Bank	Months in place	0 -14	15-28		
	Amount Paid Back	100%	50%		
The Co-operative Bank	Months in place	0-7	8-14	15-21	22-27
	Amount Paid Back	85-100%	64-82%	43-61%	25-40%
Liberty Financial	Months in place	0-6	7-12	13-18	1-24
	Amount Paid Back	100%	75%	50%	25%
NZCU Baywide	Months in place	0-12			
	Amount Paid Back	100%			
Pepper Money - Prime	Months in place	0 - 12	13 - 18		
	Amount Paid Back	100%	50%		
Pepper Money – Specialist	Months in place	0 - 6	6 – 12		
	Amount Paid Back	100%	50%		
Resimac - Prime	Months in place	0-12	13-27		
	Amount Paid Back	100%	50%		
Resimac - Specialist	Months in place	0-12	13-18		
	Amount Paid Back	100%	50%		
SBS Bank	Months in place	0-6	7-12	13-18	
	Amount Paid Back	100%	50%	25%	
Select Home Loans	Months in place	0-6	7-12	13-18	19-24
	Amount Paid Back	100%	75%	50%	25%
Sovereign Home Loans	Months in place	1-12	100%		
	Amount Paid Back	100%			
Westpac	Months in place	0-15	16-26		
	Amount Paid Back	100%	50%		

## What is Wright Financial's Advisers paid for arranging the Insurance?

The following insurers pay our financial advisers the following commission percentages, which is based on the annual policy premium at the time you take the cover out. Your financial adviser will explain exactly how much this in dollar terms once they have identified the insurer and products that best suit your needs and circumstances.

Upfront commission is paid approximately with a week the policy is issued, with trail commission being paid monthly in arrears typically one year after the policy was initially issued. Most insurers are flexible and enable the adviser to select the commission type, i.e. a financial adviser can select a smaller upfront amount with an amount of trail or select the larger upfront amount with less trail.

Insurer	Product Type	Upfront Commission % based on annual Premium	Annual Trail Commission % based on annual Premium
AIA	Rate for Age Premium, Life, Trauma, IP, TPD	200%	7.5%
AIA	Level Premium, Life, Trauma, IP, TPD Cover	150%	3.0%
AIA	Health Cover as a Standalone Cover	30%	20.0%
AIA	Health Cover taken with Life Cover	130%	7.5%
Asteron	Rate for Age & Level, Life, Trauma, IP, TPD	190%	5% - 10%
Cigna	Rate for Age, Life, Trauma, TPD Cover	230%	7.5%
Cigna	Level Life, Trauma, TPD Cover	190%	15.0%
Cigna	Income Protection Cover	170%	7.5%
Fidelity Life	All Life, Trauma, IP & TPD Cover	240%	10.00%
Nib	Ultimate Health / Max & Easy Health Cover	140%	5.0%
Partners Life	All Life, Trauma, IP & TPD Cover	100%	10.0%
Partners Life	Health Cover	100%	7.5%
Southern Cross	Wellbeing One and Two Cover	30%	\$138 Per Member

## What are Wright Financial's Insurers applicable Commission Clawbacks?

Commission clawbacks generally occur, when a policy is cancelled within 24 months, which could be due to a change in your circumstances or your choice of provider. When this happens, the financial adviser will have to repay all or a portion of the commission they have received back to the insurer. Below is a schedule of the applicable clawback per insurer and time frame.

Insurer	Insurer	Clawbacks (Months)		
		0 - 12	12 - 18	18 - 24
AIA	Months in place	0 - 12	12 - 18	18 - 24
	Amount Paid Back	100%	50%	25%
Asteron Life	Months in place	0 - 12	12 - 24	
	Amount Paid Back	100%	50%	
Cigna	Months in place	0 - 8	9 - 16	17 - 24
	Amount Paid Back	100%	66%	33%
Fidelity Life	Months in place	0 - 4	5 - 12	13 - 24
	Amount Paid Back	100%	95% - 65%	60% - 0%
Nib	Months in place	0 - 24		
	Amount Paid Back	100%		
Partners Life	Months in place	0 - 24		
	Amount Paid Back	100%		
Southern Cross	Months in place	0 - 12		
	Amount Paid Back	100%		

### What are Wright Financials' Advisers paid for arranging the Investment?

Wright Financial will charge an establishment fee calculated at 1% of the value of the investment. This fee will be payable at implementation of the portfolio, which can be deducted from your funds or paid by the client by the 20<sup>th</sup> of the month after an invoice is issued.

Wright Financial can also receive an ongoing commission of up to 0.50% of the value of the portfolio annually.

Investments	Provider	Initial one-off Setup Commission %	Trail Commission % Paid Per Annum
Managed Funds	NZ Funds	1% *	0.5%
Managed Funds	Select Wealth Management	1% *	0.5%
Qrops Pension	iSelect UK Pension	1% *	0.4%
Qrops Pension	iSelect Australian Pension	1% *	0.4%
Qrops Pension	NZ Funds UK Pension	1%	\$20 - \$200
Qrops Pension	NZ Funds Australian Pension	1%	\$20 - \$200
KiwiSavers	Aon Saver	\$40	0.15%
KiwiSavers	Booster	\$0	0.25%
KiwiSavers	Generate	\$40 - \$240	\$0
KiwiSavers	NZFunds	\$50 - \$100	\$20 - \$200
KiwiSavers	Select	\$30 - \$150	0.25%

Investment funds with a \* mentioned under the commission % are paying the adviser out of the funds being invested. Those providers without a \* are paying the adviser directly without having any impact on the client's funds being invested.

### What are Wright Financial's Advisers paid for arranging the Fire and General Insurance?

The following insurers pay our advisers the following commission, which is based on the monthly policy premium at the time you take the cover out.

There is no clawback on this commission paid.

AON Stylecover	15% of the monthly paid insurer premium
Tower	15% of the monthly paid insurer premium

This excludes any Administration Charge, EQ Cover Premium, Fire Emergency Levy and GST.