File Notes

A File Note is also referred to as a Diary Note or a Client Note.

You should prepare File Notes to document important events that occur between you and your client. File or Client Notes help fill in the gaps and allow the reader to understand that what has occurred that may not be included within the SOA.

The information held on main documents such as the Fact Find, Statements of Advice and application forms are specific, however much information is missed out such as interaction and decisions based on current and changing situations. Also, a File Note can document important qualitative issues, such as the duration of the meeting, the interaction between the clients (i.e. husband was a growth investor and argued that the wife should also be growth, but she was adamant and stuck to her position on the investment risk profile as a balanced investor) or body language (i.e. client was hostile towards the idea of life insurance and abruptly requested me on two occasions that he was NOT interested in this, despite my observations of the dire risks associates with not having adequate insurances!)

You can use this document to complete the "client picture" with a written narrative of your interactions with the client over time. This may include things said, suggested, or inferred. It can also to be a tool you use to read before re-entering a discussion with the client to update you on their circumstances as when you last spoke.

A diary note must be completed within one day of the discussion with the client or within a “reasonable” time after the event. It should definitely be completed as soon as possible and from a compliance view point, should certainly be completed within a week or less of the original interaction.

This way it can be contemporaneous in nature and give rise to validation in a court of law. It must be signed and dated at the time. It can be hand written or typed electronically. In the vast majority of cases, you will work in an office which subscribes to licensed software that includes the diary or file note feature in the client database. The computer system will therefore time and date stamp the record, however you need to enter the time and date of the meeting with the client (as in almost all cases, you will not be typing the client note during the meeting with the client, so the time (and possibly date) of the meeting with the client will not correspond exactly with the time and ate of you entering the client note!)

What kind of information would be within a file note?:

- Any conversation that held with the client involving information you believe may be material in assisting to build up a picture of the client that may not be in the fact find. Bearing in mind it is unethical and against the law to collect data about political and religious beliefs.

- The way the person discusses and understand the conversation you have with them. In particular they may discuss GDP Monetary policy, this would provide a picture that the client is educated and understand economic information.

- The family history of the client any relevant health issues past or present including current medications used that may not be in the fact find. This information would be used in personal insurance coverage's and is necessary information in any application.

- The Initial and ongoing client conversations in particular, it is important that you record details of your initial contact with the client such as who initiated the contact – the client or you and the reason for contact who was the referral source and does the referral source have any ongoing involvement.

- Any client concerns or issue drawn to your attention during the meeting that were resolved however may crop up again; it is good practice to raise these in your file note for future possibilities.

- If you consider the client has not provide you with all information or there are short falls in what they have provided or you feel that the information the client has provided is not entirely correct and is not verifiable.

- You would document client discussions in reference to the investment profiling process where there were issues raised or concerns or objections to some of the asset classes or investments within asset classes. If there was deviation from the measured profile as to the

agreed profile and the reasons for this. You could include some of justification on the fact find and sign this as well.

- Client objectives that cannot be realised as they are outside of the realm of possibilities and the explanation of this to the client

- It is not always possible to prepare advice that fulfils every client need and objective. Sometimes your recommendations can only address some of the client's priorities or only partially address them.

- Any reaction to your SOA and recommendations and fees

- The client's reasons, if they choose to act differently to the Financial Planner's recommendation.

- The discussion of these and associated content including confirmation that the client understood
    - the fees and charges of the product
    - any investment risk related to the product
    - any other important information
    - additional business transactions
    - On-going client contact.