

INITIAL DISCLOSURE STATEMENT – FINANCIAL ADVICE SERVICES

Please read the information set out below carefully. It contains important information about me, The Lending Department Limited, and The Insurance Department Limited and it will help you to decide whether I am the right financial adviser for you.

Financial Adviser	Kerry Alcock (FSP92601)
Financial Advice Provider	I, Kerry Alcock, am providing financial advice on behalf of The Lending Department Limited (FSP166964) in the case of lending services; and on behalf of The Insurance Department Limited (FSP551766) in the case of KiwiSaver services.
Physical Address	Level 3, 50 Anzac Ave, Auckland, 1010, New Zealand
Telephone Number	022 687 502
Email Address	kerry@theld.co.nz

NATURE AND SCOPE OF THE FINANCIAL ADVICE SERVICE

Lending

I offer the following financial adviser services:

- **Mortgage lending advice:** Financial advice in relation to commercial lending and residential lending secured against owner occupied and investment properties offered by bank and non-bank lenders.
- **Asset lending advice:** Financial advice in relation to lending secured against an asset other than real estate (e.g. a car, boat etc) offered by bank and non-bank lenders.
- **Business/commercial lending advice:** Financial advice in relation to unsecured business lending offered by bank and non-bank lenders.

I only provide financial advice in relation to products offered by bank and non-bank lenders that The Lending Department Limited (**The Lending Department**) has established terms of business with. These arrangements do not give rise to any contractual requirement or obligation to place any level of business with these lenders. Instead, they reflect a mutual understanding that I or The Lending Department may place business with these lenders.

The bank lenders that The Lending Department has established terms of business with are AIA, ANZ, ASB, BNZ, Heartland Bank, Kiwibank, SBS Bank, The Co-Operative Bank, TSB, and Westpac Bank.

I can provide details of the non-bank lenders that The Lending Department has established terms of business with upon request.

KiwiSaver

I offer generalised financial advice in relation to KiwiSaver products offered by certain providers that The Insurance Department Limited (**The Insurance Department**) has established terms of business with. These arrangements do not give rise to any contractual requirement or obligation to place any level of business with these providers. Instead, they reflect a mutual understanding that I or The Insurance Department may place with these KiwiSaver product providers.

The KiwiSaver product providers that The Insurance Department has established terms of business with are NZ Funds, Generate, Kōura, and Booster.

RELIABILITY HISTORY

Neither The Lending Department, The Insurance Department, nor I have been subject to a “reliability event”. A reliability event is an event that might materially influence you in deciding whether to obtain financial advice from me, The Lending Department and/or The Insurance Department. It includes, for example, bankruptcy, insolvency convictions or being publicly disciplined.

FEES AND EXPENSES

Set out below is important information on the commission and fees that The Lending Department and/or The Insurance Department will earn in connection with the advice that I provide to you. I will set out in writing the specific commission and fees that The Lending Department and/or The Insurance Department will receive prior to settlement.

Bank Lending

Mortgage Lending The Lending Department receives a commission of up to **0.85% of the loan amount**. This commission is paid by the bank directly to The Lending Department on the settlement date of the loan.

Rate Refix The Lending Department receives a fee of up to **\$150** from some banks if I assist you with refixing your interest rate. This fee is paid by the bank to The Lending Department on the date that the refixed interest rate takes effect.

Short Term Lending Where your lending is intended for a short term only, The Lending Department may charge you a fee for providing advice to you. This fee will be based on the estimated number of hours to provide the advice at an hourly rate of **\$250 (plus GST) per hour**. The reason for the fee in these circumstances is because where you repay your loan shortly after settlement, The Lending Department will be required to repay some, or all, of the commission that it receives from the bank.

Unless otherwise agreed with you in writing in advance, The Lending Department will not charge you this fee. Where I agree with you that this fee is payable, I will issue you an invoice which will be payable upon the settlement date of the loan.

Trail In some cases, The Lending Department will receive an ongoing commission of **between 0.1% pa - 1% pa** of your remaining loan balance from the bank for each year that your loan remains with that bank. This commission is paid by the bank to The Lending Department monthly.

Business/Commercial Lending The Lending Department may charge you a fee of up to **1.00% of the loan amount** for advice provided in connection with unsecured business or commercial lending from a bank. Unless otherwise agreed with you in writing in advance, The Lending Department will not charge you this fee. Where I agree with you that this fee is payable, I will issue you an invoice which will be payable upon the settlement date of the loan.

Asset Lending The Lending Department may receive a commission of up to **3% of the loan amount** for asset lending from a bank. This commission is paid by the bank to The Lending Department on the settlement date of the loan.

Non-Bank Lending

Mortgage Lending The Lending Department may charge you a fee of up to **1.00% of the loan amount** for a residential or commercial loan through a non-bank lender. This fee is usually added to the loan amount and paid to The Lending Department by the non-bank lender on the settlement date of the loan.

Business/Commercial Lending The Lending Department may charge you a fee of up to **1.00% of the loan amount** for advice provided in connection with unsecured business or commercial lending from a non-bank lender. This fee is usually added to the loan amount and paid to The Lending Department by the non-bank lender on the settlement date of the loan.

Asset Lending The Lending Department may receive a commission of up to **3% of the loan amount** for asset lending from a non-bank lender. This commission is paid by the non-bank lender to The Lending Department on the settlement date of the loan.

KiwiSaver

KiwiSaver

The Insurance Department receives a commission of **up to \$240** from your chosen KiwiSaver provider. The actual commission that The Insurance Department receives depends on the balance that you transfer or your member contributions in the first year. This commission is paid by your KiwiSaver provider to The Insurance Department upon transferral of your contributions.

Trail

The Insurance Department receives an ongoing annual commission of **up to 0.42% pa of the funds under management** from your chosen KiwiSaver provider. "Funds under management" means the total amount that you have contributed to your KiwiSaver.

CONFLICTS OF INTEREST, COMMISSIONS AND OTHER INCENTIVES

Conflicts of Interest

Neither The Lending Department, The Insurance Department, nor I have any conflicts of interest that exist or that are likely to arise which would influence the advice that I provide to you. If this changes, I will contact you and advise you of the nature and scope of any actual or potential conflicts of interest.

Commissions and incentives

The Lending Department and The Insurance Department receive commission and fees from the lenders or providers that I place business with. The commission and fees that the Lending Department and The Insurance Department receive are set out above under "*How we get paid for the services that we provide*". At the time of providing advice to you, I will set out the specific commission and fees that the Lending Department and/or The Insurance Department will receive in connection with the advice.

Management of conflicts of interest

The Lending Department, The Insurance Department, and I, take the following steps to manage actual, potential, or perceived conflicts of interest (referred to as "**conflicts of interest**"):

- Advisers are not incentivised to promote one lender or KiwiSaver provider over another.
- I follow an advice process that ensures that my recommendations are made on the basis of each client's circumstances, goals, and risk appetite.
- The Lending Department and The Insurance Department have a Conflicts of Interest Policy which sets out how to identify conflicts of interest and how to ensure that these conflicts of interest are appropriately managed so that client interests are prioritised at all times.
- All persons within The Lending Department and The Insurance Department, including financial advisers, are required to receive training on the identification and management of conflicts of interest.
- I complete a register of conflicts of interest and the gifts and incentives I receive. The Lending Department and The Insurance Department monitor these registers.

WHAT SHOULD YOU DO IF SOMETHING GOES WRONG?

If you have a problem, concern, or complaint about any part of my service, please tell me so I can try to fix the problem. You may contact our internal disputes service by emailing complaints@theld.co.nz in the case of lending services or complaints@theid.co.nz in the case of KiwiSaver services.

I, or the relevant financial advice provider, will be in contact with you within 48 hours of receiving your complaint to either propose a solution to your complaint or provide you with a summary of next steps. If your complaint is unable to be resolved immediately, I, or the relevant financial advice provider will investigate and resolve your complaint in accordance with their internal complaints process.

If agreement cannot be reached on how to resolve the issue, you can escalate your complaint to Financial Services Complaints Limited (FSCL). FSCL is an independent dispute resolution scheme. This service is free of charge and will help us resolve any disagreements. More information about FSCL and their dispute resolution process can be found at

<http://www.fscl.org.nz/> .

You can contact FSCL by emailing info@fscl.org.nz, calling FSCL on 0800 347 257 (free phone) or 04 472 3725. You can also write to them at PO Box 5967, Lambton Quay, Wellington 6145.

DECLARATION

I, Kerry Alcock, declare that, to the best of my knowledge and belief, the information contained in this disclosure statement is true and complete and complies with the disclosure requirements in the Financial Markets Conduct Act 2013 and the Financial Markets Conduct Regulations 2014.

Signed: _____



This Disclosure Statement DS22/3 was prepared on 28 September 2022.