

**SHARE DEALING**

# **Summary of Conflicts of Interest Policy**

a little extra help



# Summary of Conflicts of Interest Policy

**This leaflet is a summary of our Conflicts of Interest Policy. It explains how we identify and manage any conflicts that may arise, which might result in a material risk to the interests of our customers.**

We've identified those aspects of our service, including how we interact with other Lloyds Banking Group companies and third party suppliers, which could result in a conflict between your and our interests, or between the interests of different customers.

This leaflet summarises those types of conflicts and the way we manage them. In all cases we believe that our current organisational arrangements, systems and controls provide an effective way of preventing your interests being unfairly affected.

## Dealing criteria

Our Aggregation and Allocation Policy, sets out the criteria by which aggregated customer orders are managed and allocated to individual accounts.

All customer orders are dealt in a timely manner and in fair and due turn. No unfair

priority is given to orders from other customers, colleagues or from other parts of the Lloyds Banking Group.

## Confidentiality and protection of inside information

It's important to have barriers in place to limit the flow of potentially price sensitive information between colleagues and different areas of the Lloyds Banking Group. We prevent colleagues in possession of price sensitive information from taking advantage of that information by dealing in the respective security, or arranging for someone else to do so on their behalf.

## Our organisational structure

We've organised our structure to allow segregation of duties. This ensures that no one person has inappropriate influence over a particular process.

Even though we're part of the Lloyds Banking Group, we do not receive any details of commercial arrangements entered into by other parts of the Lloyds Banking Group, e.g. loans, financing, acquisition or merger activities extended to individuals, partnerships or companies. We're not subject to any other conflicts arising from the structure of business activities of other members of the Lloyds Banking Group.

Our management team operates independently from other Lloyds Banking Group companies and there are appropriate controls on cross-board membership. We would take steps to

manage any information that gave rise to a conflict of interest, in a Lloyds Banking Group context.

We are also responsible for controlling the dealing arrangements for colleagues of key service providers. Potential conflicts are controlled in these circumstances through contractual provisions and regular monitoring.

## Personal Conflicts

Colleagues are prevented from accepting roles or directorships with companies outside Lloyds Banking Group (including our commercial customers), unless the divisional CEO gives their approval beforehand.

Conflicts can occur for other reasons, such as when colleagues:

- have other business interests with customers who are part of Lloyds Banking Group
- have friends and relatives who are customers of Halifax Share Dealing
- feel pressurised in their job because their targets aren't reasonable or achievable.

We do not display preference to any customers, group of customers or customers who are also colleagues, over another in the provision of our dealing and safe custody services.

We also have an internal Whistleblowing Policy in operation which gives colleagues a high level of protection should they report any wrongdoing by others.

## Selection of Suppliers

There's also a potential risk of conflict when selecting our service providers, agents, third party suppliers, distributors and equity partners. To prevent this happening we:

- never accept or provide fees, commissions and gifts of any kind
- don't take personal relationships into account – we simply choose the best people for the job.

## Commission and Income Disclosure

We earn income from:

- commissions and fees we charge to you;
- interest we earn on money held pending investment or in the course of settlement; and
- when carrying out a trade in a collective investment, such as a unit trust or OEIC, the product provider may pay us an annual commission while you continue to hold the investment and in some circumstances an initial commission following completion of your investment. These payments, where received, allow us to waive the transaction charges and, in some cases, the account charges that we would normally levy.

The charges that we make and the interest rates that we pay on balances held are detailed in our brochure and our website.

In some cases, dealing charges which we apply to our trades may be shared with other members of the Lloyds Banking Group or other third parties. We will not show details of any remuneration or sharing arrangements of this kind on your contract note but, if you ask us to, we will make them available to you. In any case you will not be liable to pay more commission than is disclosed in our brochure.

We acknowledge that gifts and entertainment arrangements common in the stockbroking industry, may give rise to adverse influence. We address this by limiting the receipt of gifts/entertainment to that of a non-material nature.

## Summary

This summary reflects our detailed Conflicts of Interest Policy that is in place to ensure fair treatment for our customers through the effective management of potential conflicts. We are not aware of any further material conflicts of interest. A full copy of the Conflicts of Interest Policy is available on request.

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