

INFORMED

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by **Clayden**
FINANCIAL
INDEPENDENT FINANCIAL ADVISERS



PLANNING FOR SUCCESSION

How will you 'slice up your wealth pie'?

Caveat emptor:
'let the buyer beware'

Increase in victims of financial
scams related to COVID-19

Investing with
a conscience

Placing money in
companies that bring
positive change

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WELCOME TO OUR WINTER ISSUE



On taking a look at last year's welcome letter, I was amused to see my comment that 2019 had been a politically and financially interesting year. Little did I know that 2020 would be even more so! Unfortunately, it has also been an extremely challenging and worrying time for many people due to COVID-19. Let us hope that given the news on the vaccine front, we can start to look to a more positive future for 2021.

A disappointing aspect of these difficult times is the increase in

scamming. In our autumn newsletter, we had an article from John Oakley of Beatons Accountants on this subject, and his insight was welcomed by several of our clients, so we decided to include a further article this month.

Here at Clayden's, we have continued to respond to the changing government guidelines with a flexible approach to our work, and we continue to be very busy. To help with the workload, we recently made some exciting personnel appointments.

Sean Parker has returned to work with us as Senior Paraplanner. Many of you will remember Sean who was a Paraplanner with Claydens for several years. He was missed, and we are delighted to welcome back his valuable technical ability gained over 20 years' working in financial services.

Sean said, 'I am particularly looking forward to getting back to assisting Clayden's clients and to renewing some longstanding relationships in the process.'

A regular volunteer of local environmental regeneration charity Little Ouse Headwaters Project on the Norfolk/Suffolk border, Sean loves the outdoors and recently spent time helping a rewilding project in Mid Wales. Sean is also a fan of all things with wheels; a keen cyclist, Sean



Sean Parker

is mad about drag racing and would like to own a steam engine! He enjoys Nordic crime drama, and unsurprisingly given his Welsh family heritage, rugby.

Nick Wilson will join us from January 2021 as an Independent Financial Adviser. Nick worked in London as an IFA for many years, largely advising on mortgages.

Nick says, 'As a local firm boasting 25 years of expertise and a reputation for giving sterling advice, Clayden Financial was the perfect fit for me and the natural choice for the next step in my career. A true local boy at heart, having grown up on a Suffolk farm and having spent my school years at St Joseph's College, I am thrilled to be returning to my roots after spending 12 years advising clients in the City of London. I enjoy getting to know my clients and helping them to achieve their goals.' Nick has substantial



Nick Wilson

experience in dealing with a variety of clients, ranging from newly qualified solicitors through to high-net-worth individuals seeking tax and estate planning advice.

Nick lives on a farm with his girlfriend Francesca and their exuberant rescue puppy Huxley. A self-confessed petrol-head and Goodwood member, he enjoys tinkering with old cars, taking the dog for long walks and, in pre-pandemic days, attending the odd rugby game at Twickenham.

All of us at Clayden Financial send you our very best wishes for a Merry Christmas and a happy and healthy 2021.

Leigh Clayden

News from our financial adviser and AMR trustee Karen Last on the Suffolk Sunrise Bike Ride

Sunday 18 October saw children's charity, Action Medical Research, pull together a superb cycling sportive. No easy task in the current climate. The ride which began from Framlingham College attracted nearly 500 riders, and was a huge success.

The Action cycling team and its army of volunteers worked closely with the local authority to deliver this COVID-safe ride. All were respectful of the essential social distancing measures, and grateful thanks were extended to many in the local community who worked so hard to make the event possible. The cyclists welcomed the escape from the day-to-day COVID reality and enjoyed the opportunity to reflect when cycling the 70 miles of quiet Suffolk lanes.

Action Medical Research is the leading UK charity funding medical research to help save and change children's lives. The charity began nearly 70 years ago, when the UK faced another deadly disease – polio. With early funds, the



charity helped beat polio through funding research to help develop the first vaccines in the UK which have kept millions of children safe. Action is now fundraising to make much-needed research happen into improving our

understanding of the impact COVID-19 has on children.

To find out more about the bike rides Action organises, visit action.org.uk/ cycling. To make a donation, please visit action.org.uk/COVID.

CHRISTMAS ARRANGEMENTS

Clayden's will close for business at 12.30pm on Christmas Eve, Thursday 24th December and will re-open on Monday 4th January 2021.

As in previous years we won't be sending out Christmas cards and instead will make a donation to worthwhile charities – Action Medical Research for Children (AMR) and Headway Suffolk, the charity that supports people with brain injury, stroke and neurological conditions, and those who care for them.

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CAVEAT EMPTOR: 'LET THE BUYER BEWARE'

Increase in victims of financial scams related to COVID-19

As a result of the coronavirus (COVID-19) pandemic, there has sadly been an increase in the number of fraudsters exploiting people's fears, targeting pension savers, investors and online consumers.

New research reveals one in five (22%) have received emails, texts, phone calls and other communications that mentioned coronavirus which they suspected to be a financial scam – this equates to around 11.7 million people in the UK^[1].

NEGATIVELY AFFECTED MENTAL HEALTH

Almost half (46%) of those who received a communication they suspected to be a

financial scam didn't report it. The most common reason given was they didn't know who to report it to. One in 12 (8%) have been the victim of a financial scam that related to coronavirus. Four in five (78%) victims said the fraudsters pretended to be from a company they already dealt with, and 41% said the experience negatively affected their mental health.

The Government and UK Finance-led 'Take Five to Stop Fraud' campaign website contains lots of useful information and offers straightforward, impartial advice that helps prevent email, phone-based and online fraud – particularly where criminals impersonate trusted organisations.

Current tactics fraudsters and scammers might use during the coronavirus pandemic are:

FIXED-RATE INVESTMENT SCAMS

Criminal organisations have impersonated firms proposing financial products, such as investment bonds offering an attractive, but not suspiciously high return of around 3–5% per annum. As many are fixed income bonds paying quarterly dividends, the victim is often not alerted to the scam until the first payment fails to materialise.

scammers may ask you to hand over an upfront fee – usually between £25 and £450 – when applying for a loan or credit that you never receive. This is known as 'loan fee fraud' or 'advance fee fraud'.

GOOD CAUSE SCAMS

This is where investment is sought for good causes such as the production of sanitiser, manufacture of personal protection equipment (PPE) or new drugs to treat coronavirus. Scammers use the promise of high returns to entice consumers.

MARKET VOLATILITY

Using the uncertainty around stock markets, scammers may advise you to invest or transfer existing investments into non-standard investments.

CLAIMS MANAGEMENT COMPANY

Scammers may contact you claiming to be from a Claims Management Company (CMC), insurance company or your credit card provider. They may say they can help you recuperate losses by submitting a claim for the cost of a holiday or event such as a wedding cancelled due to coronavirus. They will ask you to send them some money or your bank details.

UNSOLICITED APPROACHES

Cold calls, emails, texts or WhatsApp messages stating that your bank is in trouble due to the coronavirus crisis, and pushing you to transfer your money to a new bank with alternative banking details.

HOW TO PROTECT YOURSELF

1. Reject offers that come out of the blue.
2. Beware of adverts on social media channels and paid for, or sponsored adverts online.
3. Do not click links or open emails from senders you don't already know.
4. Avoid being rushed or pressured into making a decision.
5. Do not give out personal details (bank details, address, existing insurance/pensions/investment details).

PRICE COMPARISON WEBSITES

Use of fraudulent, and possibly some genuine, 'impartial' price comparison websites to generate interest from members of the public. Some of these 'opportunities' can be found via sponsored links on Google or Facebook.

STAFF EMAILS

Use of email addresses which resemble those of staff at legitimate firms, and in some cases have used the names of genuine members of staff.

LOANS AND CREDIT

Exploiting short-term financial concerns,

UNSCRUPULOUS NATURE OF FRAUDSTERS

If further evidence were needed to expose the unscrupulous nature of these fraudsters and how they prey on people's fears, the research shows that suspicious communications, such as emails, texts and phone calls that relate to health insurance have increased by 15% since the coronavirus (COVID-19) pandemic. There were also increases in suspicious communications linked to life insurance (10%), pensions (3%) and annuities (2%).

So beware if the phone rings, and a friendly, energetic-sounding stranger on the line starts asking if you have a moment to learn how to triple your money in just six months by investing in gold or investment bonds offering a very attractive rate of return. Or you receive an email urging you to buy the shares of a company whose price is certain to go through the roof. If it sounds too good to be true, that's because it is. Remember, caveat emptor: 'let the buyer beware'.

Further information on reporting scams can be found at <https://www.fca.org.uk/consumers/report-scam> or <https://www.citizensadvice.org.uk/consumer/scams/reporting-a-scam>

KNOWING THE BEST WAY TO INVEST YOUR MONEY

With ever-increasing demands on your time, ever-changing financial products and regulations, and fast-moving, volatile stock markets, knowing the best way to invest your money that's right for your unique particular situation is important. To discuss your requirements or to arrange a meeting, speak to us for further information.

Source data:

[1] Research, conducted by Censuswide for Aviva with a sample of 2,009 nationally representative respondents, categorised the pandemic time frame between 1 March 2020 and 15 June 2020, with the pre-pandemic time frame categorised as 1 January 2019 and 28 February 2020. Censuswide abide by and employ

Investing with a conscience

Placing money in companies that bring positive change

Issues such as climate change and sustainability have become increasingly hot topics globally and often the subject of conversation. As a result, Environmental, Social and Governance-linked (ESG) investment strategies continue to dominate financial headlines.

These strategies, which include impact investing, are not new, but momentum is growing as shareholders demand greater action and consumers hold businesses to a higher standard. Increasingly, a significant number of UK investors expect their investments to align with their personal beliefs and continue to express interest in sustainable investing.

POTENTIALLY HIGHER RETURNS

Findings from new research identified that UK millennials are less likely to compromise their personal beliefs in order to benefit from potentially higher returns compared to their global counterparts^[1].

ESG is a set of standards seeking to reduce negligent corporate behaviour that may lead to environmental degradation, armament sales, human rights violations, racial or sexual discrimination, harmful substances production, worker exploitation and corruption, though this list is by no means exhaustive and remains disputed.

MORE SUSTAINABILITY CONSCIOUS

This study of more than 23,000 people who invest from 32 locations globally revealed that in the UK, only 20% of millennials, who are often perceived to be more sustainability conscious, would compromise their personal beliefs if the returns were high enough. Globally however, 25% would be willing to be flexible with their values.

According to the UK results of the Global Investor Study, some 50% of Britons aged 71+, 23% of baby-boomers and 22% of those classed as Generation X would trade their personal beliefs for higher returns.

EXCLUDING 'SIN-STOCKS'

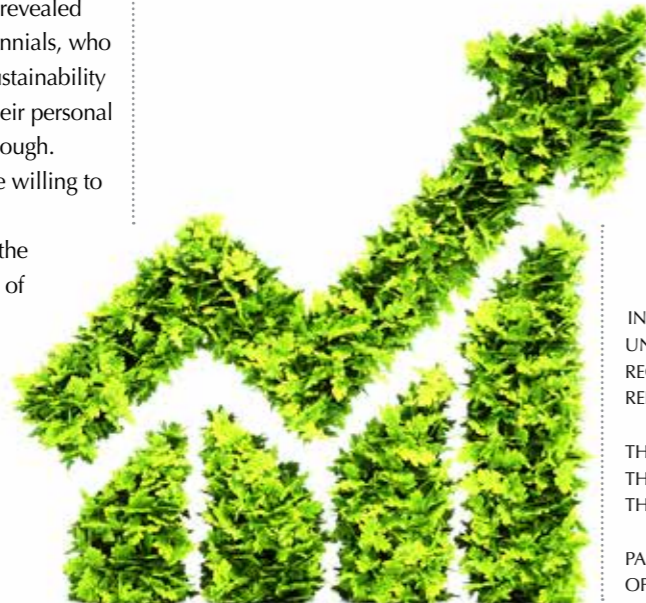
In the UK almost a third (24%) of those who class themselves as having 'expert/advanced' investment knowledge are substantially more likely to trade their personal beliefs for better investment returns compared with 18% of 'beginner/rudimentary' investors.

78% of Britons said they would not invest against their personal beliefs, and for those who would, the average return on their investment would need to be 21% to adequately offset any guilt. Socially Responsible Investment (SRI) generally focuses on excluding 'sin-stocks' from the investment pool based on negative screening guidelines.

ENTERING THE MAINSTREAM

In the last two years, sustainable investing in the UK has increased. Around 48% of people are frequently investing in sustainable investment funds compared with 34% in 2018. This sends a positive market signal that sustainable investing is entering the mainstream.

Overall, 40% of UK investors stated that investing sustainably was likely to lead to higher returns. Some 51% said they were attracted to investing sustainably due to its wider environmental impact. Globally, expert or advanced investors are the most likely to think sustainable investments have the most potential to offer higher returns (44%) and the least likely to think investing this way will ultimately disappoint (9%).



TOP THREE 'BEHAVIOURS'

Opinion was split among investors globally in terms of how asset managers should address challenges that arise from the fossil fuel industry. Just over a third (36%) said managers should withdraw investment from companies in these industries to limit their ability to grow. However, over a quarter (27%) said managers should remain invested to drive change.

Furthermore, investors said that the top three 'behaviours' companies should be most focused on were; their social responsibility, attention to environmental issues and the treatment of their staff.

IS YOUR FUTURE IN SUSTAINABLE INVESTING?

What used to be viewed once as a niche investment philosophy is now firmly planted in the mainstream, with investors aligning their personal values around sustainability and social progressiveness. If you'd like to explore an ESG investing journey with us, please speak to us for further information.

Source data:

[1] In April 2020, the Schroders Global Investor Study 2020 commissioned an independent online survey of over 23,000 people (aged 18-37) who invest from 32 locations around the globe. This spanned countries across Europe, Asia, the Americas and more. This research defines people as those who will be investing at least €10,000 (or the equivalent) in the next 12 months and who have made changes to their investments within the last ten years.

INFORMATION IS BASED ON OUR CURRENT UNDERSTANDING OF TAXATION LEGISLATION AND REGULATIONS. ANY LEVELS AND BASES OF, AND RELIEFS FROM, TAXATION ARE SUBJECT TO CHANGE.

THE VALUE OF INVESTMENTS AND INCOME FROM THEM MAY GO DOWN. YOU MAY NOT GET BACK THE ORIGINAL AMOUNT INVESTED.

PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE PERFORMANCE.

Planning for succession

How will you 'slice up your wealth pie'?

There is no easy way to say it – anticipating one's death is an uncomfortable topic. Yet it is often worth pushing past the initial discomfort to pursue the potential rewards of effective wealth transfer planning. There are three places your assets can go at your death: to your family and friends, to charity or to the government in the form of taxes.

Almost half of all Baby Boomers say they have enough personal wealth that they can afford to gift some of it away during their lifetime^[1]. Figures, collected by YouGov show that 48% of Baby Boomers say they could afford to give money to family members before they die. Less than a third (29%) ruled it out, and 26% say they are unsure.

LARGER ONE-OFF WEALTH TRANSFERS

Of those who say they can afford to make lifetime gifts, 40% say they would favour multiple small gifts and a third (33%) would prefer larger one-off wealth transfers. A further 30% are unsure which would better suit their needs.

Despite the large number of people who estimate they can afford to pass some of their savings and assets to family members, government statistics suggest only between 31% to 39% of people aged 50-69 have ever given a financial gift. A minority appear to have a plan for regular annual gifting, with just 15% of 50-59-year-olds having gifted in the last two years.

INTERGENERATIONAL FINANCIAL ADVICE

The statistics reveal the importance of wealth transfer planning and lifetime gifting

advice. It is estimated that around £5.5trn of intergenerational wealth transfers will occur over the next 30 years^[2]. An effective plan can lessen the likelihood of family conflict, reduce estate costs, reduce taxes and preserve wealth.

Obtaining professional intergenerational financial advice will increasingly become a key part of financial planning for the Baby Boomer generation. This generation has accrued significant personal wealth, having benefitted from rising house prices, stock market growth and the higher prevalence of generous pension schemes, and they want to give younger generations a financial boost.

LIFELINE FOR SOME YOUNGER PEOPLE

In contrast, younger generations often find themselves facing high house prices and the need to make significant personal contributions to their Defined Contribution pensions in order to secure a decent retirement fund.

Gifting between the generations will increasingly become a lifeline for some younger people as they struggle to get on the housing ladder, pay for school fees and deal with the ever-increasing expenses of living.

CAREFUL BALANCING ACT TO FIGURE OUT

Passing on wealth to the next generation is one of the most important yet challenging aspects of financial planning. It's vital that helping the younger generations doesn't come at the expense of your own retirement funds and so there is a careful balancing act to figure out if you can afford it. If you can afford to gift, it's vitally important to consider

the various Inheritance Tax and gifting rules.

Despite this, there is still a clear 'gifting gap' between the number of people who can afford to gift and those who actually have a lifetime gifting plan in place. Gifting is a great way to help you make the most of your financial assets and enjoy seeing your life savings helping your children and grandchildren.

WEALTH TRANSFER PLANNING PROCESS

Establishing who gets what, how they get it, and when they get it, are, as a general rule, personal matters. But these decisions can have significant financial implications. Life events, as well as market and regulatory factors, can impact the wealth transfer planning process. Therefore, it is important for your wealth transfer plan to remain flexible and be revisited and adjusted periodically. Please contact us to discuss your plans.

Source data:

[1] Research commissioned by Quilter and undertaken by YouGov Plc, an independent research agency. All figures, unless otherwise stated, are from YouGov Plc. The total sample size is 1,544 UK adults, comprised of 529 Baby Boomers, 501 Generation Xers and 514 Millennials. Fieldwork was undertaken between 07/07/2020 – 08/07/2020. The survey was carried out online.

[2] *Passing on the pounds – The rise of the UK's inheritance economy*. Published May 2019. Author: Kings Court Trust



RYAN'S CROWN UK'S BEACH HUT OF THE YEAR 2020 IN INAUGURAL COMPETITION



The Axminster and Lyme Cancer Support Beach Hut has won the prestigious first prize in our Beach Hut of the Year competition.

Running in collaboration with Millie's Beach Huts, the competition called on the UK's 20,000-plus beach hut owners to compete to become the first ever 'Ryan's Beach Hut of the Year 2020' winner – with beach hut uses rather than simply aesthetics playing a key role in the judging.

Axminster and Lyme Cancer Support assists individuals, families and carers living with and beyond cancer in its community, not only offering information and education but also providing a settled space in the sea of challenges that cancer brings. And now, recognising the unwavering work and support the organisation delivers, its beach hut has been crowned as Ryan's Beach Hut of the Year in our first competition.

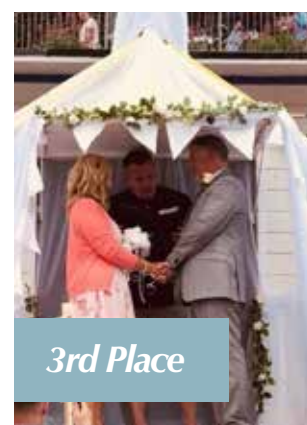
Our second place winner was Budleigh Salterton's beach hut Beryl, who belongs to NHS key worker Claire Pester. On the beach hut waiting list for many years, Claire and her Husband were finally rewarded with a hut just before their wedding. Providing a destination over the years for family announcements from births, marriages and everything in between.

In third place we had Steve Rowe whose beach hut in Corbyn Head was used as a venue for him and his wife to renew their marriage vows after 25 years of marriage.

Prizes for the competition included £300 plus one year's free insurance and a luxury hamper, as well as a winner's plaque for the winner, while runners up were also celebrated with second prize of £200 plus plaque and a third prize of £100 plus plaque.

'The competition certainly brought a little joy in what has been a difficult year for everyone' said Ryan's Marketing Manager Tracy Healey.

Ryan's specialise in insurance for beach huts so if you own a beach hut or would like to talk to us about your personal or business insurance, give the Ryan's team a call.



If you would like to talk to one of our advisers about our range of personal or business insurance solutions please call the Ryan's team on 01473 343300 or visit our website www.ryans.co.uk
Ryan's is a trading name of Ryan Insurance Group Limited which is authorised and regulated by the Financial Conduct Authority

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