A man with short grey hair and a beard, wearing a navy blue polo shirt, pink shorts, and brown loafers, stands with his arms crossed in front of a light-colored wall with green shutters. To his left is a large green ceramic planter with red flowers. The scene is brightly lit, suggesting a sunny day.

# Living the dream

**Paul Cleworth** says he would be a hypocrite if he did not follow the advice he gives **Tandem Financial** clients to create the lifestyle they crave

It is a cold, cloudy November day in Luton when I meet Paul Cleworth, managing director of Tandem Financial, but he has a healthy tan.

After bounding down the stairs, he explains he has just come back from a holiday at his house in the south of France, where this photoshoot took place. This holiday home, a ninth century converted convent a one-hour drive from Marseille, marks a huge landmark in Cleworth's life.

'One of my dreams was to buy a house in the south of France and do it up,' he says. And with Mas de la Quintine, where he spends six weeks a year as well as renting it out, that is exactly what he has done.

Working as an independent financial planner, Cleworth's job is to help his clients plan for their dreams. But he believes any IFA that does not also chase their own dreams is doing it wrong.

'It is hypocritical to tell my clients how to live their life or how to engage in the fun stuff like Planning your Adventure (more on that later) if I am not doing any of it myself,' he says. 'I remember being a mortgage adviser and trying to tell people how to build a property portfolio. But if you have never done that yourself, how can you be good at it?'

#### FINDING HIS PLACE

Cleworth began his career in financial advice at Canada Life in September 2000, after initially working in a number of door-to-door sales roles after university.

One year later he followed fellow *New Model Adviser* cover star Julian Gilbert to his company, The Mortgage Professionals, before becoming a director at Gilbert's advice firm, Wealth Matters, in 2006. But things did not last, and the duo went through an 'acrimonious business divorce' in 2016, prompting Cleworth to start his own venture, taking his £44 million of client assets with him.

The initial few months of establishing Tandem was a testing period for Cleworth, made worse by the arduous Financial Conduct Authority (FCA) authorisation process.

'It wasn't a pleasant time in my life. In terms of my career as a financial planner, it was the hardest time for me, my wife and my kids. It is terribly scary leaving and having to apply to the FCA to set up,' he says.

Cleworth admits he was not 100% happy with his strategic role at Wealth Matters. Starting afresh gave him the opportunity to



put more of a personal stamp on his professional career.

'My experience at my previous firm was we were going down a route to build profitability, build client numbers and acquire firms,' he says. 'My role there as a director was to do some of the marketing, the investment strategy, and manage the process. I just asked myself whether I really enjoyed that.'

The side of advice Cleworth does enjoy is speaking with clients about their lives and working with them on their financial plans. This is what he has focused on with the creation of Tandem.

#### STARTING THE ADVENTURE

In many respects, four-man-band Tandem is a simple business. It does not advise on enterprise investment schemes or venture capital trusts, does not give defined benefit (DB) transfer advice (it outsources this advice to Ascot-based Blueberry Financial) and it only uses passives.

However, in other respects the firm is unique. In September, Tandem launched a new website, [planningyouradventure.co.uk](http://planningyouradventure.co.uk). It provides interactive ideas for dream holidays and a downloadable bucket list to encourage clients and potential clients to think about what they want really want from their lives.

Living out your dream goals costs money so the website has a link to Tandem, which is where Cleworth aims to help with the financial planning side. Although he does not like to refer to himself as a life planner, it is a part of the way the firm works, as the Planning your Adventure website highlights.

As we chat, the mist blocks out any sight ►



## PAUL CLEWORTH

### CURRICULUM VITAE

<b>2016–PRESENT</b>	Tandem Financial, managing director
<b>2006–2016</b>	Wealth Matters, director
<b>2001–2007</b>	The Mortgage Professionals, independent mortgage broker
<b>2000–2001</b>	Canada Life, financial adviser

### PROFESSIONAL MEMBERSHIPS/QUALIFICATIONS

- Diploma in Financial Planning
- Personal Finance Society member
- Chartered Institute for Securities & Investment affiliate

of planes taking off from Luton Airport. But on clearer days, speaking to clients about where they would like to jet off to forms a key part of Cleworth's client meetings.

Another way the firm stands out is through its use of visual metaphors to replace financial jargon, which Cleworth is not a fan of.

Instead of using the usual cautious, balanced and adventurous monikers for his advisory model portfolios, Cleworth uses British natural parks. The rugged landscape of the Cairngorms represents a speculative risk bucket, compared with the flat waterways of the Norfolk Broads for defensive. 'Most people are in the Peak District,' he says.

### WORKING TOGETHER

As we chat, Cleworth passes me a handwritten note he recently sent a client. This type of personal client engagement is something he takes seriously.

The firm is constantly organising client events such as golf days, cheese-and-wine nights and a day at the races. It also sends clients text messages on their birthdays and Tandem-wrapped bottles of champagne for big birthdays.

Why so much effort on client engagement? 'I am conscious of the fact I am in a privileged position to manage client assets,' he says. 'In our profession there is always pressure on fees and there is obviously robo-advice.

'I don't believe any of my clients would benefit from robo-advice because they want the human relationship. But I am conscious clients have a choice.

'We came up with the name Tandem because it is a two-way thing; working in partnership with the client. You can't engage every single client 100%, but you can try.'

### FEES

Initial meetings are free. They include cashflow modelling, fact finding and risk profiling.

Tandem Financial charges between £1,250 and £3,000 (depending on client complexity) for a financial report, which includes recommendations. This is normally produced for the client at the second or third meeting.

If the client decides to go ahead with the recommendations of the financial report, the firm charges a 1% implementation fee on assets up to £1 million (0.5% for more than £1 million), which covers the administrative cost of moving money into different products.

For ongoing fees, the firm charges clients a 1% annual fee for the first £1 million of assets, which covers the basic model portfolio service, and 1% on any regular payments. For assets between £1 million and £3 million, the ongoing charge is 0.75%.

So a client with £100,000 assets and fairly simple requirements might pay £1,250 for a financial plan, £1,000 to implement and £1,000 ongoing, totalling £3,250 in their first year.

There are four ongoing service models: the basic Trails model portfolio management plan; Bronze (an additional £15 per month), which includes other services such as unlimited phone support and a protection service; Silver (an extra £30 per month), which covers a biannual review report as well as other extras; and Gold (£60 per month), which covers an annual written review.

### TECHNOLOGY TOOLS

<b>Back office</b>	Intelligent Office
<b>Fact-find</b>	Proprietary (based in Excel)
<b>Cashflow analysis</b>	Proprietary (based in Excel)
<b>Attitude to risk</b>	FinaMetrica
<b>Fund analysis</b>	Morningstar
<b>Fund platforms</b>	Transact and Nucleus
<b>Other significant technology</b>	Dropbox, Microsoft Office 365, Evernote, InSight (proprietary educational client resource via the firm's website)

**WHERE NEXT?**

One of this year's *New Model Adviser*® Top 100 firms, Cleworth is clear his focus is not on driving up assets under advice and growing to a 10-adviser firm. But he does want to expand the firm's staff numbers to help him, and his team, enjoy a better lifestyle and be able to take longer holidays without worrying 'the business will fold'.

He wants to recruit a junior paraplanner to support his existing senior paraplanner Kevin Smith (who he says does a lot of the firm's heavy pedalling). After that he wants to bring in a full-time personal assistant. Within three-to-four years, he will hire another employed adviser, who he expects to earn a £100,000 package to manage £400,000 of revenue.

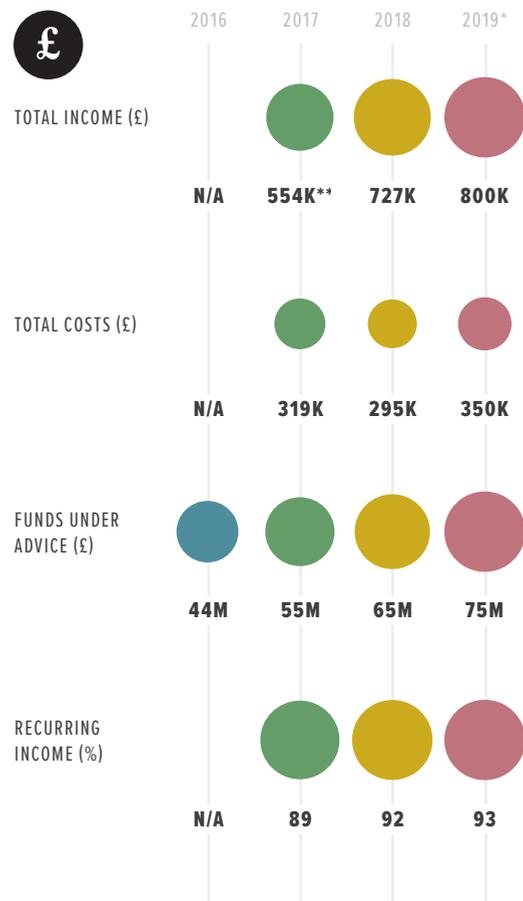
To accommodate these new recruits, Cleworth is currently renovating a 16th

century Grade II-listed barn next to his home. This will become the firm's new office, hopefully by the end of 2019, giving everyone more space to operate. Part of the firm's profits are being invested in the barn, but all his staff knew about this when they came on board.

The relocation will mark a dramatic change of scenery from the current office. It is cluttered with photos of Cleworth's two young boys, tandem bike pictures and unopened Amazon packages, and is located on a business park in Luton.

This new office development is in addition to his other plans to create a Tandem will-writing service by the end of the year. The firm is also planning to send a document to all clients with details of costs and charges in pounds and pence, and 12-month performance ahead of certain Mifid II requirements coming into effect in 2019. ■ **JACK GILBERT**

**TANDEM FINANCIAL**



\*projected figures  
\*\*9.75 months only (not trading until May 2016)

**CLEWORTH TRUSTS DIMENSIONAL'S SOPHISTICATED MODELS TO OFFER BEST VALUE PASSIVE INVESTING**

Tandem Financial uses advisory model portfolios it put together with help from Vanguard Asset Management, Dimensional and Abraham Okusanya, director of consultancy FinalytiQ.

'You might think that when they come in, Dimensional will say "sell those Vanguard funds and buy ours" and vice versa,' says Cleworth. 'But they know me too well to know I am not that easy. Instead they have sophisticated analysis models to help me look at our models, backdate them and look at comparisons.'

'There is no harm in getting a firm with those resources to assist with that. They know I have assets with them and they obviously want to retain them, but I can use them for their abilities.'

The firm uses 100% passives. Cleworth does not believe in active management because he does not want his clients to judge him on his ability to pick funds.

'There is a skill to it [picking funds] and some people can do it well but it is about consistency. You need support to

ACTIVE FUNDS **0%**  
PASSIVE FUNDS **100%**

**TOP FUNDS – TRAILS MODERATE**

<b>UK equity</b>	Dimensional UK Core Equity
<b>UK fixed interest</b>	Vanguard UK Investment Grade Bond Index
<b>International ex UK equity</b>	Vanguard FTSE Developed World ex-UK Equity Index
<b>Property</b>	iShares Global Property Securities Equity Tracker

be able to do it well consistently.

'It frustrates me at the other end of the scale that fund houses like Standard Life Aberdeen have billions invested and still charge a 1% annual management charge to run a managed fund. It doesn't cost that much to run that fund.'

'I like the idea of Vanguard charging a small annual management charge and I like the idea behind it,' he says.