

Suffolk Life to refuse exotica until regulatory framework is in place

25 November 2005

Suffolk Life one of the UK's leading providers and administrators of specialist pension products, particularly SIPPs, has confirmed that it will refuse all "exotica" investments within its SIPP until there is a suitable regulatory framework in place.

Suffolk Life welcomes the Treasury's proposals to create a new FSA regulated activity in relation to personal pension schemes, including SIPPs. However the company has serious concerns over the proposed delays in implementation until April 2007. Effectively, this presents a one year window for unregulated activity and potential financial scams to occur.

Speaking at the Westminster and City conference on "SIPPs countdown to A-Day" John Moret, Suffolk Life's director of sales and marketing director said: "This one year window of unregulated activity is a disaster waiting to happen. Contrary to the FSA's belief, the majority of SIPP providers are not currently regulated. As a result there is a high risk of poor advice and misleading advertising during this 12 month period with little or no protection for investors. It is regrettable that this situation has occurred as the problem was foreseen many months ago but action was not taken until it is apparently too late to implement a new regulatory regime from A-Day.

Whilst it is to be hoped that providers will take note of the FSA's warning about Treating Customers Fairly and potential reference of promotional material to the Advertising Standards Authority, this is not foolproof. Equally, given the variety of legal and regulatory frameworks for SIPPs, self regulation is not a practical solution. It is extraordinary that the risks of mis-selling have been publicly acknowledged and yet there are no plans to put in place a proper regulatory regime from A-Day – relying instead on veiled threats."

Speaking after the conference he added: "It is becoming increasingly clear that the demand for SIPPs will grow dramatically post A-Day. SIPPs will be the pensions solution post A-Day for all other than those relying on stakeholder pensions or its successor. Given this situation, we feel we are acting responsibly in not allowing "exotica" until the regulatory position is rectified. We will allow overseas residential property but only where there is clear evidence that professional advice from an FSA authorised person has been received. We have still to determine the territories which we will initially allow and it is likely that we will impose a number of other criteria to minimise the risks both to the investor and to ourselves as provider"

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For further information, please contact:

John Moret, Director of sales and marketing
Suffolk Life
07711 492440

Caroline Hancock
Financial Dynamics
020 7269 7244

About Suffolk Life

Suffolk Life is one of the UK's leading providers and administrators of specialist pension products, primarily Self Invested Personal Pensions (SIPPs). It currently administers over 5,500 SIPPs with aggregated assets worth over £1.1 billion. Suffolk Life has acquired properties for over 1,500 policyholders.

Established in 1971 and based in Ipswich, Suffolk Life employs over 100 people and has built an enviable reputation based on providing excellent service and good value to intermediaries and customers.

Its expertise and reputation for service quality has been recognised through a number of awards including the Pensions Management Administration and Service Award in 2002, 2003 and 2004, the Pensions Management Commendation in 2005, the Professional Pensions Service and Administration Award 2005, the Money Facts Best SIPP product 2005 and the Investor's Chronicle Best Buy recommendation in 2005. Its success has led to rapid growth, which is expected to continue with the expansion of the SIPP market.

Further details are available by visiting the Suffolk Life website:
www.suffolklife.co.uk