

## “Full impact of SIPP regulation yet to be felt” warns Suffolk Life’s John Moret

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Speaking at the Osney Media “Pension Evolution” conference John Moret, Director of Sales and Marketing at Suffolk Life, one of the UK’s leading providers and administrators of SIPPs, has warned that the full impact of the regulation of SIPPs has yet to be felt and questioned whether the regime that the FSA has put in place will achieve all its aims.

He commented: “Whilst the new regime has potentially opened up the marketplace to new operators there is little evidence of this having occurred to date. Instead the new regime which is based on the “package product” model appears to have encouraged some traditional life companies to market SIPPs in a way which has little in common with the features on which the traditional successful SIPP model has been based. Up to now the transparency of the fee based pricing model has enabled advisers to concentrate on adding value by focussing on areas such as consolidation of legacy poor performing pension products under a SIPP wrapper. That in turn provides a real benefit to the investor as it allows a one stop view of their pensions wealth to be provided.”

He also drew attention to the potential implications of the new regulatory framework for operators holding client money and questioned whether existing operators had given sufficient consideration to the impact of the cash and asset reconciliation requirements and the implications of outsourcing certain activities to third parties. He also mentioned the additional overhead for operators in complying with the new HMRC reporting requirements.

He concluded: “To survive many SIPP operators will need a new approach – robust and scaleable technology platforms will be essential. The increased costs should mean higher prices but competitive forces are working in the opposite direction leading to reduced margins. Consolidation of operators over time seems inevitable. The move to greater individual ownership of pensions seems certain and the regulatory framework for SIPPs needs to strike the right balance in treating investors fairly and ensuring a consistent approach to operational issues.”

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## 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 has established over 8,000 SIPPs and total assets now exceed £2 billion at 2 January 2007. Suffolk Life has acquired properties for over 2,000 policyholders.

Established in 1971 and based in Ipswich, Suffolk Life employs over 130 people and has built an enviable reputation based on its expertise and knowledge of the SIPP market.

This has been recognised through numerous other awards including:-

Technology, Admin and Service award, SIPPs – Pensions Management 2006

Best SIPP Provider - Professional Adviser 2006

Best SIPP Provider - Professional Pensions 2006 & 2005

Best SIPP Product - Moneyfacts 2005

Best Buy - Investors Chronicle 2005

Admin & Service awards, SIPPs – Pensions Management, wins in 2002, 2003 & 2004, commended in 2005

Further details are available by visiting the Suffolk Life website: [www.suffolklife.co.uk](http://www.suffolklife.co.uk)