



John Moret raises concerns about the regulation of SIPPs

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John Moret, Marketing Director at Suffolk Life has raised concerns about the regulatory regime for SIPPs following the recent FSA thematic review of small SIPP providers.

Speaking at the IFP's annual conference on "SIPPs from cradle to grave" he highlighted the potential impact on relationships between manufacturer and distributor if some of the FSA's good practice examples listed in their recent paper were to be adopted.

Amongst the measures suggested were:

- Routinely recording and reviewing the type and size of investments recommended by advisers
- Identifying "anomalous" investments such as unusually small or large transactions and more "esoteric investments"
- Requesting copies of suitability reports

Commenting John Moret said: "Taken to its logical conclusion these recommendations would appear to imply that a SIPP operator is expected to determine whether the advice given by an adviser is suitable. This seems to be a significant shift in responsibilities which would potentially put a SIPP operator in a difficult if not impossible position – not least because a SIPP operator is rarely in position of all the facts. Many advisers would take exception to an operator acting in this way. I doubt that it is workable and it inevitably will lead to extra costs being incurred by the operator."

He added that this seemed out of line with the expectations of providers of other packaged products and questioned why SIPPs had been singled out in this way. He suggested that this might also have implications for platform providers. Concluding he posed the question whether given all the recent regulatory activity involving SIPPs it was time for a review of the regulatory framework which had been introduced in haste back in 2007.

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For further information, please contact:

John Moret, Marketing Director
Suffolk Life
07711 492440

Louise Dolan / James Marshall
FD
020 7269 7192 / 7222

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 15,000 self-invested plans and total assets exceed £3 billion. Suffolk Life has acquired over 1,650 properties for over 3,000 SIPP investors.

Established in 1971 and based in Ipswich, Suffolk Life employs around 200 people and has built an enviable reputation based on its expertise and knowledge of the SIPP market.

This has been recognised through numerous awards including:-

Technology, Admin and Service award, Income drawdown – Pensions Management 2008
Technology, Admin and Service award, SIPPs – Pensions Management 2007 & 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

Financial Adviser 5 star service award 2008

Investor in Customers 2 star award for 2006 & 2008

Suffolk Life was acquired by Legal and General in May 2008