



FSCS levy could force SIPP industry consolidation

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Suffolk Life, one of the UK's leading providers and administrators of SIPPs, believes the recent levy imposed by the Financial Services Compensation Scheme following the collapse of Keydata and other firms, could drive some SIPP firms to either merge or be forced to pass on the cost to their customers.

Greg Kingston, Head of Marketing, comments: "Considering the current economic environment and regulatory and financial strains being placed on firms, consolidation across the SIPP market is now more likely than ever before."

Following the recent announcement by the FSCS, Suffolk Life has received a significant number of enquiries from both advisers and investors about the cost of the recent levy, leading them to confirm that they have never passed on any levy charges to clients in the past and will not pass on the costs of the current Keydata levy.

Greg added: "Suffolk Life is a strong SIPP provider, with robust systems and controls all backed up by a financially strong parent in the Legal & General Group. The value of these attributes really show in extraordinary situations such as this – a time when not only this levy is due but also when SIPP firms are working towards bringing flexible and capped drawdown to market for April as well as responding to and meeting the demands of the changes suggested by the recent CP11/03 consultation."

Greg concluded: "With the likelihood of consolidation in the SIPP market now markedly increased, advisers need to be sure that the SIPP provider they recommend today will still be the same in the future."

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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 16,000 self-invested plans and total assets exceed £3.5 billion. Suffolk Life has acquired 2,000 properties for over 3500 SIPP investors.

Suffolk Life is part of Legal & General plc

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 2010, 2009 & 2008

Technology, Admin and Service award, SIPPs – Pensions Management 2007 & 2006
Admin & Service awards, SIPPs – Pensions Management, wins in 2002, 2003 & 2004, commended in 2005

Defaqto 5 star SIPP award 2009 & 2010

Investor in Customers 2 star award 'outstanding' for 2006, 2008 & 2010