

Suffolk Life predicts SIPP consolidation to escalate

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Suffolk Life, one of the UK's leading providers and administrators of SIPPs has predicted that consolidation within the SIPP industry is likely to escalate following the confirmation that Hornbuckle Mitchell would consider a sale.

Greg Kingston, Head of Marketing said: "Industry experts have predicted consolidation in the SIPP market for several years. It appears it has taken the market a number of years to catch up with the predictions and for the full impact of regulation to take effect."

SIPP providers have suffered in recent years, with evidence that some are struggling to continue to offer the same high levels of service that made them so attractive in the period leading up to regulation. Since then they've also suffered a loss in revenue due to an unprecedented period of low interest rates and more recently have been hurt by the FSCS interim levy, the cost of which some providers have been forced to pass on to investors.

Greg added: "For some smaller or less profitable SIPP providers it must feel like the 'perfect storm' is closing in. On top of the interim levy and lower revenue, the outcomes of CP 11/03 later this year are likely to place an even greater regulatory overhead on SIPP providers as well as necessitating increased development costs. Whilst some are well-positioned to ride through, others will increasingly come to terms with the fact that a sale may be the best course to take."

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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 £4 billion. Suffolk Life owns over 2,200 properties for over 4,000 SIPP investors. All figures are as at April 2011.

Suffolk Life was acquired by Legal & General in May 2008.

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 2010 & 2011

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

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Suffolk Life operates and administers self-invested personal pensions and similar pension products and similar pension products.

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