

SURVEY

SIPPS As the self-invested personal pension celebrates its 20th anniversary, there is still no sign of its growth decelerating or its popularity waning

THE WHEEL KEEPS ON TURNING



OWEN
WALKER

This was the year we discovered Ranulph Fiennes, Marco Pierre White and Mariella Frostrup were all the ideal candidates for taking up a self-invested personal pension (Sipp).

But it seems you do not need to be a famed explorer, television chief or a – what does Mariella Frostrup do again? – to be suitable for a Sipp. One respondent to this year's survey even told how he had overheard builders in a café weighing up the product. With the total number of plans in the UK well on the way to breaking through the half million mark, it is clear the product has come along way in the past 20 years.

When Nigel Lawson introduced the Sipp in March 1989, few could have predicted it would catch on to such a level that billboards would promote it and the prod-

uct's grouped form would be heralded as the future of employer-based pensions; once the preserve of high net worth individuals, now it is seen as a product for the mass affluent.

This year's tables contain 441,399 plans, if you include the 14,536 plans that Alliance Trust reported last year (the provider, which temporarily closed its book to new business in December, did not disclose its business figures this year). If you add to the mix the stats from Capita (which once again did not respond), Legal & General, Prudential and Skandia – all providers with large books that did not disclose their figures – it would appear total number of UK plans is verging on half a million.

When Suffolk Life director of sales and marketing John Moret predicted this milestone would be reached by 2010 nine years ago, many dismissed it as a baseless marketing ploy.

Compared to last year's survey, the number of plans has swelled

by about 20%. Over the same period, the total assets under management in the tables have risen only marginally, from £49bn to £49.8bn – a clear sign many investors will have made losses on their investments.

Many execution-only investors would have seen significant losses in the funds' value, as will some investment management service providers who were too reliant on equities. Matt Pitcher, senior wealth adviser at Towry Law, argues there is absolutely no reason why any Sipp investor with a sensible investment strategy should have lost 20% or more of their fund's value in 2008.

"This very clearly emphasises that a Sipp is not some sort of panacea pension wrapper and that increased investment choice does not necessarily lead to better fund performance," he says.

But investment performance is not the only problem the Sipp market has had to deal with. May's Budget brought with it changes to the tax treatment of higher earn-

KEY STAT

20%
Increase
in no. of
Sipp
plans
since last
year's survey



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The Sipp machine continues to spin as new products are issued yearly

ers and their pension contributions. Mark Scott, marketing manager at Pointon York Sipp Solutions, believes the abolition of the higher rate tax relief for those earning above £150,000 a year could significantly impact the Sipp market.

"If this group of pension savers becomes disenfranchised and invests less in their own pensions, their commitment to and interest in employee pensions may well suffer too," he says.

Tom McPhail, head of pensions research at Hargreaves Lansdown, also believes the changes brought about in the Budget will have some bearing on the Sipp market. He believes very high earners will drift away from pensions as they can gain better tax advantages elsewhere. They will be replaced by 'refugees' from occupational defined contribution (DC) schemes and the market will begin to refocus on the lower end.

However, Moret, whose clients tend to be at the wealthier end, judges that the impact of the

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changes should be minimal based on an analysis of the Suffolk Life book. He calculates just 6% of Suffolk Life's 13,500 clients have incomes over £150,000 and make Sipp contributions of over £20,000 a year. It is these types of investors which would be hit by the new 20% tax charge.

"It is reasonable to conclude that in the run up to 2011, fewer than 5% of current Sipp investors are likely to be subject to the additional tax charge," he says. "There is no reason to believe the experience of potential new Sipp investors would be materially different, so in the short term at least the future of the Sipp market continues to look bright.

"What's more, if the reports regarding the tax treatment of contributions to defined benefit (DB) schemes for high earners post 2011 are correct, we can expect a growth in transfers from such schemes."

A recent influential report on the changing shape of the UK's DC landscape by Spence Johnson

makes use of a waterfall analogy. This argues that assets are flowing down from closing DB schemes towards DC schemes. The paper also predicts a transition from trust-based schemes to contract-based schemes. It concludes that group Sipp arrangements and potentially employee portals are the future of work-based pensions.

In the group

Group Sipp have been one of the largest growth areas over the past year. They have received much press coverage and have made their mark on the pensions landscape. Major corporates such as BT, Kingfisher, GlaxoSmithKline and HSBC have all set up group Sipp plans in the past 12 months.

Many of the respondents predicted that if the number of Sipp ever got anywhere near the one million mark, it would be driven by group Sipp. It is easy to see why. In just one (two-year long) deal, BT was able to open up the option to a potential 18,000 new clients. Though it is doubtful many more than 3,000 will actually take up the offer, there is an awful lot of potential in the market.

A recent survey by Price-WaterhouseCoopers found about a quarter of UK companies were considering setting up a group Sipp. With the rapid decline of DB schemes, a group Sipp is seen as a more rewarding benefit than a DC scheme or group personal pension (GPP) plan.

However, concerns remain over whether a Sipp is indeed necessary for all it is offered to. A telephone engineer with a modest pot of DC savings, for example, or a shelf stacker at one of Kingfisher's B&Q stores are not the archetypal Sipp holders. "Group Sipp are a triumph of marketing over substance," says Mike Morrison, head of pensions development at Axa Winterthur Wealth Management. "Unless a scheme has a share rollover facility, I fail to see what benefits it has over a GPP."

The ability for members to make in-specie contributions to their Sipp is the main reason many ▶

SURVEY SIPPS

TABLE ONE: SIPPS AND ASSETS UNDER ALLOCATION

COMPANY	Product	Date launched	No of plans	Assets (£m)
@sipp	Full Sipp	Jun 2002	1,030	223
Aegon Scottish Equitable	Aegon Scottish Equitable Sipp	1992	138,634	6,900
AIG Life	Pension Bond	Jun 1999	166	34.9
A J Bell	A J Bell Platinum Sipp	Oct 1997	34,376 ^{1,3}	4,860 ^{1,3}
A J Bell	Sippcentre Sipp	Oct 2002	34,376 ^{1,3}	4,860 ^{1,3}
Alliance Trust	Alliance Trust Full Sipp	1998	nd	nd
Alliance Trust	Select Sipp	1997	nd	nd
Alltrust Services	Alltrust Sipp	Jun 2005	210	45
Aviva	Aviva Sipp	Apr 2006	nd	nd
AWD Chase de Vere Consulting	The AWD Sipp	Oct 2003	214	62
Axa	Axa Life Sipp	Jul 2006	10,293	1,426
Axa Winterthur Wealth Management	The One from Winterthur	Nov 2008	1,049	8.9
Barnett Waddingham	The Barnett Waddingham Sipp	1999	1,700	800
Bridgewater Pension Trustees	Pathfinder Private Pension	Oct 1999	521	128.9
Central Tax & Trustee Planning	CTTP Sipp	2005	30	2.9
Cooper Parry Financial Services	Cooper Parry Sipp	Feb 2003	240	46.5
D A Phillips & Co	The Premier Trust	1997	1,200	330
Dentons Pensions Management	Dentons Sipp	1996	1,780	815
European Pensions Management	European Pensions Management Scheme	2001	3,712	350
Friends Provident	New Generation Personal Pension Sipp Option	Oct 2007	141 schemes	nd
FundsNetwork	FundsNetwork Sipp	Dec 2005	5,350	700
Greyfriars Asset Management	Greyfriars Preferred Retirement Account	1989	725	nd
Hargreaves Lansdown	HL Vantage Sipp	Jul 2002	55,000	2,400
Hornbuckle Mitchell	Private Pension	Feb 2001	12,000	>2,000
Independence Sipp Administration	Independence Sipp	Jan 2009	0	0
Investacc	Minerva Sipp	Oct 2003	790	125
Investment Funds Direct	Ascentric Pension Account	Apr 2009	0	0
IPS Partnership	The IPS Sipp	Oct 2008	8,233	2,140
James Hay	James Hay Sipp	1996	36,000	9,000
Legal & General	Portfolio Plus Sipp	Apr 2006	nd	nd
Liberty Sipp	The Liberty Pension Scheme	Mar 2008	157	17.5
The Lifetime Sipp Company	The Lifetime Sipp	2001	671	108
Mattioli Woods	Mattioli Woods Sipp	1996	1,661	471
MC Trustees	MC Trustees Private Pension	1996	1,679	nd
Merchant Investors Assurance Company	OneSipp	Jan 2008	nd	nd
MetLife	MetLife Retirement Portfolio	Jan 2007	nd	nd
Michael J Field Consulting Actuaries	The Michael J Field Sipp	1998	1,150	nd
Montpelier Pension Administration Services	The Montpelier Sipp and The Montpelier Protected Rights Sipp	Aug 2006	400	200
MySipp	MySipp Scheme	Nov 2006	480	34
Nigel Sloam & Co	NSS Solution Sipp	Jul 2005	nd	nd
Pointon York Sipp Solutions	The PY Sipp and The Pointon York Sipp Plan	PY - 2001; Sipp Plan - 1990	4,750	685
Premier Pension Services	Elite Group Sipp	Oct 2004	23	18.4
Premier Pension Services	Premier Sipp	Oct 2001	1,641	444
Prudential	Prudential Flexible Retirement Plan (including Sipp option)	Aug 2006	nd	nd
PSFM	PSFM Sipp	Apr 2002	540	240
Rathbone Pension & Advisory Services	Rathbone Sipp	1996	900	290
Redswan Pensions	Redswan Sipp	Jan 2005	251	22.5
Rensburg Sheppards	Premier Pension Plan	Sep 2003	1,429	471
Rowanmoor Pensions	The Rowanmoor Pensions Sipp	May 2009	0	0
Scottish Life	Pension Portfolio	Dec 2006	219	23.6
Scottish Widows	The Retirement Account	Mar 2007	11,098	1,175
Skandia	The Skandia Sipp	Jan 2005	nd	nd
Standard Life	Standard Life Sipp Plan	Dec 2004	70,600	8,800
Suffolk Life	Suffolk Life MasterSipp and Suffolk Life Sipp (closed to new business)	Sipp Feb 1995; MasterSipp Oct 2007	13,441	3,200
Taylor Patterson Associates	The Taylor Paterson Sipp	2002	330	102
TM Sipp Services	Elite Retirement Account	2000	1,000	200
Towry Law Financial Services	The Towry Law Sipp Scheme	1997	2,900	825
Westerby Trustee Services	Solo Sipp	Jul 2008	30	2.25
Westerby Trustee Services	Westerby Private Pension	Jul 1998	592	73
Xafinity Sipp Services	The Xafinity Sipp	Nov 2007 (original Hazell Carr Sipp Jan 1997)	nd	nd

Key: nd - not disclosed. Notes: 1) Total A J Bell; 2) As at 29/02/2008; 3) As at 31/12/2008; 4) 1,657 (1,598) own products, 123 (95) third-party brand/own admin; 5) 22,000 (18,820) own products, 14,000 (18,014) third-party/own admin; £6bn (£6.3bn) assets own products, £3bn (£4.8bn) assets third-party/own admin; 6) 1,386 (1,704) own products, 275 (0) third-party/own admin; £415m (£458m) assets own products, £56m (£0) assets third-party/own admin; 7) 9,979 (1,891) own products, 1,891 (1,368) third-

	Full Sipps Sipps		Platform-based		Hybrid Sipps as %		Client profile									
							Sipp contributions		Origin of business as %					Income drawdown split (%)		
	Plans under admin at 31/03/09 (£m)	Assets under admin at 31/03/09 (£m)	Plans under admin at 31/03/09	Assets under admin at 31/03/09 (£m)	Plans under admin at 31/03/09	Assets under admin at 31/03/09 (£m)	Employed	Self-employed	Defined benefit scheme transfers	Other occupational transfers apart from SSAS	SSAS transfers	Sipp transfers	Personal pension transfers	Phased drawdown	Full drawdown	Phased annuity purchase
1,030 (nd)	223 (nd)	0	0	0	0	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
4,128 (4,010)	898.8 (971)	0	0	134,506	6,074	98.35	1.65	nd	nd	nd	nd	nd	nd	27.8	72.2	0
0	0	0	0	166	34.9	80	20	nd	nd	nd	nd	nd	nd	2.4	31.7	0
34,376 (29,000) ^{1,3}	4,860 (5,000) ^{1,3}	0	0	0	0	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
34,376 (29,000) ^{1,3}	4,860 (5,000) ^{1,3}	0	0	0	0	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
nd (6,851 ²)	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
nd (7,685 ²)	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
210 (150)	45 (40)	0	0	0	0	40	60	5	30	5	15	45	20	80	0	0
nd	nd	nd	nd	n/a	n/a	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
214 (202)	62 (70.7)	0	0	0	0	55	45	1	7	26	21	45	9	83	8	0
4,714 (4,250)	1,003.7 (843.7)	0	0	10,139	767	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
1,049 (n/a)	8.9 (n/a)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1,700 (1,500)	800 (725)	0	0	0	0	60	40	10	20	10	20	40	40	60	0	0
521 (386)	128.9 (nd)	0	0	0	0	70	30	0.1	0.8	5	14.1	80	10	22	n/a	0
30 (nd)	2.9 (nd)	0	0	0	0	86	14	0	0	10	20	70	85	15	0	0
240 (211)	46.5 (42.5)	0	0	0	0	60	40	1	10	3	45	41	13	84	3	0
1,200 (1,000)	330 (325)	0	0	0	0	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
1,780 (1,703) ⁴	815 (nd) ⁴	0	0	0	0	56	44	1	12	14	15	58	38	61	1	0
3,712 (3,350) ²	350 (450) ²	0	0	0	0	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
nd	nd	nd	nd	141	nd	100	0	nd	nd	nd	nd	nd	nd	nd	nd	nd
5,350 (4,000)	700 (700)	0	0	0	0	nd	nd	nd	nd	nd	nd	nd	15	85	0	0
725 (550)	nd	0	0	0	0	75	25	0	5	5	20	70	25	75	0	0
0	0	55,000 ³	2,400 ³	0	0	66	20	2	12	1	4	75	20	80	0	0
12,000 (10,000)	>2,000 (>2,000)	0	0	0	0	40	60	2	6	6	26	60	40	60	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
790 (634)	125 (89)	0	0	0	0	60	40	2	8	10	10	70	27	73	0	0
0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
8,233 (6,655)	2,140 (1,730)	0	0	0	0	32	68	0.5	5	1.5	20	73	17	83	0	0
36,000 (38,834) ⁵	9,000 (11,100) ⁵	0	0	0	0	34	26	20	10	1	0	50	26	74	0	0
nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
157 (0)	17.5 (0)	0	0	0	0	60	40	5	5	10	40	40	10	90	0	0
671 (459)	108 (121)	0	0	0	0	45	55	0	2	11	6	18	20	80	0	0
1,661 (1,704) ⁶	471 (458) ⁶	0	0	0	0	75	25	nd	nd	nd	nd	nd	nd	nd	nd	nd
1,534 (1,453)	821 (711)	0	0	0	0	27	73	21	30	2	4	43	69	31	0	0
nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
1,150 (1,000)	nd	0	0	0	0	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
400 (nd)	200 (nd)	0	0	0	0	35	65	2	2	10	21	65	10	90	0	0
362 (207)	30 (15)	128	5	0	0	75	25	0.2	9.4	0	4.4	86	<0.1%	1.4%	0	0
nd	nd	nd	nd	nd	nd	25	75	1	16	7	20	56	30	70	0	0
4,750 (4,294)	685 (654)	0	0	0	0	70	30	2	2	10	10	80	58	42	0	0
23 (13)	18.4 (nd)	0	0	0	0	85	15	0	0	0	12	24	0	0	0	0
1,641 (1,081)	444 (nd)	0	0	0	0	57	43	1	10	10	12	67	28	81	0	0
nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
540 (400)	240 (180)	0	0	0	0	60	40	3	7	10	20	60	54	46	0	0
900 (nd)	290 (nd)	0	0	0	0	60	40	nd	nd	nd	nd	nd	nd	nd	nd	nd
249 (227)	22.5 (20)	0	0	0	0	86	14	nd	nd	nd	nd	nd	nd	nd	nd	nd
1,429 (1,259)	471 (432)	0	0	0	0	60	40	5	40	5	5	45	20	80	0	0
0 (n/a)	0 (n/a)	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
0	0	0	0	219	23.6	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
11,098 (4,868)	1,175 (713)	0	0	0	0	99.75%	0.25%	nd	nd	nd	nd	nd	nd	nd	nd	nd
nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
70,600 (46,900) ²	8,800 (7,700) ²	0	0	0	0	nd	nd	nd	nd	nd	nd	nd	27	72	0	0
13,441 (11,347) ⁷	3,200 (3,000)	0	0	0	0	nd	nd	nd	nd	nd	nd	nd	30	70	0	0
330 (290)	102 (98)	0	0	0	0	30	40	<1	5	10	20	40	20	80	0	0
1,000 (980) ⁸	200 (183) ⁸	0	0	0	0	60	40	10	10	25	25	30	30	70	0	0
2,900 (2,250)	825 (800)	0	0	0	0	75	25	1	18	1	10	70	50	44	6	0
30 (n/a)	2.25 (n/a)	0	0	0	0	70	30	2	8	2	5	78	50	50	0	0
592 (423) ⁹	73 (63) ⁹	0	0	0	0	70	30	2	8	2	5	78	50	50	0	0
nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd

party/own admin; £2,750m (£2,810m) assets own products, £450m (£190m) third-party brand/own admin; 8) 860 (850) own products, 140 (130) third-party/own admin; 9) 570 (498) own products, 22 (25) third-party/own admin; £70m (£60m) assets own products, £3m (£3m) third-party brand/own admin.

TABLE TWO: SIPP INVESTMENTS

COMPANY	Full self-investment	External unit trusts	UK stocks/shares	OS stocks/shares	Investment trusts	Deposit accounts	Ext'l insured funds	Foreign currency	Warrants	Gifts	Traded endowments	Hedge Funds	Options	Futures	Private equity	Gold bullion	Comm'l property	No. of commercial properties managed	No. of investors invested in property	Any investments (permitted within rules) that you prohibit?	In-specie contribs accepted?	Protected rights accepted? (amount since October 2008)
@sipp	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	240	362	X	✓	✓ (£1.66m)
Aegon Scot Eq	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	X	X	✓	340	576	traded endowments	✓	✓ (nd)
AIG Life	X	✓	✓	✓	✓	✓	✓	X	✓	✓	X	X	✓	✓	X	X	✓	5	8	X	X	X
A J Bell (Platinum)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	nd	nd	res prop; personal chattels; loans	✓	✓ (nd)
A J Bell (Sippcentre)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	nd	nd	res prop; personal chattels; loans	✓	✓ (nd)
Alliance Trust (Full)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	nd	nd	loans to TP UK ltds; no borrowing to comm prop	✓	✓ (nd)
Alliance Trust (Select)	X	✓	✓	✓	✓	X	✓	X	X	✓	X	X	X	X	X	X	X	n/a	n/a	various	✓	✓ (nd)
Alltrust Services	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	40	50	TP loans	✓	✓ (nd)
Aviva	✓	✓	✓	X	✓	✓	X	X	X	X	X	X	X	X	X	X	✓	nd	nd	various	X	✓ (nd)
AWD Chase de Vere	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	66	53	invs resulting in unauthorised payments	✓	✓ (0)
Axa	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	X	X	X	✓	524	832	invs with tax risk	✓	X
Axa Winterthur WM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	<10	<10	unacceptable level of risk	X	✓ (nd)
Barnett Waddingham	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	a750	a500	X	✓	✓ (nd)
Bridgewater Trustees	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	33	45	X	✓	✓ (£1.4m)
Central Tax & Trustee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	6	6	X	X	✓ (nd)
Cooper Parry	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	106	93	X	✓	✓ (nd)
D A Phillips & Co	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	nd	✓	300	450	X	✓	✓ (nd)
Dentons	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	432	480	individual os unquoted trading co shares	✓	✓ (nd)
European PM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	nd	nd	X	✓	✓ (nd)
Friends Provident	✓	✓	✓	✓	X	X	X	X	X	✓	X	✓	X	X	X	X	X	n/a	n/a	nd	X	✓ (nd)
FundsNetwork	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	X	✓	nd	nd	private equity and unlisted shares	X	✓ (£5.25m)
Greyfriars	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	450	550	unquoted shares	✓	✓ (£0.6m)
Hargreaves Lansdown	✓	✓	✓	✓	✓	✓	X	X	✓	✓	X	✓	X	X	X	X	X	n/a	n/a	comm prop; ext insured funds; currency; traded endowments, options, futures, PE	X	✓ (nd)
Hornbuckle Mitchell	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1,700	nd	✓	✓	✓ (nd)
Independence	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	X	✓	X
Investacc	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	248	443	X	✓	✓ (£2m)
Investment FD	X	✓	✓	✓	✓	X	X	X	X	✓	X	✓	X	X	X	X	X	n/a	n/a	various	X	✓ (£0)
IPS Partnership	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1,861	1,500	X	✓	✓ (£15m)
James Hay	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2,106	3,099	X	✓	✓ (£26m)
Legal & General	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	X	X	X	✓	✓	nd	nd	loans; personal chattels; premium bonds; OFEX/unlisted shares; futures; options	X	✓ (nd)
Liberty Sipp	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	20	0	X	✓	✓ (nd)
Lifetime Sipp	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	134	152	X	✓	✓ (£1.1m)
Mattioli Woods	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	nd	nd	X	✓	✓ (£10.7m)
MC Trustees	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	431	nd	X	✓	✓ (£1.4m)
Merchant Investors	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	X	cbc	X	✓	nd	nd	futures; options; swaps; CFDs; spread bets	✓	✓ (nd)
MetLife	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	X	✓	X	X	X	✓	✓	nd	nd	ext insured funds; traded endowments; options; futures; private equity	✓	X
Michael J Field	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	nd	nd	nd	nd	os prop	nd	✓ (nd)
Montpelier	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100	100	prop subject to unauthorised tax charge	✓	✓ (1.75m)
MySipp	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	9	47	breaches of FSMA	✓	✓ (£1.5)
Nigel Sloam & Co	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	nd	nd	prop subject to unauthorised tax charge	✓	✓ (nd)
Pointon York	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	730	nd	comm os prop	✓	✓ (nd)
Premier (Elite)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	9	nd	uq shares	✓	✓ (£0)
Premier (Premier)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	341	688	uq shares	✓	✓ (£1.27m)
Prudential	✓	✓	✓	X	✓	✓	✓	X	X	✓	X	✓	X	X	X	✓	✓	nd	nd	various	X	X
PSFM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	54	66	X	✓	✓ (£3.2m)
Rathbone	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	X	✓	✓	✓	X	X	X	n/a	n/a	various	X	✓ (nd)
Redswan Pensions	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	36	39	invs with tax risk	✓	✓ (£0.3m)
Rensburg Sheppards	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	X	X	n/a	n/a	X	✓	✓ (nd)
Rowanmoor Pensions	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	n/a	uq equity; hotel rooms; intangible assets	✓	✓ (n/a)
Scottish Life	X	✓	✓	✓	✓	X	✓	X	✓	✓	X	✓	X	X	X	✓	✓	78	nd	res prop, os prop, s/h or traded endowment plans; OFEX shares; direct purchase of uq shares; NS&I products; CFDs; taxable prop	✓	✓ (nd)
Scottish Widows	✓	nd	✓	✓	✓	X	X	X	X	✓	X	nd	nd	nd	nd	nd	✓	14	0	assets purchased via prospectus	✓	✓ (nd)
Skandia	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	nd	nd	OFEX shares, uq/private co shares, res prop; ground rents; loans to unconnected TPs; loans to connected parties; tangible moveable prop; pride in possession; personal chattels	X	✓ (nd)
Standard Life	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	945	1,589	unlisted shares	X	✓ (£216m)
Suffolk Life	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	X	✓	>1,640	3,064	private equity and gold bullion	X	✓ (£10.5m) ¹
Taylor Patterson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	132	248	taxable prop	✓	✓ (£0.2m)
TM Sipp	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	225	400	X	✓	✓ (£1.5m)
Towry Law	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	0	X	✓	✓ (nd)
Westerby (Solo)	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	X	✓	✓	✓	X	X	X	n/a	n/a	only if through platform, TIP or DFM panel	X	✓ (nd)
Westerby (WPP)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	115	178	X	✓	✓ (£1.5)
Xafinity	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	nd	nd	generation of unauthorised payments	✓	✓ (£0.5m)

Key: a - approx; cbc - case by case; CFD - contracts for difference; co - company; comm - commercial; DFM - discretionary fund manager; ext - external; inv - investment; nd - not disclosed; NS&I - National Savings & Investments; os - overseas; res - residential; PE - private equity; prop - property; s/h - second-hand; TIP - trustee investment plan; TP - third party; uq - unquoted. Notes:1) £56m since October 2007.

group Sipp arrangements are set up for the wider workforce. With privatised companies such as BT, where many of the older workers will hold shares, or in organisations that run share incentive plans or save-as-you-earn plans, the Sipp is a handy tax wrapper for them to hold both their pension savings and their company equity.

The two other main reasons for setting up a group Sipp are for executives and higher earners to either replace or sit alongside their existing company pension scheme and to increase the investment options, through a fund supermarket, of an existing GPP scheme. In both instances employers can boost their pension benefit offering at limited cost. This is seen as a very attractive employee retention tool during times when budgets are being slashed.

As in the wider market, the debate over what constitutes a true Sipp emerges. For some respondents, a group Sipp that does not offer in-specie transfers and the ability to hold company shares is little more than a spruced-up GPP. True group Sipp, they argue, are to be found at the smaller, more bespoke end of the market. These vehicles are used much like small self-administered schemes (SSAS), where a group of executives of a company can pool their investments for a common goal, for example to buy the business's property.

Another concern over the increased use of group Sipp is that they will be set up in the interests of the executives, but will be funded by all of the workforce, regardless of whether they would be more suited to a simpler product. To counter this, many of the providers offer a tired product similar to a GPP for the vast majority of employers, although the option of accessing the Sipp is always available to them, with additional costs.

There will necessarily need to be an awful lot of member education and advice to make sure the Sipp is not mis-sold. But as Kim Gubler, a consultant who specialises setting up group Sipp, says: "At some level, we have to take responsibility for ourselves. We buy a house, we buy a car, we buy insurance. We manage lots of other lifestyle things that are important and gov-

erned by law and regulation. We must at least take a little bit of a partnership role in taking the final step into the greater flexibility that is available within Sipp."

One of the other reasons why, for some, there is much expected of the group Sipp market is the introduction of personal accounts. From 2012, the national pension scheme will be set up, and all employees whose companies do not offer an equal or better arrangement will be auto-enrolled into it. The prospect of this national scheme has led some to believe a two-tiered system will emerge, where companies will offer a decent group Sipp for their more valued employees, while the rest are enrolled into the personal accounts.

Charles Snedden, a market analyst at Aegon, describes the typical group Sipp holder: "They are likely to be in their late 40s or 50s and reasonably high earners: typically directors, senior managers, entrepreneurs or business owners. They are financially aware, using financial advisers and doing their own research through a full range of media. We would expect such individuals to be in social grades A or B.

"However, group Sipp such as ours open these options up to all employees, a particular benefit for those who did not envisage these requirements when they took out the plan initially."

But just as it appears the group Sipp market is taking off, a number of the providers are finding the cost of implementation and ongoing administration a burden. Hargreaves Lansdown, which provides the group Sipp to Kingfisher, recently made its group Sipp business development manager, Dave Petchey, redundant due to pressures on cost. Though McPhail says the firm still expects the group Sipp area to grow as investors use their Sipp to learn more about investing.

Kevin O'Boyle, group head of pensions at BT, says of the deal he negotiated with Standard Life: "I have been told that to date we have the finest deal that has been available on the market. This became one of Standard Life's strategic implementations of the year. I must have met, personally, about 200 different people from their

**KEY
STAT**
441,399
**No. of
Sipp plans
surveyed
by PM**

organisation at various times to make certain it worked for us, so this was very important to them.

"Not all companies would be able to negotiate a deal as fine as that. The scheme is starting off with 18,000 or so members; there is potentially £300m in existing DC pots that members will have the opportunity to move across; annual contributions are about £80m a year at the current level. Hence, it is clearly a big scheme."

There are concerns within the industry that the terms of the deal were so favourable to BT, and the potential uptake was so large, that Standard Life could be restricted in any future business they write.

Friends Provident reveals it has 141 group Sipp plans on its books, though it is not forthcoming with the details of how many members that involves, nor how the size of assets under management that translates into.

Protected rights, protected wrongs

It is now eight months since the Department for Work and Pensions made protected rights savings available for all Sipp providers to hold, where previously it was just Sipp written as an insured fund. Table two shows that since October last year, already £290m of protected rights money has been transferred into the Sipp of those providers willing to provide details. This figure is likely to be well below the total amount transferred due to many of the providers not revealing their stats, but it is a clear indication of what a boon for the industry the change in regulation could prove to be.

There are some who estimate there to be as much as £500bn hauled up in protected rights pots, so it is understandable that the change in status has been of interest to the Sipp industry.

By far the biggest recipient of that wave of cash was Standard Life, which scooped up £216m. Only AIG, Axa, Independence, MetLife and Prudential do not yet accept protected rights. Suffolk Life's decision to adapt its structure to allow protected rights a year before many of its competitors looks to have paid off, as it claims to have accepted £56m since October 2007. The provider ▶

TABLE THREE: SIPP STRUCTURE

COMPANY	Own product	Branded product (provider/trustee)	Deed poll	Individual trust scheme	Master trust scheme	Corporate trust with each member as co-trustee	Subject to compliance under FSA's rules?	Full Sipp	Clustered? (number)	Regeneration?	Platform-based Sipp	Hybrid Sipp (min insured investment)	Income drawdown/unsecured pensions (proportion USP)	Phased retirement	Alternatively secured pension (proportion)
@sipp	✓	X	X	X	✓	X	X	✓	✓(1,000)	✓	X	X	✓(21.2%)	✓	✓(0%)
Aegon Scot Eq	✓	X	X	X	✓	X	✓	✓	X	n/a	X	✓ ¹	✓(29.3%)	✓	✓(0%)
AIG Life	✓	X	X	X	✓	X	✓	X	n/a	n/a	X	✓(£50k)	✓(nd)	X	X
A J Bell (Platinum)	✓	X	X	✓	X	X	X	✓	X	X	X	X	✓(nd)	✓	✓(nd)
A J Bell (Sippcentre)	✓	X	X	X	✓	X	X	✓	X	X	X	X	✓(nd)	✓	✓(nd)
Alliance Trust (Full)	✓	X	X	X	✓	X	X	✓	✓(1,000)	✓	✓	X	✓(nd)	✓	✓(nd)
Alliance Trust (Select)	✓	X	X	X	✓	X	X	✓	✓(1,000)	X	✓	X	✓(nd)	✓	✓(nd)
Alltrust Services	✓	X	X	X	X	✓	X	✓	X	n/a	X	X	✓(5%)	✓	✓(<1%)
Aviva	✓	X	X	X	✓	X	✓	✓	X	n/a	✓	✓(no min)	✓(nd)	✓	✓(nd)
AWD Chase de Vere	✓	X	X	X	X	✓	X	✓	✓(1,000)	✓	X	X	✓(18%)	✓	✓(2%)
Axa	✓	X	X	X	✓	X	X	X	X	n/a	X	✓(£3k)	X	X	X
Axa Winterthur WM	✓	X	X	X	✓	X	X	✓	✓(1,000)	X	X	X	✓(nd)	✓	✓(nd)
Barnett Waddingham	✓	X	X	X	X	✓	X	✓	✓(1,000)	✓	X	X	✓(25%)	✓	✓(<5%)
Bridgewater Trustees	✓	X	X	X	X	✓	X	✓	✓(unltd)	✓	X	X	✓(30%)	✓	✓(nd)
Central Tax & Trustee	✓	X	X	X	X	✓	X	✓	✓(1,000)	✓	X	X	✓(16%)	✓	✓(0%)
Cooper Parry	✓	X	X	X	✓	X	X	✓	X	n/a	X	X	✓(16%)	✓	✓(<1%)
D A Phillips & Co	✓	X	X	X	✓	X	X	✓	✓	✓	X	X	✓(25%)	✓	✓(2%)
Dentons	✓	X	X	X	✓	X	X	✓	✓(1,000)	✓	X	X	✓(26%)	✓	✓(2%)
European PM	✓	X	X	X	✓	X	X	✓	X	n/a	X	X	✓(9%)	✓	✓(0.1%)
Friends Provident	✓	X	✓	X	X	X	✓	X	n/a	n/a	X	✓(no min)	✓(nd)	✓	X
Funds Network	X	SLife	X	X	✓	X	✓	✓	X	n/a	✓	X	✓(19%)	✓	y (nd)
Greyfriars	✓	X	X	X	✓	X	X	✓	✓(1,000)	✓	X	X	✓(15%)	✓	✓(0%)
Hargreaves Lansdown	✓	X	X	X	✓	X	X	X	n/a	n/a	✓	X	✓(nd)	✓	✓(nd)
Hornbuckle Mitchell	✓	nd	X	✓	X	X	X	✓	✓(1,000)	✓	X	X	✓(30%)	✓	✓(<10%)
Independence	✓	X	X	X	X	✓	X	✓	✓(1,000)	X	X	X	✓(n/a)	✓	✓(n/a)
Investacc	✓	X	X	X	X	✓	X	✓	✓(1,000)	✓	X	X	✓(16%)	✓	✓(0%)
Investment FD	✓	X	X	X	✓	X	X	X	n/a	n/a	✓	X	✓(n/a)	✓	✓(n/a)
IPS Partnership	✓	X	X	X	X	✓	X	✓	✓(unltd)	✓	X	X	✓(18%)	✓	✓(0.5%)
James Hay	✓	X	X	X	✓	X	X	✓	✓(1,000)	X	X	X	✓(nd)	✓	✓(nd)
Legal & General	✓	X	X	X	✓	X	X	✓	X	n/a	✓	✓ ²	✓(nd)	✓	X
Liberty Sipp	✓	X	X	X	X	✓	nd	✓	✓(1,000)	✓	X	X	✓(5%)	✓	✓(nd)
Lifetime Sipp	✓	X	X	X	✓	X	X	✓	✓(1,000)	✓	X	X	✓	✓	✓
Mattioli Woods	✓	X	X	X	✓	X	X	✓	X	X	X	X	✓	✓	✓
MC Trustees	✓	MCT	X	X	✓	✓	X	✓	✓(10,000)	✓	X	X	✓(20%)	✓	✓(0.5%)
Merchant Investors	✓	X	X	X	✓	X	X	✓	X	n/a	X	✓(£25k)	✓(nd)	✓	✓(nd)
MetLife	✓	X	X	X	✓	X	X	✓	X	n/a	X	✓(£50k)	✓(nd)	✓	✓(nd)
Michael J Field	✓	X	X	X	✓	X	X	✓	nd	nd	X	X	✓(nd)	✓	✓(nd)
Montpelier	✓	X	X	X	✓	X	X	✓	✓(1,000)	✓	✓	✓(no min)	✓(5%)	✓	✓(0%)
MySipp	✓	X	X	X	✓	X	X	✓	✓(1,000)	X	✓	X	✓(9%)	✓	✓(0%)
Nigel Sloam & Co	✓	X	X	X	✓	X	X	✓	✓(1,000)	✓	X	X	✓(19%)	✓	✓(2%)
Pointon York	✓	X	X	X	✓	X	X	✓	✓(1,000)	✓	X	X	✓(20%)	✓	✓(<1%)
Premier (Elite)	✓	X	X	X	✓	X	X	✓	X	X	✓	X	✓(0%)	✓	✓(0%)
Premier (Premier)	✓	X	X	X	✓	X	X	✓	X	n/a	✓	X	✓(19%)	✓	✓(0.85%)
Prudential	✓	X	X	X	✓	X	nd	X	n/a	n/a	nd	✓(no min)	✓(nd)	✓	X
PSFM	✓	X	X	X	✓	X	X	✓	✓(1,000)	X	X	X	✓(11%)	✓	✓(<1%)
Rathbone	✓	X	X	X	✓	X	X	✓	✓(nd)	nd	X	X	✓(nd)	✓	✓(nd)
Redswan Pensions	✓	X	X	X	✓	X	X	✓	X	n/a	X	X	✓(nd)	✓	✓(nd)
Rensburg Sheppards	✓	X	X	✓	X	X	X	✓	✓(1,000)	✓	X	X	✓(nd)	✓	✓(nd)
Rowanmoor Pensions	✓	X	X	✓	✓	X	X	✓	X	n/a	X	X	✓(n/a)	✓	✓(n/a)
Scottish Life	✓	X	X	X	✓	X	X	X	n/a	n/a	X	✓(£1k)	✓(nd)	✓	✓(nd)
Scottish Widows	✓	X	X	X	✓	X	✓	✓	✓(unltd)	nd	nd	✓(no min)	✓(nd)	✓	X
Skandia	X	³	X	✓	X	X	✓	✓	X	n/a	X	✓(no min)	✓(nd)	✓	✓(nd)
Standard Life	✓	X	X	X	✓	X	X	✓	X	n/a	X	X	✓(30%)	✓	✓(1%)
Suffolk Life	✓	X	X	X	✓	X	X	✓	✓(1,000)	X	X	X	✓(18%)	✓	✓(0.5%)
Taylor Patterson	✓	X	X	✓	X	✓	X	✓	X	n/a	X	X	✓(nd)	✓	✓(0%)
TM Sipp Services	✓	X	X	X	✓	X	X	✓	✓(1,000)	X	✓	X	✓(20%)	✓	✓(1%)
Towry Law	✓	X	X	X	✓	X	X	✓	✓(1,000)	✓	X	X	✓(25%)	✓	✓(1%)
Westerby (Solo)	✓	X	X	✓	X	X	X	✓	✓(2)	✓	X	X	✓(5%)	✓	✓(0%)
Westerby (WPP)	✓	X	X	✓	X	X	X	✓	✓(2)	✓	X	X	✓(12%)	✓	✓(0%)
Xafinity	✓	X	X	X	✓	X	X	✓	✓(1,000)	X	X	X	✓(15%)	✓	✓(0.2%)

Key: MCT – MC Trustees; nd – not disclosed; pm – per month; SLife – Standard Life; TV – transfer value; unltd – unlimited; Notes: 1) Flexible pension plan £1k, retirement control £35k, group Sipp £20 regular contribution; 2) £200 pm; £5k TV; 3) Sippdeal Trustees and AJ Bell.

TABLE FOUR: SIPP CHARGES

COMPANY	Transaction costs (£)									Income drawdown (£setip/annual)	Phased retirement	
	Initial charge (£)	Annual charge (£)	UK shares	Overseas shares	Unit trusts	Investment trusts	Insured funds	Deposits	Other			
@sipp	500	565	inc	inc	inc	inc	inc	inc	inc	160/80	160/80	purchase 495-550 nd
Aegon Scot Eq	0	280 if ins value <£150k, 0 if >	24	24	0	24	0	0	Oeics 0	0	0	0
AIG Life	235-463	318-533	25	25	25	25	0	0	variable	0	0	768
A J Bell (Platinum)	425	480	TPCs only	TPCs only	30 or TPCs	30 or TPCs	30	50	nd	150/180	TPCs only	purchase
A J Bell (Sippcentre)	120	80-160	TPCs only	TPCs only	TPCs only	TPCs only	30	30	nd	150/250	75	purchase
Alliance Trust (Full)	350	400+100 for protected rights	0 if held in a DFM account	0 if held in a DFM account	0	0	0	0	i	100	100	purchase 600,350 n/a
Alliance Trust (Select)	0	75	12.5 online, 20 phone/postal	12.5 online, 20 phone/postal	12.5 online, 20 phone/postal	12.5 online, 20 phone/postal	n/a	n/a	annuity purchase £125; 500 in-specie contribution	200	200	550
Alltrust Services	375	550	40	40	40	40	40	40	40-150	125	125-225	550
Aviva	0	0.35-0.55%pa	25-50	n/a	inc	inc	inc	0	0	0	0	0.12% of + 375 TP
AWD Chase de Vere	475	445	0	0	0	0	0	0	0	225 min 450	150+	0.5% of
Axa	299	349 otherwise 25	15 if online, 20 + 12.5 TPC	n/a otherwise 25	15 if online, 20 + 12.5 TPC	15 if online, 20 + 12.5 TPC	n/a	50	changing DFM 100	n/a	n/a	variable
Axa Winterthur WM	0	395	20 + 12.5 TPC	20 + 12.5 TPC	20 + 12.5 TPC	20 + 12.5 TPC	inc	20 + 12.5 TPC	nd	180	180	415
Barnett Waddingham	480	520	76-192 ph	76-192 ph	76-192 ph	76-192 ph	76-192 ph	76-192 ph	76-192 ph	76-192 ph	76-192 ph	76-192 ph
Bridgewater Trustees	250	500	0	0	0	0	0	0	0	100	100	400
Central Tax & Trustee	205	495, then 15	1st 8 inc, then 15	1st 8 inc, then 15	1st 8 inc,	1st 8 inc, then 15	nd	1st inc, then 75	n/a	150	150	500
Cooper Parry	520	675	2	2	50	50	50	50	nd	210	210	tc min 78
D A Phillips & Co	300	400	0	0	0	0	0	0	0	108	108	540
Dentons	495	506	0	0	0	0	0	0	0	240	240	500-900
European PM	100	250	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
Friends Provident	200	set by scheme	25	25	25	25	nd	nd	nd	nd	nd	nd
FundsNetwork	104 inner ring, 302 outer ring	260 inner ring, 416 outer ring	10 + 0.3% dealing charges	10 + 0.3% dealing charges	0	10 + 0.3% dealing charges	0	0	variable	125 pa	125 pa	variable
Greyfriars	600	0.25% of gross fund value (min 581, max 800)	inc	inc	inc	inc	inc	inc	inc	inc	inc	400
Hargreaves Lansdown	0	0	>9.95	>10 + 5 surcharge	inc	>9.95	n/a	inc	n/a	inc	inc	inc
Hornbuckle Mitchell	345	490	30	30	30	30	n/a	inc	inc	nd	nd	800
Independence	200	800	inc	inc	inc	inc	inc	inc	inc	inc	inc	inc
Investacc	n/a	400	n/a	n/a	n/a	n/a	n/a	n/a	n/a	100	100	250
Investment FD	0	0	12.5	12.5	12.5	12.5	n/a	n/a	12.5	150	150	0
IPS Partnership	495	395	inc	inc	inc	inc	inc	inc	0	150	150	500
James Hay	290	455	nd	nd	nd	nd	nd	nd	nd	150 pa	150 pa	550+ 0.1
Legal & General	295	0-200	20	n/a	20	20	35	50	110	n/a	n/a	400 init, completio
Liberty Sipp	425	350	0	0	50	50	50	inc	nd	inc	inc	450
Lifetime Sipp	425	500	depends on DMF	depends on DMF	depends on DMF	depends on DMF	depends on DMF	depends on DMF	depends on	210	210	925
Mattioli Woods	850	485 + tc	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
MC Trustees	250	580	0	0	0	0	0	200	0	208	208	580
Merchant Investors	350	0.25%	35 + 15 TPC	35 + 15 TPC	35 + 15 TPC	35 + 15 TPC	35 + 15 TPC	35 + 15 TPC	35 + 15 TPC	200	200	800
MetLife	415 ³	42 or 51 ¹	22 + 34-81/0.1% cbc	22 + 34-81/0.1% nd	22	22	nd	nd	varies	9 pm	9 pm	696
Michael J Field	cbc	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
Montpelier Pension	300	420	1st 20 free, then 15	1st 20 free, then 15	1st 20 free, then 15	1st 20 free, then 15	1st 20 free, then 15	1st 20 free, then 15	unlisted shares 500	300/180	300/180	750
MySipp	0.5% first £250k, then 0.1%	495	inc	inc	inc	inc	inc	inc	inc	inc	inc	third par charges
Nigel Sloam & Co	680	1,150	0	0	0	0	0	0	tc	0	0	tc
Pointon York	500	600	30	30	30	30	30	30	30	350	350	tc
Premier (Elite)	0	355	35	70	35	35	35	35	cbc	150 pa	150 pa	500
Premier (Premier)	0	355	35	70	35	35	35	35	cbc	150 pa	150 pa	500
Prudential	300	425	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
PSFM	525	630	n/a	n/a	n/a	n/a	n/a	n/a	nd	150	150	250-500 1,500-2,500
Rathbone	300	500	TPCs only	TPCs only	TPCs only	TPCs only	150	150	150	150	150	n/a
Redswan Pensions	245	395	1st three free, then 25	1st three free, then 25	1st three free, then 25	1st three free, then 25	1st three free, then 25	1st three free, then 25	1st three free, then 25	230	230	500
Rensburg Sheppards	0	0.25%	0 (max £1,250)	0	0	0	0	0	0	0	0	n/a
Rowanmoor Pensions	325	475 or pref partner,	0 if Rowanmoor or pref partner, or 50+TPC	0 if Rowanmoor or pref partner, or 50+TPC	0 if Rowanmoor or pref partner, or 50+TPC	0 if Rowanmoor or pref partner, or 50+TPC	0 if R'moor or 50+TPC	TPC transactions +TPC	200 for complex	60/125+TPC	60/125+TPC	525+TPC 75 in spe
Scottish Life	0	320 – online,	160	160	160	56	nd	n/a	nd designation	150 for first	nd	445 for in-sp
Scottish Widows	585 full invs	0	0.1%-0.7%	0 + 15-75 TPC	0 + 15-75 TPC	n/a	0 + 15-75 TPC	inc	nd	nd	nd	0.1-1.25%
Skandia	150	160+360 if invested ext	0	0	0	0	0	0	0	150 pa up to age 75, 250 after 0-120	150 up to age 75, 250 after 0-120	550
Standard Life	0-302	0-416	10 (max 300 pa)	10 (max 300 pa)	10 (max 300 pa)	10 (max 300 pa)	0	50 (max 300 pa)	0	155	155	650 set
Suffolk Life	300	490	0-25	0-25	0-75	0-75	0-75	75	0-75	155	155	tc
Taylor Patterson	various	various	various	various	various	various	various	various	various	various	various	various
TM Sipp Services	295	395	10 (max 200 pa)	tc 200 pa)	various 20 (max 200 pa)	various 20 (max 200 pa)	various 20	various 20 (max 200 pa)	various tc	various 100	various 50	various tc
Towry Law	0	0	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
Westerby (Solo)	200	250	0	0	0	0	0	0	0	120	120	n/a
Westerby (WPP)	295	500	0	0	0	0	0	0	0	120	120	UK 500,
Xafinity	0	155-495	25-100	25-100	25-100	25-100	25-100	25-100	25-100	115	nd	720

Key: a/c – account; BBR – bank base rate; BoS – Bank of Scotland; comm – commission; DFM – discretionary fund manager; ext – external; fbc – fund-based commission; inc – including; init – initially; invs – investments; max – maximum; min – minimum; n/a – not applicable; nd – not disclosed; neg – negotiable; pa – per annum; ph – per hour; pm – per month; pq – per quarter; tc – time cost; TPC – third-party charge. Notes: 1) 250 loan set-up and 150 pa; 150 borrowing set-up and 150 pa; 150 for annuity purchase; 500 for in-specie contribution; 2) No charge, just £155 to set up account; 3) Init up to 5%, renewal up to 0.5%, level up to 5%, fbc around 0.5% from platform fund partners. Up to 3% funded init comm is available on singles and transfers, recouped at 0.2% pa

Property purchase	Transfers in	Transfers out	Annual review	Triennial review	Bank account co-signatory	Liason with pension scheme office	Record keeping	Trust documentation and rules	Rates of interest payable on cash held in the Sipp bank account	IFA commission
520-780, pa, xfer 350	0	250	0	0	0	0	0	0	1% below BBR for balances 5k+, currently 0%	as agreed by client
	0	0	0	0	0	0	0	0	0%	init 0%-6%, fund-based 0.5%
550, 30 pm	0	0	0	0	n/a	0	0	n/a	1% below BBR, currently 0%	variable
550, 75 pa	75	75	150	150	inc	inc	inc	inc	0%	neg
pa	60	75	inc	inc	n/a	n/a	inc	inc	0%	3% on collectives, 0.5% renewal on collectives
	100 + 50 for in specie	100 + 50 for in specie	150	150	inc	n/a	inc	inc	0%-0.453%	neg
	50	125	100	100	n/a	n/a	inc	inc	0%	nd
	125	125	0	0	0	0	0	0	normally 1% below BBR, currently 0.1%	n/a
prop value pa C	0	0	0	n/a	n/a	n/a	0	n/a	0.05% below RBS base rate	<5% init, <1% fbc, <4% funded comm payment, <12% pa funded comm regular payments
property price,	75	time cost	0	75	0	0	0	nd	0.1%-0.5%	nd
	0	0	0	0	0	0	0	0	1.4% below HBOS base rate	init <100% RP, <15% of SP; renewal <1%; level up to 10%; fbc <0.5%
	0	0	0	0	0	0	0	0	1% below NatWest base rate	init <50% of premium, <1.5% renewal, <1.5% fbc
h	76-192 ph	76-192 ph	76-192 ph	76-192 ph	76-192 ph	76-192 ph	76-192 ph	76-192 ph	0.2% below BBR on current a/c varies	n/a
	0	0	0	0	0	0	0	0	normally 1% below BBR, now 0.2% fixed	0
	0	150	95	95	0	0	0	0	up to 2.9%	nd
30	100	tc	inc	n/a	inc	inc	inc	1st deed inc	nd	0
	105	105	0	0	0	0	0	0	0.18%-0.63%	as agreed by client
	tc	tc	tc	tc	0	0	0	0	1.5% below BBR, with 0.1% min	flexible
	0	100	0	0	n/a	n/a	inc	n/a	normally 1% below BBR, now 0.5% below	neg
	0	0	nd	nd	nd	nd	nd	nd	normally 1% below BBR, now 0.65% below	as agreed by scheme
	0	0 except clawback for funded init comm	0	0	0	0	0	0	0.25%-0.5%	3
	0	0	0	0	0	0	0	0		nd
	0	75	n/a	n/a	n/a	n/a	n/a	free online	0%-0.25%	n/a
	0	250	0	0	0	0	0	0	0.1%-0.15%	cbc
	0	0	0	0	0	0	0	0	various	as agreed by client
	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	between BBR - 0.45% below BBR	n/a
	50, max 200 (waived 30/10/09)	75	0	0	n/a	n/a	n/a	n/a	0.25%-1%	as agreed by client
% of value >£400k	0	100	100	100	0	0	0	0	0.4%-0.6% below BBR	as agreed by client
150 on	0	95	0	0	0	0	0	0	0.00001-4%	as agreed by client
n, then 150 pq	0	0	0	0	0	0	0	0	1% below Bank of Scotland rate, correlated at 0	variable
	50	175	0	0	0	0	0	0	0.75%	neg
	75	300	inc	inc	inc	inc	inc	inc	0.35%-0.5% below BBR	0
	tc	250 + tc	inc	tc	inc	tc	inc	inc	0.005%-0.1%	0
	150	580	0	0	0	0	0	0	0%-0.5%	as agreed by client
	75	nd	nd	nd	nd	nd	nd	nd	0.1%	5% init, 1.5% fbc
	0, 104 if in-specie	0	0	0	nd	nd	nd	nd	1.875% below RBS base rate	as agreed by client
	nd	nd	nd	nd	nd	nd	nd	nd	cbc	0
	0	250	125	125	0	0	0	100-250	0.2%	3% init, 0.5% renewal, 3% level, 3% fbc
ly only	0	250	0	0	n/a	0	0	0	0.25%	<5% init, <5% renewal, 0.75% fbc
	75	tc	0	n/a	0	0	0	0	0.8% at RBS - 0.3% below BBR	as agreed by client
	60	350	250	0	0	tc	0	0	0%-0.25%	n/a
	50	150	150	150	inc	inc	inc	inc	0.025%	n/a
	50	150	150	150	inc	inc	inc	inc	0.025%	n/a
	nd	nd	nd	nd	nd	nd	nd	nd	0.25%-1% below BBR	<10% init
+ 500 TPCs	0	0	0	0	0	0	0	0	0.1%-0.3%	nd
	75	100	0	0	0	0	0	0	0.3% over £100k	<3% init, 0.5% renewal
	95	295	inc	inc	inc	inc	inc	inc	1%-1.25%	as agreed by client
	0	0	0	0	0	0	0	0	0.1%-0.25%	init 3%, fbc 0.5%
ie	50 cash + 625 in specie	225 cash +	inc	n/a	n/a	inc	inc	inc	0.875% below BBR	0
ecie	0 for cash, 145 for in-specie	0 for cash, 145	125	n/a	n/a	n/a	inc	n/a	1.5% below BBR, currently 0%	5
% + TPCs	nd	nd	nd	nd	nd	nd	nd	nd	BBR	init scaled up to 50% RP, 6% SP; 0-1.5% fbc
	60 (max £300)	75	0	0	0	0	0	0	2.75%-1.75% below BBR, currently 0% fixed	Up to 1% fbc pa, init fee up to 3% of each premium
up, 200 admin	0	0	0	0	0	0	0	0	0.65% - terms and conditions states 1% below BBR	init 0%-5%, level 0%-5%, fbc 0%-1%
	0 in-specie) various	0 (charge for various tc	0	155	n/a	n/a	n/a	n/a	0.25%-1% below BoS base rate,	as agreed by client
	20	tc	various n/a	various n/a	various n/a	various tc	various n/a	various n/a	0%-0.203%	not below 0%
	0	0	0	0	0	0	0	0	0.375%-0.953%	0
	0	75	0	0	0	0	0	0	nd	0
overseas tc	0	75	0	0	0	0	0	0	0%-0.5%	as agreed with client
	0	75	0	0	0	0	0	0	0%-0.5%	as agreed with client
	nd (min 750)	nd	nd	nd	nd	nd	nd	nd	0.25%-1% below BoS base rate, not below 0%	as agreed with client

for six years, for each 1% of funded init comm. Can be combined with init comm up to 5% max overall; 4) Waived if more than £250,000 invested in MeLife TIP; 5) Up to 75% adviser's fee for RPs and for SPs; up to 0.5% fund based renewal comm (RPs); up to 1% fund based renewal comm (SPs).

SURVEY SIPPS

has removed its annual fees for holding protected rights if a non-pooled approach is selected, saying the saved cost of the streamlined administration is being passed on to its clients.

It is not only the providers who are cooing at the change in status of protected rights. Clients now able to add protected rights to their Sipp can consolidate all their pension savings in a more tax-efficient manner. It also allows them to have greater investment choice and may in fact lead to cheaper management fees. Also, keeping all the funds in the one wrapper will better enable them to monitor performance.

AJ Bell's marketing director, Billy Mackay, points to the Pearl website, which boasts more than £60bn of assets under management and 6.5 million customers, mainly from legacy funds of now-obsolete fund managers. "These providers with closed books of business will never evolve their cost structure and never evolve their investment proposition," says Mackay. "Very few products post-1997 have encashment penalties, so there are few barriers for people to move their protected rights out of these closed books and into their Sipp."

Mackay also suggests the Financial Services Authority's (FSA's) recent review of fund switching could actually support moving money. "There will be many situations where a transfer will be advantageous, so I do not think there is anything providers or advisers should be worrying about there," he adds.

Mary Stewart, marketing director at Hornbuckle Mitchell, says the wave of protected rights money has so far not been as large as was predicted, due to concerns over market volatility and lower fund values leading to lower transfer values. But she adds: "In many cases the inclusion of protected rights has been the difference between a project or investment, for example property purchase being viable or not.

"It's a pity the government hasn't gone further with the new rules – it would be beneficial if protected rights could be held within a SSAS, for instance. Nevertheless the current relaxation is to be welcomed."

"It's a pity the government hasn't gone further with the new rules – it would be beneficial if protected rights could be held within a SSAS, for instance"

A Sipp by any other name

The debate as to what constitutes a Sipp continues to rage. This year we introduced a new category of product, called the platform-based Sipp. Essentially this is a Sipp with limited investment options but sits on a fund supermarket. There are also three new products this year, one of which is an archetypal platform-based product. The Ascentric Pension Account from Investment Funds Direct will have full access to the Ascentric wrap platform, which already hosts 20 other Sipp.

The other two new entrants are from Independence Sipp Administration, which launched in January, and May's offering from Rowanmoor. Both providers have significant experience with SSASs and are dipping their toes into the Sipp market at the more bespoke end.

A number of the more bespoke providers are disparaging of products with limited investment options. Nick Gardner, managing director at Investacc, warns of a "worrying growth" in platform Sipp. Stewart of Hornbuckle Mitchell says many products under the Sipp name are "essentially personal pensions in drag", while John Fox, director at Liberty, describes them as "no more than wools in Sipp's clothing".

Sally Drew, national business development manager at Greyfriars, explains many of the bespoke providers' concerns: "Members are in certain cases paying Sipp fees when there is no true advantage to the contract. There needs to be more information available in surveys or on comparison engines to clarify the investments offered under a fee structure.

"In many cases providers are quoting their baseline fees to get the business in. When the member wants to use full self-investment the fees increase considerably. There is also the problem that a number of providers quote their free or low cost Sipp charges, then declare that they allow a full range of investments but do not have to quote the higher fees."

But Hargreaves Lansdown's McPhail believes the argument that some providers' products are merely glorified personal pensions is largely a myth pedalled by tradi-

tional pension and Sipp companies feeling the pinch as their high charging structures are exposed.

Axa Winterthur Wealth Management recently brought out a low-cost Sipp to sit on the firm's Elevate wrap platform and complement its existing full investment offerings. Tony Moore, head of retirement development at Axa Winterthur Wealth Management, believes the platform-based Sipp has a key role to play in the market, saying: "These propositions can offer clients less expensive, transparent and retail distribution review-friendly structures for those who don't require the sophisticated options of full Sipp."

Suffolk Life is also planning on launching a low cost product later this year [can you confirm Pádraig] and Moret believes the bespoke end of the market is looking increasingly saturated. He sees real growth in the market coming from platform-based products.

Regulation nation

It is now more than two years since Sipp and other personal pensions were brought under regulation of the FSA as part of A-day. While the majority of providers had equipped themselves for the translation, rumours persistently abound that the burdens of regulation may lead many of the smaller providers to struggle, with the eventual outcome being consolidation.

Indeed, in December Alliance Trust announced it had closed its Sipp to new business in the face of administrative problems. Soon after, Freedom Sipp was also closed to new business following a visit from the FSA that identified administrative issues.

Martin Tilley, pensions consultant and business development manager at Dentons, says regulation is a necessary burden on providers as it leads to systems and procedures that protect clients. However, he adds: "The end consumers are still not getting the information and protection they deserve. Not until the FSA requires Sipp providers to disclose all and any remuneration from whatever source will the industry be fully trusted by the consumer."

The fate of Freedom Sipp as well as the thematic review of Sipp ▶

TABLE FIVE: SIZE OF PLANS ADMINISTERED

COMPANY	Size of plans administered						Source of business (%)				
	Up to £100k	£100k to £250k	£250k to £500k	£500k to £1m	£1m to £1.5m	Over £1.5m	Existing clients	Direct sales	IFAs	Accountant/ solicitors	Other
@sipp	nd	nd	nd	nd	nd	nd	10	0	75	15	0
Aegon Scottish Equitable	nd	134,887 ¹	2,864	729	111	43	0	0	100	0	0
AIG Life	56	74	20	12	4	0	0	0	100	0	0
A J Bell (Platinum)	nd	nd	nd	nd	nd	nd	0	10	80	10	0
A J Bell (Sippcentre)	nd	nd	nd	nd	nd	nd	0	0	100	0	0
Alliance Trust (Full)	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
Alliance Trust (Select)	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
Alltrust Services	nd	nd	nd	nd	nd	nd	0	5	80	15	0
Aviva	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
AWD Chase de Vere Consulting	53	94	38	23	7	4	16	0	58	24	2
Axa	nd ²	nd ²	nd ²	nd ²	nd ²	nd ²	0	0	100	0	0
Axa Winterthur Wealth Management	nd ³	nd ³	nd ³	nd ³	nd ³	nd ³	0	0	100	0	0
Barnett Waddingham	425	425	425	255	85	85	10	40	50	0	0
Bridgewater Pension Trustees	193	156	94	51	22	5	15	18	62	0	5
Central Tax & Trustee Planning	11	17	2	0	0	0	0	25	50	25	0
Cooper Parry Financial Services	16	44	112	61	5	2	25	20	10	40	5
D A Phillips & Co	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
Dentons Pensions Management	nd	nd	nd	nd	nd	nd	4	18	70	1	7
European Pensions Management	nd	nd	nd	nd	nd	nd	10	40	50	0	0
Friends Provident	nd	nd	nd	nd	nd	nd	100	0	0	0	0
FundsNetwork	2,950	1,626	566	168	31	8	0	10	90	0	0
Greyfriars Asset Management	50	350	150	100	75	0	10	0	80	10	0
Hargreaves Lansdown	nd	nd	nd	nd	nd	nd	0	91	9	0	0
Hornbuckle Mitchell	600	4,200	3,600	2,400	600	600	0	0	100	0	0
Independence Sipp Administration	0	0	0	0	0	0	0	0	0	0	0
Investacc	466	205	79	24	8	8	2	3	93	2	0
Investment Funds Direct	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
IPS Partnership	741	1,565	3,705	906	741	575	2	10	82	1	5
James Hay	12,930	12,029	5,928	2,890	1,240	976	0	9	91	0	0
Legal & General	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
Liberty Sipp	71	46	20	10	5	5	0	35	65	0	0
The Lifetime Sipp Company	372	171	89	32	3	4	1	0	81	13	5
Mattioli Woods	nd	nd	nd	nd	nd	nd	50	5	5	25	15
MC Trustees	nd	nd	nd	nd	nd	nd	51	14	31	4	0
Merchant Investors Assurance Company	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
MetLife	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
Michael J Field Consulting Actuaries	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
Montpelier Pension Administration Services	20	85	235	45	10	5	0	0	100	0	0
MySipp	385	82	20	3	0	0	0	0	100	0	0
Nigel Sloam & Co	nd	nd	nd	nd	nd	nd	20	2	8	60	10
Pointon York Sipp Solutions	2,863	1,140	498	190	35	24	0	10	80	5	5
Premier Pension Services (Elite)	nd	nd	nd	nd	nd	nd	0	5	95	0	0
Premier Pension Services (Premier)	nd	nd	nd	nd	nd	nd	0	12	88	0	0
Prudential	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
PSFM	32	124	162	146	54	21	3	0	90	3	4
Rathbone Pension & Advisory Services	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
Redswan Pensions	128	90	23	10	0	0	5	6	89	0	0
Rensburg Sheppards	20	120	925	250	90	25	90	0	10	0	0
Rowanmoor Pensions	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Scottish Life	94	95	23	5	2	0	0	0	100	0	0
Scottish Widows	nd	11,020 ¹	62	12	2	2	0	0	100	0	0
Skandia	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
Standard Life	39,536	20,474	7,060	2,118	706	706	0	0	95	0	5
Suffolk Life	5,867	3,900	2,109	1,143	242	180	0	0	100	0	0
Taylor Patterson Associates	nd	nd	nd	nd	nd	nd	10	10	40	40	0
TM Sipp Services	600	110	110	85	30	30	0	15	75	10	0
Towry Law Financial Services	nd	nd	nd	nd	nd	nd	0	0	100	0	0
Westerby Trustee Services (Solo)	21	9	0	0	0	0	1	1	97	1	0
Westerby Trustee Services (WPP)	100	420	40	16	10	6	1	1	97	1	0
Xafinity Sipp Services	nd	nd	nd	nd	nd	nd	0	5	95	0	0

Key: nd – not disclosed; n/a – not applicable. Notes: 1) Figure for nil to £250k; 2) Average value £95,098; 3) Average value £85,000.

TABLE SIX: ASSET CLASS ALLOCATION

COMPANY	% of assets in each asset class											
	Host providers' insured funds	External providers' insured funds (TIPs)	Cash	Direct equities	Unit trust/Oeics	Investment trusts	Fixed interest	Property	Loans	Other	% of assets on fund supermarket wrap platform	% of assets managed by discretionary fund managers
@sipp	0	0	17	0	0	0	0	38	0	45	nd	nd
Aegon Scottish Equitable	90.1	2.3	1.4	0.5	3.2	0	0	1.6	0	0.9	20.7	5.7
AIG Life	32.3	0	0	26.5	39	0	0	2.2	0	0	0	nd
A J Bell (Platinum)	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
A J Bell (Sippcentre)	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
Alliance Trust (Full)	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
Alliance Trust (Select)	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	100	0
Alltrust Services	0	2	28	4	6	0	2	25	5	28	0-5	25
Aviva	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
AWD Chase de Vere Consulting	0	26	19	8	16	0	7	20	4	0	20	10
Axa	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	0.15	0.45
Axa Winterthur Wealth Management	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
Barnet Waddingham	0	0	25	10	4	5	5	25	1	9	5	5
Bridgewater Pension Trustees	0	4	32	4	10	3	0.2	3	0	43.8	25	nd
Central Tax & Trustee Planning	0	0	30	30	15	0	0	20	5	0	10	0
Cooper Parry Financial Services	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	15	30
D A Phillips & Co	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
Dentons Pensions Management	0	6	15	32	11	3	10	20	0	3	10	18
European Pensions Management	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	5	nd
Friends Provident	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
FundsNetwork	1	1	15	1	75	<1	0	1	0	4	75	1
Greyfriars Asset Management	0	10	10	10	0	0	10	60	0	0	5	20
Hargreaves Lansdown	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	100	7
Hornbuckle Mitchell	0	5	15	10	10	9	1	30	5	15	nd	nd
Independence Sipp Administration	0	0	0	0	0	0	0	0	0	0	0	0
Investacc	0	2	27	3	10	2	1	50	5	0	30	5
Investment Funds Direct	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
IPS Partnership	0	7	15	8	19	9	12	20	0	10	20	60
James Hay	5	22	13	8	26	9	10	7	0	0	5	21
Legal & General	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
Liberty Sipp	0	0	40	30	0	5	5	20	0	0	nd	nd
The Lifetime Sipp Company	0	5	18	6	30	4	0	36	1	0	0	20
Mattioli Woods	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	15	nd
MC Trustees	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
Merchant Investors Assurance Company	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
MetLife	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	0	0
Michael J Field Consulting Actuaries	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
Montpelier Pension Administration Services	0	5	10	20	45	5	5	5	5	0	60	10
MySipp	0	2	36	0	20	0	2	39	0	1	14	0.5
Nigel Sloam & Co	0	0	30	15	15	0	5	5	0	30	0	10
Pointon York Sipp Solutions	0	5	25	5	20	2	2	30	10	1	nd	nd
Premier Pension Services (Elite)	0	0	12	2	35	0	n/a	28	0	23	47	0
Premier Pension Services (Premier)	0	6.5	18	6.5	7	4	1	33	<0.1	29	10	24
Prudential	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
PSFM	0	4	9	20	20	20	21	6	0	0	4	60
Rathbone Pension & Advisory Services	0	0	5	21	21	21	20	10	2	0	0	90
Redswan Pensions	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
Rensburg Sheppards	0	0	10	40	20	5	15	10	0	0	0	90
Rowanmoor Pensions	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Scottish Life	25	32	12	6	18	0	2	5	0	0	nd	100
Scottish Widows	21	21	37	0	15.5	0	0	<0.5	0	5.5	15.5	5.5
Skandia	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
Standard Life	41	3	20	1	17	3	7	3	0	5	18	nd
Suffolk Life	0	10	29	20	16	5	5	15	0	0	4	43
Taylor Patterson Associates	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd	nd
TM Sipp Services	0	20	10	0	5	20	5	20	0	0	15	15
Towry Law Financial Services	0	0	6	4	89	1	0	0	0	0	0	95
Westerby Trustee Services (Solo)	0	5	5	22.5	22.5	22.5	22.5	0	0	0	45	45
Westerby Trustee Services (WPP)	0	25	25	5	5	5	5	25	0.5	4.5	<10	<10
Xafinity Sipp Services	0	18.5	21.5	16	5	0	0	34.5	0	4.5	1.2	12.8

Key: nd - not disclosed; n/a - not applicable.

SURVEY SIPPS

show the product is very much on the FSA's radar. The review focused on pension switching and the suitability of Sipp's. It was split into two main parts. The first looked at the advice given to clients when mulling over a switch and the second looked at whether the actions of the providers affected the advice given.

When the FSA reported its findings at the end of last year, it revealed 16% of the 500 cases since A-day it had reviewed were found to involve unsuitable advice. These also included unspecified costs for switching, as well as failure to meet the client's needs and risk appetite.

The review also reported that some providers' projection rates were overstated by quoting 5%, 7% and 9% where funds were invested in cash. The regulator voiced concern over the fact that treating customers fairly principles, though in many cases only recently established, were not always followed.

While a few of the providers are unsurprised with the findings and suggest the figures are slightly skewed because the review mainly focused on the larger insurers, Liberty's Fox is not so dismissive. "This will create a seismic shift in the state of the Sipp market," he says.

"The FSA will move the industry towards total transparency and rid us from the scourge of hidden charges, secret commissions, shadow charging and providers taking turns on any and all products and services that their customers require, such as surveyor costs, mortgages, property management, insurance and most significantly, interest rates. Some of the bigger players who rely on sleight of hand when publishing fee structures will be severely affected – and about time."

The role the Association of Member-directed Pension Schemes (AMPS) plays in opening up dialogue with the FSA and HM Revenue & Customs is generally well received. In April, the group successfully negotiated clarification over a number of issues surrounding the treatment of commercial property. This included lifting the restriction on the amount of money a Sipp holder could borrow, which was previously 50% of the fund's value.

**KEY
STAT**

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in 2008
were found
to involve
unsuitable
advice given
to clients**

Hamid Nawaz-Kahn, chief executive at Alltrust, is encouraged by the part AMPS has played and how it is listened to by the regulatory bodies. "We can understand the position of the FSA in that they are faced with regulating a product that can take a variety of shapes and sizes, and coming up with a single set of rules to regulate it is difficult, especially when they have only short-term experience of the product itself," he says.

"The answer, we believe, lies in the AMPS approach to the FSA and working with them to alleviate concerns, enhance their understanding, and hopefully work towards a common goal of providing a workable, efficient and safe environment for clients who have Sipp's."

Former chairman of AMPS Mike Morrison says the organisation is still in negotiations with HMRC and the FSA over clarification of a few areas of regulation, so more announcements could be imminent.

Property investment

The removal of the 50% borrowing restriction meant many investors who had bought commercial property with their fund before 2006 could renegotiate their mortgage and make significant savings. While this is not likely to have a dramatic impact on the attraction of commercial property for Sipp investors, the change could free up a lot of cash.

As table two shows, the majority of providers offer investment in commercial property. The only ones not to offer the option are the low cost products from Alliance Trust, Friends Provident, Hargreaves Lansdown, Investment Funds Direct and Westerby. Neither Rensberg Sheppards nor Rathbone offer commercial property investment either.

Some of the more bespoke providers will often claim a Sipp is not a true Sipp unless it can be invested in commercial property, but property investment is not always suitable for more amateur investors. Hornbuckle Mitchell, IPS Partnership, James Hay and Suffolk Life all have more than 1,500 properties on their books, with James Hay accounting for 2,106.

The charges associated with purchasing a property range from an initial fee of £250 with Investacc up to £925 with The Lifetime Sipp Company. Some providers have fees based on a percentage of the property price, while others have additional third-party fees. As the PSFM response shows, this could be as high as £2,500.

David Seaton has overseen pension investment in property for a number of years through Rowanmoor's SSAS book. He says that while new investment in UK commercial property has declined over the past year, the market for moving property from businesses and partnerships into pension schemes has remained buoyant. He reports seeing a notable increase in foreign property, particularly hotels.

Dew at Greyfriars also says she has seen a significant increase in the use of commercial property in Sipp's, though she does not understand why more people don't take up the option. "It's a major mystery," she says. "It can substantially increase pension funds and the tax advantages can be enormous. An individual can achieve tax relief on a contribution using commercial property while making themselves a nil-tax payer for that same tax year."

Interest in interest rates

The market volatility of the past couple of years has seen a flight to safety, which is shown in table six. The average proportions devoted to cash for many of the providers are in and around the 30% mark, with some having as much as 40%. Moret says Suffolk Life certainly saw a lot more interest in cash deposits, but investors have since seen opportunities in the markets and dipped their toes back in. Year-on-year, Suffolk Life's average cash percentage is only up 2%.

But the moves towards cash have coincided with the dropping of interest rates, currently at a record low of 0.5%. This has led to what Dentons' Tilley describes as the "provider skimming issue". A number of providers take a cut of the interest that their clients' bank accounts pay out. For providers with billions on their books, the odd basis point here and percentage point there has proved to be very profitable.

Yet, with the bank base rate hurtling down over the past year, many will see this rich revenue stream dry up. Table five shows what each of the providers pay their clients on cash deposits. Many have traditionally paid 1% below the base rate, meaning they will pocket the difference. But with the base rate currently at 0.5%, a number have had to set the payment level at 0%.

"The companies that have been greediest in the past, taking a significant cut of their clients' interest, are those which will be suffering now," says Hornbuckle Mitchell's Stewart. "We are still committed to maintaining some interest payment to members on their Sipp bank account, despite the low base rate."

None of the providers are willing to admit to the low base rate having a significant bearing on their profits, though some say there has been a marginal impact. David Bradbury, head of Sipp operations at Taylor Patterson, believes the larger Sipp providers will be

badly affected by the declining rates and will increase their other charges to compensate.

Tilley wonders what will happen when interest rates begin to rise again. "Will providers bring their headline fees back down and continue to receive an interest trail or remain with higher headline fees and a transparent banking structure?" he asks.

2010 and beyond

Like in all other areas of financial services, next year could present a challenge for Sipp providers to convince savers to part with their money; investors will not be attracted to the markets if the current rally does not continue. Providers who rely on bank deposit fees will continue to be squeezed if interest rates stay low. The pressure of regulation will also continue to affect many providers and it remains to be seen how much of a bearing it will have on consolidation.

The FSA's focus on Sipp will also prove problematic for provid-

"The FSA will move the industry towards total transparency and rid us from the scourge of hidden charges, secret commissions and shadow charging"

ers who have not fully adapted to the FSA's regime. But Iain Valentine, director at MySipp, believes there could be a greater threat to reputation of Sipp if they are mis-sold by advisers rather than being misbranded by providers.

However much some bespoke Sipp providers may protest, it appears the platform-based and insured products are here to stay. The move by a number of providers to offer both full and reduced-option Sipp is a sign of a growing acceptance that Sipp investors, like any other financial customer, come in all shapes and sizes. Providing it is not tainted by tales of mis-selling, the publicity surrounding group arrangements will only serve to drive this on.

It is a near certainty that next year's tables will contain more than half a million plans, and a probability there are already that many in existence. Doubtless it will be far less than another 20 years before the million mark is passed. **PM**

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