

Fact Sheet - Bank of Scotland, the FSCS and Suffolk Life

Fact Sheet | January 2011

This factsheet is intended for information purposes only. Its contents are not to be used as legal, financial or tax advice. The tax treatment and tax benefits are based on our understanding of current tax and other legislation, and depend on a customer's individual circumstances. They may be subject to change in the future. It should not be relied on as a definitive statement of how the FSCS would apply and the law and rules of the FSCS may change and/or the FSCS may take a different approach when applying its rules. Investors and their advisers should take their own advice as to the application of the FSCS.

On 19 January 2009 Lloyds Banking Group was formed, incorporating the former Halifax Bank of Scotland (HBOS), including Bank of Scotland. It is our understanding that, although part of Lloyds Banking Group, Bank of Scotland and the other former HBOS deposit takers together retain and operate under a separate banking license.

Therefore, if the investors have deposits with other Lloyds Banking Group companies then any claim will be treated separately rather than aggregated across all their deposits with Lloyds Banking Group companies. For any deposits held by the investor with Bank of Scotland and the other former HBOS deposit takers, any claim will be aggregated across all such deposits (including the SIPP deposits) and subject to the maximum amount of £85,000.

The Suffolk Life Self-Invested Personal Pension, Bank of Scotland and the Financial Services Compensation Scheme (FSCS)

The Suffolk Life SIPP provided by Suffolk Life Annuities Limited (SLA) is an insurance contract issued to the SIPP investor.

Bank of Scotland as a bank, authorised and regulated by the Financial Services Authority, is covered by the FSCS. Under the FSCS, should Bank of Scotland fail, then an eligible claimant can make a claim as a result of which the maximum amount payable is £85,000. Where the claimant's total loss was more than £85,000 and the FSCS recovers funds from the bank then an additional top up payment may also be made.

In the case of the Suffolk Life SIPP the eligible claimant for each investor's SIPP is SLA as operator of the SIPP (i.e. can make a claim per investor).

The Suffolk Life MasterSIPP and other products issued under the Suffolk Life Appropriate SIPP, Bank of Scotland and the Financial Services Compensation Scheme (FSCS)

Under the Suffolk Life MasterSIPP, a product issued under the Suffolk Life Appropriate SIPP and operated by Suffolk Life Pensions Limited (SLP), the following need to be considered:

- » Before March 2010, protected rights (PR) and non-protected rights (NPR) were held separately. The PR benefits were held in an insurance contract (a trustee investment plan (TIP)) issued by SLA to Suffolk Life Trustees Limited (SLT), the trustee of the Suffolk Life MasterSIPP and the NPR benefits were held by SLT as trustee without the insurance contract;
- » Currently, for any new business and where pre March 2010 investors have elected to pool their PR and NPR benefits, PR and NPR are held by SLT as trustee without the insurance contract;
- » The direct property investments are held in an insurance contract (PropTIP) issued by SLA to SLT.

The investments are accordingly either held by SLT as trustee or by SLA under insurance contracts issued to SLT.

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Considering the different way the assets are held:

- » In the case of investments held by SLT as trustee the eligible claimant for each investor's SIPP is either SLT as trustees or SLP as operator of the SIPP (i.e. can make a claim per investor).
- » In the case of investments held by SLA under the TIPs issued to SLT there is no eligible claimant as the owner is SLA and there is no direct link to the operator.

Suffolk Life is the trading name of Suffolk Life Pensions Limited (registered in England and Wales number 1180742) and Suffolk Life Annuities Limited (registered in England and Wales number 1011674). Both companies are authorised and regulated by the Financial Services Authority. Suffolk Life operates and administers self-invested pensions and similar pension products. The registered address of both companies is 153 Princes Street, Ipswich, Suffolk, IP1 1QJ
Tel: 0870 414 7000 Fax: 0870 414 8000
Telephone calls to Suffolk Life are recorded for training, monitoring and fact verification purpose