

# DUE DILIGENCE FOR SUFFOLK LIFE

At Suffolk Life we want to help you to make informed decisions when choosing your SIPP provider. The FSA suggests that advisers undertake due diligence on providers they recommend to their clients. This booklet aims to provide you with the relevant information on our business to help you to make an informed recommendation.

For Adviser use only - not for use with clients.



“Investing in a SIPP is an important decision, and one that should have considerable longevity. In making such a decision both you and your client need to have confidence in your SIPP provider, and you must be reassured that you are recommending a provider who will act with transparency, integrity and due care. We have put together this booklet for precisely these reasons – to tell you the things you need to know to make a sound judgement about whether we are right for your clients. It includes information on how we’ve taken extra steps to ensure we provide the service and security both you and your client expect.”

David Hobbs, Managing Director.



# DUE DILIGENCE

## CONTENTS

### SECTION

<b>Systems and controls</b> .....	<b>4</b>
Systems and controls.....	4
Data and information security.....	4
Procedures.....	4
Training and competence.....	4
Business continuity plan.....	5
<b>Financial strength and banking</b> .....	<b>6</b>
<b>Administration and segregation of duties</b> .....	<b>7</b>
SIPP support team.....	7
Specialist teams.....	7
Service charter.....	8
<b>Interaction with advisory firms</b> .....	<b>9</b>
New business.....	9
Administration.....	9
Property.....	9
Client reporting.....	9
Investments.....	9
Technical support.....	9
<b>Experience of our principals</b> .....	<b>10</b>
<b>Conflicts of interest</b> .....	<b>11</b>
<b>Treating Customers Fairly</b> .....	<b>12</b>
Investor in customers.....	12
<b>Client communications</b> .....	<b>13</b>
Key features and charges.....	13
Adviser support.....	13
Illustrations.....	13
Annual statements.....	13
General communications.....	13
<b>Financial crime and money laundering</b> .....	<b>14</b>
Anti-money laundering.....	14
Fraud prevention.....	14
<b>Firm structure and trust arrangements</b> .....	<b>15</b>
Suffolk Life Group.....	15
Suffolk Life Annuities.....	16
Suffolk Life MasterSIPP.....	17
Suffolk Life Self-Invested Personal Pension.....	17
<b>Contacts</b> .....	<b>18</b>

# DUE DILIGENCE SYSTEMS AND CONTROLS

**THIS SECTION LOOKS** at systems and controls, data and information security, administration procedures, and training and competence regimes.

## SYSTEMS AND CONTROLS

We have a risk and internal control framework, to mitigate the risks we face as a SIPP operator and administrator, and which our customers face, under which we have approved various policies and established numerous individual and high level controls. These include:

- » a full suite of management information focused on the needs of the recipients and used across the business;
- » daily bank reconciliations for all SIPP main bank accounts;
- » tracking of all investments including the use of daily data feeds of transactions covering 80% of investment manager accounts;
- » at least annual reconciliations (with the aim for this to be quarterly) of our records for investments and cash held by investment managers;
- » at least annual reconciliations of fund holdings to the records of the fund provider;
- » at least annual reconciliations of property loan accounts;
- » assessment of all proposed and actual investments to ensure they meet our allowable investment schedule;
- » set authorisation levels for approving payments;
- » regular file reviews to ensure that our policies and procedures are being followed; and
- » risk management policy.

## INFORMATION SECURITY

We have an extensive IT policy in place which covers all aspects of the system from data storage to email use processes. This is issued to all staff and they are required to sign a copy to confirm their acceptance. The policy is reviewed at least annually or as required in line with system, governance or strategy changes.

Our systems have also been designed with information security in mind and certain data is only accessible to those members of staff who need to see it. Additionally all our staff undergo training on information security (including the Data Protection Act) on an annual basis covering such aspects as authentication before information is provided. This helps us ensure they are fully aware of their responsibilities with regard to information security.

## PROCEDURES

We have a specific team that keeps our procedures up to date to ensure that there is consistency, and that ongoing reviews take place.

Within our administration teams data entered into our administration system is checked, and prior to being sent out documentation is signed off by a more senior member of staff. All members of staff attend in-house training courses.

## TRAINING AND COMPETENCE

We recognise that staff members are valuable assets and that competitive advantage and the continued and future success of the business is aided by a motivated, committed and trained workforce. Well-trained and skilled employees are central to providing good quality service to customers.

The Financial Services Authority requires firms such as Suffolk Life to make and fulfil certain commitments regarding the training and competence of their employees.

We have adopted these commitments as our own. Over a third of our staff hold the Financial Planning Certificate; all are required to take CF1; and over 50% are graduates or have completed higher education. We also believe that an individual should take responsibility for developing their own career, with the support of the company. However, there are a number of core skills, which are essential for the continuing success of our business and where possible we develop these skills amongst our staff.

### Principles

- » Develop employees to meet the current and future needs of the company within the appropriate business and cost constraints.
- » Encourage and support employees to undertake professional development through external means which is of benefit both to themselves and to their role within the company.
- » Provide access to training and development to all employees irrespective of age, race, gender, gender reassignment, disability, religion or belief, sexual orientation or any other discriminatory factors. This list is not exhaustive. Please refer to the Legal & General Group's Equality and Diversity Policy (available upon request).
- » Suffolk Life has a policy to, where possible, promote from within.

# DUE DILIGENCE

## SYSTEMS AND CONTROLS

Through performance reviews each employee builds a personal development plan that identifies their training and development needs. Employees are supported and access will be given to training in order for them to perform their current job effectively. Employees are also given the opportunity to develop for future roles.

### **BUSINESS CONTINUITY PLAN**

Should things go wrong our customers need to know that business can continue as near to normal as possible. This section looks at our Business Continuity Plan (BCP).

We have produced a comprehensive BCP in association with experts which allows us to manage these factors whilst maintaining acceptable service levels of business critical processes. We have an Emergency Management Team responsible for decision making and implementation should we need to invoke the plan.

#### **Contact strategy**

A contact tree is in place, with key contacts in every department, to inform all personnel should the plan need to be implemented. We have a similar strategy in place for contacting key suppliers and advisers.

#### **Dark site**

We have a fully equipped 'dark site' which provides an alternative location from which to perform critical business tasks should all or part of our existing office become unusable. The site is situated locally for easy access by staff but on a separate electricity grid to maintain service levels should the need arise.



The dark site is fully equipped with the hardware, software, telephony, furniture and facilities that would be required. Operational within an hour, it currently has 35 workstations and a meeting room.

#### **Information access**

We have ensured we have remote IT back up to provide access to our database, records and administrative system. Additionally all files that are archived are done so offsite, in line with our information security procedures.

#### **Testing and review**

Both extensive and piecemeal tests are regularly carried out to ensure the plan continues to meet our business needs. As part of the Legal & General Group we have defined UK BCM standards that we should work to.

### **BACK OFFICE SYSTEM AND IT PLATFORM**

Having efficient systems and IT is one of our highest priorities, enabling the delivery of accurate and reliable information. We have a bespoke and scalable IT platform which is tailored to provide fully integrated management, processing and reporting.

# DUE DILIGENCE

## FINANCIAL STRENGTH AND BANKING

**THIS SECTION** briefly outlines our financial strength and tells you where you can find more comprehensive details.

### **Suffolk Life**

Suffolk Life has been trading profitably for many years, and investing these profits for the future. Our accounts can be accessed at [www.suffolklife.co.uk/companyreports](http://www.suffolklife.co.uk/companyreports).

### **Firm foundations**

Our business has increased in size every year since we wrote our first SIPP in 1996.

As at May 2011 we administer in excess of 14,600 active self-invested plans and have assets under administration in excess of £4.3 billion.

### **Legal & General**

Suffolk Life gained a financially strong parent when we were acquired by Legal & General in 2008, and we are now part of the Legal & General Group. Legal & General Group PLC is registered in England and listed on the London Stock Exchange.

L&G's financial strength is rated by Standard & Poors, and the most up to date rating can be found at [www.standardandpoors.com](http://www.standardandpoors.com).

### **Banking**

Whenever a SIPP is established, a SIPP bank account is opened. Our bankers are Bank of Scotland, part of the Lloyds banking group.

The SIPP bank account operates as a means to transact cash for the SIPP. It will receive contributions, tax reclaims, transfers in to name but a few, and will also handle transfers out in cash as well as benefit payments. Similar accounts may also be opened to facilitate property acquisitions and ongoing management of loan repayments and rent collection.

This default bank account pays a rate of interest to the SIPP if the balance is high enough. Interest is calculated gross, on a daily basis and is credited to the account. The rates of interest are based on the Bank of Scotland base rate, which in turn are linked to/mirror the Bank of England base rate and are paid on the whole balance, not just the part above the threshold.

Account balance and interest paid:

- » £0 to £49,999.99 -1% below Bank of Scotland base rate\*
- » £50,000 to £249,999.99 - 0.5% below Bank of Scotland base rate\*
- » £250,000 and over - 0.25% below Bank of Scotland base rate\*

\*Subject to a minimum of 0.15% provided Bank of Scotland's base rate does not fall below 0.5%.

If Bank of Scotland's base rate does fall below 0.5%, the SIPP bank account will receive the higher of:

- » the above rates; or
- » zero

This default account is not intended as an investment account. Alternative bank accounts are available, and investments into other deposit accounts are also permitted subject to allowability.

# DUE DILIGENCE ADMINISTRATION AND SEGREGATION OF DUTIES

**BELOW IS A LIST** of the specialist teams we have at Suffolk Life and the responsibilities they cover. We operate specialist teams to ensure high standards are maintained along with detailed pension knowledge.

## SIPP SUPPORT TEAM

A team in place to ensure our advisers and investors have help with their queries every step of the way.

Dealing with anything from pre-sales queries and illustrations, assistance with completion of application forms or relevant literature, technical queries, 'how to' questions and general day-to-day enquiries.

Our SIPP support team have specialist knowledge of pensions and are likely to be your first port of call with Suffolk Life.



## SPECIALIST TEAMS

In addition to our support team, we also have specialist teams who are able to handle very specific or technical enquiries.

### New business

The primary role of the new business team is to establish all new applications across the Suffolk Life product range, allowing generally quick and seamless SIPP establishment for our investors and advisers. They also request all new money requests from transfers in and regular contributions. The team processes this work within a changing SLA.

### Asset transfer

This team deals with all *in specie* asset transfers, including *in specie* transfers in and out, migrations, pooling, changes of investment managers and connected party transactions.

### Investments

To instruct us to open an investment manager account or to place deals directly.

### Allowable investment team

The allowable investments team checks all investments made are allowable under the terms and conditions of the relevant scheme. They are on hand to discuss possible investments prior to making instructions.

The primary purpose of the team is to ensure that neither adviser nor investor is compromised by investing in an asset which is not allowed to be held by the scheme.

This team can also offer guidance for processes such as connected party transactions.

### Taking benefits

This team processes taking benefits from the SIPP, administering changes to the plan status (such as changes of address or adviser) and ongoing requests for plan information.

### IFA invoices/remuneration

Where to send your invoice instructions or for any queries you may have.

### Property acquisitions

Many of our highly skilled property team are professionally qualified with expert understanding of how to buy properties within a SIPP. They will be able to check the feasibility of a property as a SIPP investment and guide you through the acquisition process.

### Ongoing property management

In addition to our acquisition team, we also have a specialist property management team. This team manages the invoicing and collection of rent, arranging property insurance, renewing leases, rent reviews and making repayments of any loans charged on the property.

### Property accounting

We have a separate property accounting team that focuses their time on account reconciliations, providing accounting support to the property teams with complete reconciliations for purchases and sales, internal re-ownerships, insurance and lump sum load reductions. This team also handles HMRC and VAT issues.

### Sales executive team

A team of experienced pensions and technical staff is on hand to answer queries and to ensure that advisers have a smooth business experience with us.

### Web support

For queries relating to our online portal.

# DUE DILIGENCE

## ADMINISTRATION AND SEGREGATION OF DUTIES

### SERVICE CHARTER

Advisers need to be able to trust that we will deliver the exemplary level of service they expect. That's why we have developed a 15 point service charter:

#### **Suffolk Life's business is providing and administering SIPPs.**

Offering exemplary service, fairly, for all customers is core to our proposition. We are proud of our performance and the positive recognition we have achieved within the industry. We believe it is important that advisers should be aware of our principles of service and what they can expect from working with us.

#### **We will aim to:**

- » Establish a SIPP within 3 working days of receipt of a complete application pack, and have a working bank account in place the following day. In practice we expect to establish most SIPPs on the date of receipt.
- » Initiate an investment instruction (or an instruction to transfer monies to a discretionary manager) within 1 working day.
- » Bank all bona fide cheques on the day of receipt and credit to the relevant SIPP bank account.
- » Reconcile each main SIPP bank account on a daily basis.
- » Pay all correctly presented and agreed adviser invoices (initial and renewal Customer Agreed Remuneration) within 10 working days subject to funds being available.
- » Issue an illustration within 1 working day of the request, where the illustration cannot be performed online by the adviser.
- » Initiate all transfers in within 3 working days once all transfer documentation has been satisfactorily completed.
- » Initiate all transfers out within 3 working days once all satisfactorily completed documentation has been received.
- » Request tax reclaims on qualifying contributions by the 5<sup>th</sup> of the month following receipt and credit the tax relief to the SIPP bank account within 1 day of receipt of funds from HMRC (normally on 22<sup>nd</sup> two months later).
- » Pay income monthly, quarterly, bi-annually, annually and also on an ad hoc basis under drawdown on the last working day of the month, provided we receive 10 working days notice.
- » Deal with any complaint or grievance raised efficiently, acknowledging within 5 working days and delivering a final response or update within 4 weeks.
- » Despatch annual statements and valuation reports to advisers and the SIPP investor in the month in which the anniversary date falls.
- » Process investment contract notes (and update the SIPP records) on the day of receipt.
- » Make our Secure Portal available 24/7 for registered users, with valuations updated daily (where prices are available).
- » Reconcile all investments monthly where there are full electronic datafeeds in place and at least half-yearly in all other cases.

This sets out our best intentions and usual practice, but on occasions it may not be possible to meet them, particularly if we are let down by a third party. Also all commercial property-related activity is outside the scope of the above given the specialist nature of the services required.

# DUE DILIGENCE

## INTERACTION WITH ADVISORY FIRMS

**WE FOCUS ON** the provision and administration of SIPPs, leaving advice to advisers. Below we highlight how we interact with advisers and planners at different points in the administration process.

### NEW BUSINESS

We recognise the value of supporting and fostering long-term relationships with advisers. We don't offer advice to investors and only accept new business via an adviser.

We are constantly looking at how we can further support advisers. This is why we have developed our literature to help support advisers' recommendations and to guide advisers to help them get the best out of our products and services.

### ADMINISTRATION

We have dedicated service teams in place for each stage of the lifetime of a SIPP, and for different types of queries. Advisers and planners are provided with direct dial access to these teams, meaning they can regularly and easily make contact with the right people.

Our administration teams will contact the advisers or planners directly rather than the investors, unless of course an investor is execution-only or has requested otherwise.

### PROPERTY

There are various parties involved in a property transaction such as the adviser, investor, solicitor, valuer and bank. The



property team will generally deal with the adviser on all material issues; however, they remain flexible and may also have the underlying investor as the main point of contact if appropriate.

The professionals instructed on the transaction will typically be chosen by the investor or their adviser. Before issuing instructions, we will undertake our own due diligence to ensure that these parties are members of their appropriate professional body.

Property files will pass between different members of the property team here; however, all parties will have a central point of contact within the department.

### CLIENT REPORTING

We send the annual statement to the appropriate adviser together with a copy for the client, to support advisers in reviewing their clients' holdings.

Our annual statement clearly displays the fully reconciled statements using summary headlines, explanations for each content section and 'at a glance' summaries.

### INVESTMENTS

We require the investor's authority to act on investment instructions from the planner or adviser. This can either be provided for all instructions or on a deal by deal basis.

As long as you have provided your details with the dealing instruction, we will always ask for your firm's agency to be linked to the account. This ensures you will automatically receive copies of contract notes from the fund managers that provide them and that you are able to contact the fund manager directly for account information.

We work with a range of fund supermarkets and online investment platforms. Cofunds, our default option, enable you to deal directly online via their website and we have negotiated beneficial terms.

A list of the type of investments we can accept can be found in our schedule of allowable investments, available for download at [www.suffolklife.co.uk/literaturelibrary](http://www.suffolklife.co.uk/literaturelibrary), or if you have a specific query you can email our allowable investments team at [allowableinvestments@suffolklife.co.uk](mailto:allowableinvestments@suffolklife.co.uk).

### TECHNICAL SUPPORT

To support advisers we have service teams in place, with staff who have specialist technical expertise. This means that advisers and planners have access to detailed pensions knowledge, and we can support them throughout the entire lifetime of their client's SIPP. Additionally we have technical experts who regularly give presentations and masterclasses to further support advisers.

Contact [marketing@suffolklife.co.uk](mailto:marketing@suffolklife.co.uk) for more information on our presentations and masterclasses.

# DUE DILIGENCE EXPERIENCE OF OUR PRINCIPALS

**OUR SENIOR MANAGEMENT TEAM HAS** a wealth of experience within the industry, including actually administering SIPPs.

## **David Hobbs, Managing Director**



David has a strong background in the pension and retirement business, with 23 years experience within the Legal & General Group.

He brings a wealth of experience in dealing with various sectors of the market, including the High Net Worth, and is an Associate of the Pensions Management Institute.

## **Renata Chester, Strategy, Planning & Finance Director**



Renata holds the position of Strategy, Planning and Finance Director, having been IT & Change Director since early 2008. Whilst maternity leave took up much of her 2010, Renata has been with Suffolk Life since 1997 and was instrumental in redesigning our IT platform which is the core of all our business processing.

She has a joint honours degree in Accountancy and Statistics and qualified as a Chartered Accountant in 1995. She has been Committee Member of the Association of Member-Directed Pension Schemes and speaks regularly at conferences on SIPP technical matters.

## **Will Self, Director of Operations**



Upon completing his degree in Oceanography at Southampton University, during which he spent time working in Canada for the Institute of Ocean Sciences, he joined Suffolk Life in 2003. Initially he headed up an administration team before joining the Corporate Development team

where he was instrumental in launching several propositions with multi-national insurers.

In 2008 Will became Head of Client services, managing 70 staff, before becoming Director of Operations in 2010. He completed his MBA (Executive Master of Business Administration) at Cranfield School of Management at the same time and is a member of the Chartered Management Institute.

## **Chris Jones, Product & Marketing Director**



Chris is a Chartered Taxation Adviser who has worked in SIPPs since 1990. He acted as consultant to a range of financial service companies before joining the senior management team of Suffolk Life full time in January 2005.

Chris has overseen the development of several key strategic partnerships, and made a significant contribution during the process of transferring ownership of the company to Legal and General.

In 2010 Chris gained responsibility for marketing in the role of Product & Marketing Director.

## **Oliver Crichton, Director of Property**



Oliver is a solicitor with considerable experience in property law. He studied law at the University of Birmingham and subsequently joined a large East Anglian law firm, qualifying as a solicitor in 2001 specialising in commercial property.

Oliver joined Suffolk Life in 2005 as Property Solicitor and in 2009 was promoted to Head of the property department. In 2010, he became Director of Property.

## **Hugh May, IT & Change Director**



Having been a Non Executive Director on the Suffolk Life Board for five years prior to the acquisition of the business by Legal & General, Hugh became IT & Change Director in 2010. A Fellow of the Chartered Institute of Bankers, he has worked in the financial services sector for nearly 30 years, holding

Board-level appointments in regulated firms for a number of these.

Immediately prior to rejoining Suffolk Life, Hugh worked in retail and major retail group supervision at the Financial Services Authority.

# DUE DILIGENCE CONFLICTS OF INTEREST

**THIS STATEMENT COVERS** how we define, report, disclose and handle conflicts of interests within the business.

## Definition of conflict of interest

A conflict of interest arises where there is a conflict between either:

- » Suffolk Life (including its employees or any person directly or indirectly linked to us by control) and a client; or
- » two or more clients.

When identifying actual or potential conflicts we take into account whether we, an employee or a person directly or indirectly linked to us by control:

- » are likely to make a financial gain or avoid a financial loss at the expense of our client;
- » have an interest in the outcome of a service provided to our client that is distinct from that client's interest in that outcome;
- » have a financial or other incentive to favour the interest of one or more clients over the interests of one or more other clients;
- » receive or will receive from a person other than the client an inducement in relation to a service provided other than the standard commission or fee for that service.

## Types of conflicts

Given the nature of the Suffolk Life group it is not envisaged that conflicts of interest will arise with any regularity. The most likely instances where it may arise are:

- » the purchase of a property where more than one client is interested in the property;
- » a dispute arises in relation to a property owned in respect of one client where another client has an interest;
- » any other investment is held for more than one client's SIPP;
- » an introducer of business asks us to deal with their clients in preference to others; and
- » an introducer of business also has a SIPP with us and asks us to deal with an investment for that SIPP in preference to another client.

## Reporting the identification of potential or actual conflicts of interest

Any potential or actual conflicts identified are reported to the compliance department where they are entered into a conflicts register. The matter is then discussed by the managing director, the compliance officer and either the head of client services or the property director, as appropriate. They will decide if a conflict exists or may arise and the action to be taken to either prevent the conflict or disclose the existence to the client(s) impacted.

## Disclosure of potential or actual conflicts of interest

Should the client(s) need to be informed then this will be done in writing as soon as practical and wherever possible before the service is provided. The disclosure will include sufficient detail to enable the client to take an informed decision with respect to the service in the context of which the conflict arises or may arise.

## Procedure where a potential or an actual conflict of interest arises

An anti-bribe and inducements policy exists that requires that all such matters are refused and/or disclosed to compliance.

Where an actual or potential conflict arises between two clients we ensure that separate employees deal with the respective clients and that the employees will not discuss the matter.

# DUE DILIGENCE

## TREATING CUSTOMERS FAIRLY

**TREATING CUSTOMERS FAIRLY** has been central to our culture since our inception. We always aim to offer the highest level of service, and the section below outlines how we deliver it.

"Delivering exemplary service by putting our customers at the centre of everything we do".

That means "continuing to hire the right people, providing meaningful work, providing them with training and support and then trusting them to deliver the service in a fair manner to our customers".

"Customers" to us include:

- » SIPP investors and policyholders;
- » Advisers/introducers;
- » Business partners.

Ultimately, however, we must always pay due consideration to the needs and expectations of our investors when considering the fair treatment of our customers.

To this end we:

- » Continually assess in broad terms the suitability of our products for our customers;
- » Continually produce and assess management information for our service and administration levels;
- » Continually assess the terms and conditions of our products and review our product literature to ensure that they are clear, fair and not misleading;
- » Provide sufficient, appropriate and comprehensible information to distributors and where relevant to investors;
- » Ensure that information sent either directly or indirectly via the adviser to the investor is written in a way that is easy to understand;
- » Ensure our staff are fully trained to provide clear and concise help whether over the telephone or in writing;
- » Act promptly when handling claims or when making payments;
- » Act impartially and promptly when dealing with complaints;

- » Continuously monitor results to ensure that the product delivers what we intended by monitoring:
  - number of and reasons for complaints;
  - number of and reasons for transfers out;
  - number of and reasons for breaches;
  - amount of and reasons for compensation payments; and
  - feedback from surveys.

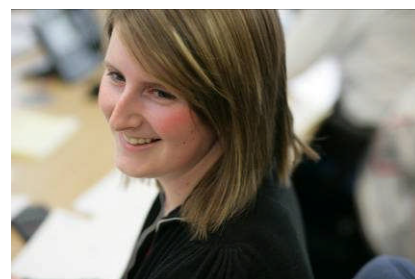
We aim to deliver quality service to our customers no matter what the situation. 81% of complaints are resolved on the same day they're received, and over 99% of complaints are satisfactorily resolved within a two month period.

### INVESTOR IN CUSTOMERS

We validate both our approach to TCF along with its effectiveness by commissioning independent research and assessment through Investor in Customers (iIC). iIC is closely aligned to treating customers fairly. It works by taking surveys of our clients (advisers), employees and senior management to establish their views on themes including understanding, meeting and exceeding customer needs. The results are then combined with their own independent assessment to produce an overall score.



In 2006, 2008 and 2010 we achieved an award of 2\* - outstanding. A copy of the results and conclusions is available upon request.



# DUE DILIGENCE CLIENT COMMUNICATIONS

**THIS SECTION DISCUSSES** the different types of client communications and supporting literature we produce, for both investors and advisers.

## KEY FEATURES AND CHARGES

We work hard to ensure that our suite of functional literature, which includes our Key Features and Schedule of Fees, is clearly laid out and client friendly. Each document has a 'sign-post' on the front displaying which is the piece in hand and which pieces accompany it.

## ADVISER SUPPORT

In addition to the functional literature we offer support to advisers with potential clients.

Just some of our adviser support literature includes:

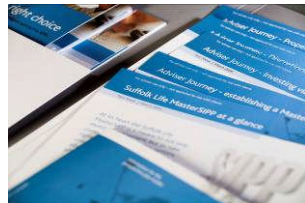
- » Corporate brochure
- » What We Do
- » Case studies, bringing to life each area of a SIPP
- » Fact sheets to guide advisers through out processes
- » Service charter setting out the timelines we aspire to for each process
- » Property Guide for commercial property investment

Our adviser resource packs can be ordered by emailing [ifaenquiries@suffolklife.co.uk](mailto:ifaenquiries@suffolklife.co.uk).

## ILLUSTRATIONS

Our online illustration wizard allows advisers to create new illustrations for their clients. There are 4 types of illustration available meeting virtually every stage of a client's retirement: pre-retirement; immediate crystallisation; pre-retirement transfer in followed by immediate crystallisation; and drawdown transfer in.

Once the details have been completed, the illustration is instantly accessible. The illustration wizard can be accessed via our website: [www.suffolklife.co.uk/asillustrate](http://www.suffolklife.co.uk/asillustrate).



## ANNUAL STATEMENTS

We deliver reconciled annual statements to advisers to discuss with their clients.

Unlike many providers, the investment values within the SIPP are fully reconciled. We validate all investment transactions and holdings in order to produce the annual report.

Research suggests that this approach leads the way in the SIPP market, where many other bespoke SIPP providers simply bring together aggregate statements from 3<sup>rd</sup> party investment providers.

Each annual statement presents up to 13 detailed reports for each currency, including: plan summary; asset statement, revenue statement; investment details; asset disposal details; contributions; and fees.

Over 89% of all annual statements are completed and sent out within the anniversary month.

## GENERAL COMMUNICATIONS

All communications, where possible, are sent through the investor's adviser. We believe that our relationship lies with the adviser, who in turn has the relationship with the investor. There are, however, certain legislative reasons why we sometimes have to contact the investor directly and we aim to inform the adviser prior to contacting their clients.



# DUE DILIGENCE

## FINANCIAL CRIME AND MONEY LAUNDERING

**THE THREAT OF** financial crime or money laundering are taken very seriously, and we are committed to the prevention and detection of these.

### ANTI-MONEY LAUNDERING

The flexibility of SIPPs combined with their wide range of investment possibilities has led the industry to believe that bespoke SIPP business is potentially high risk. We are committed to the prevention, detection and reporting of financial crime, and have developed a system of anti-money laundering (AML) procedures in place as follows:

- » Requiring all new customers' identity to be verified (generally by the introducing adviser by completion of the relevant part of our application form), covering identity, address, source of wealth and source of funds;
- » Checking all new potential customers against the HM Treasury and OFAC sanction lists before accepting the business;
- » Checking updates to HM Treasury sanction list and OFAC list against our existing customers, and quarterly screening of all existing customers against various financial crime databases;
- » Carrying out a PEP (UK and overseas) check prior to accepting the business. If the investor is a PEP then senior management will make a decision on any further information required, and to accept or decline the business;
- » Requiring all new payers of funds to Suffolk Life (for example, employers, pension trustees, other third parties making contributions for customers) to have their identity verified;
- » Staff remaining alert to suspicious activity in relation to an account;
- » Obtaining a number of transaction monitoring reports for highlighting unusual transactions;
- » AML training for all new staff and regular refresher training every 24 months;
- » Reporting procedures so that any suspicions are reported directly to Legal & General Group Financial Crime for initial investigation who decide whether or not to make a report to SOCA/FSA.

### FRAUD PREVENTION

A system of internal controls has been developed in order to try and prevent the occurrence of fraud. This includes the need for at least two authorised signatories to sign all transfers out and payments of cash to third parties.

In addition we will take firm action against any individual or group carrying out a fraud against us, our customers or anyone else, and assist the police and other relevant authorities in their enquiries. We, in line with the Legal & General policy, will not tolerate any dishonesty, deception, false accounting, concealment, bribery or deprivation of funds, assets or data from the business or the deliberate causing of financial loss, or any other illegal behaviour, be it internal or external, and whether perpetrated by outsiders, customers, agents, executives or staff.

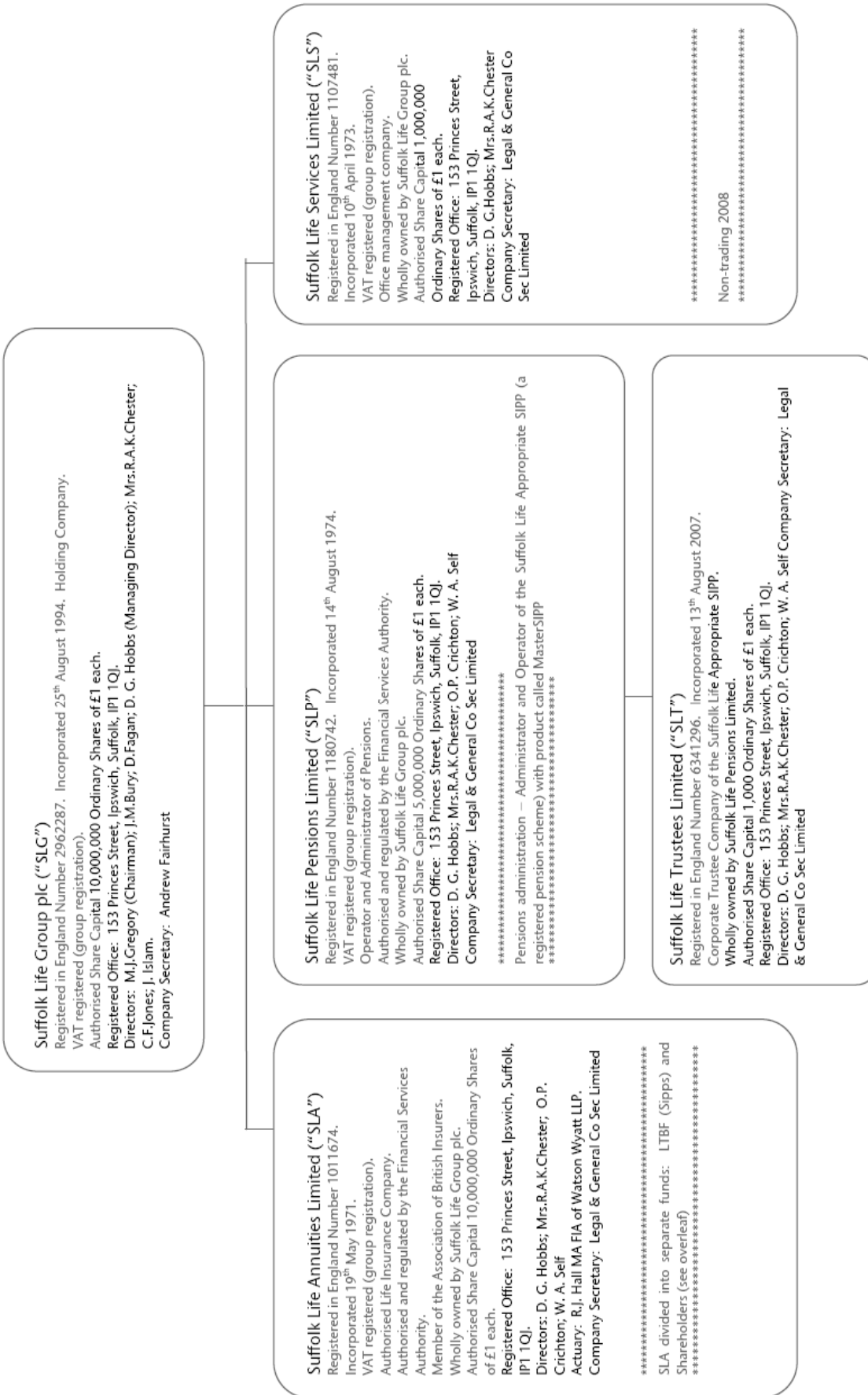
All suspected fraud or any other dishonest behaviour will be fully investigated and, where considered appropriate, the concerns will be reported to the relevant regulatory authorities and/or law enforcement bodies.

# DUE DILIGENCE FIRM STRUCTURE AND TRUST ARRANGEMENTS

## SUFFOLK LIFE GROUP

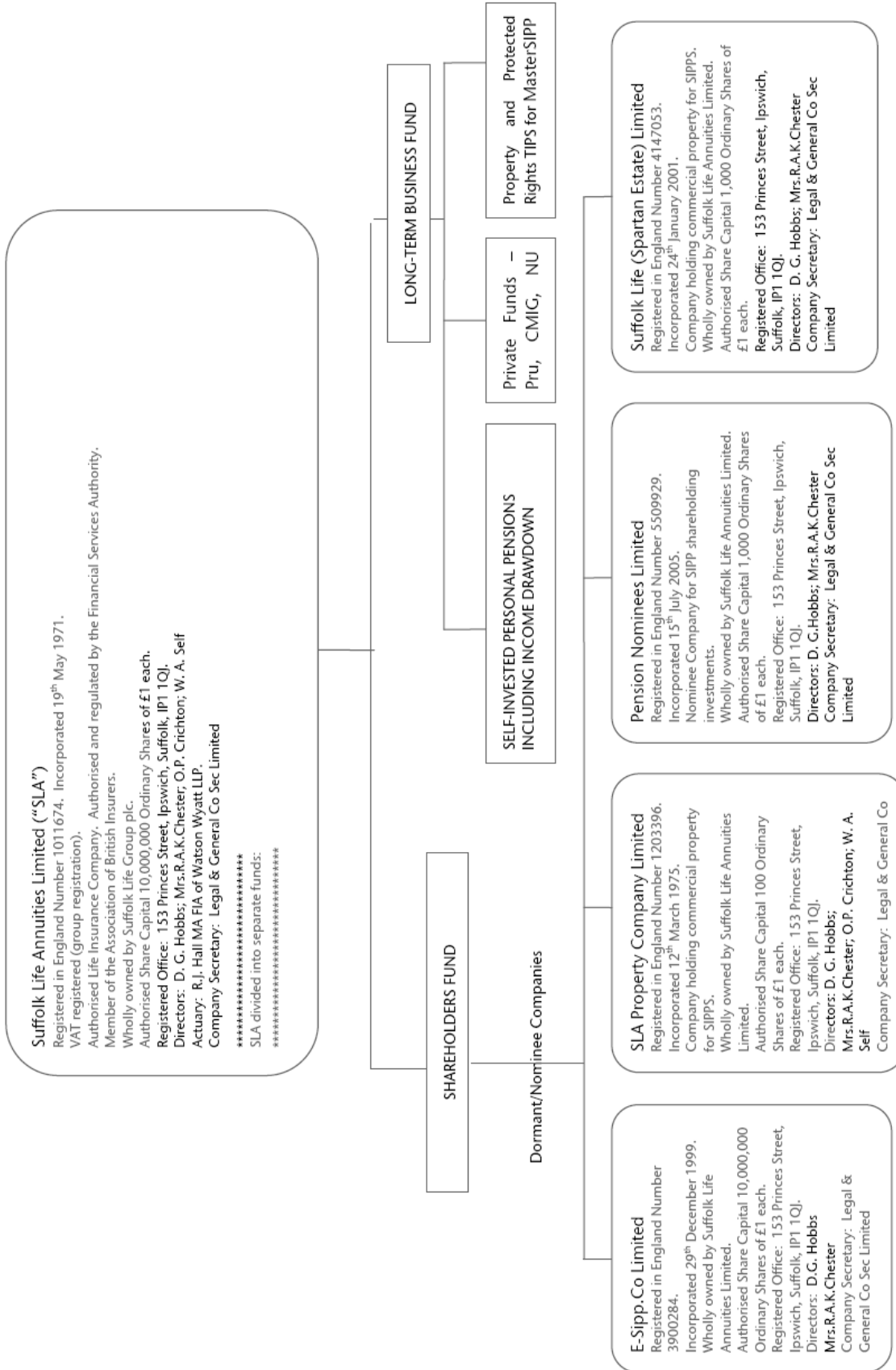
### Suffolk Life Legal Structure April 2011

100% owned by Legal & General Retail Investments (Holdings) Limited, a wholly owned subsidiary of Legal & General Group plc



# DUE DILIGENCE FIRM STRUCTURE AND TRUST ARRANGEMENTS

## SUFFOLK LIFE ANNUITIES



# DUE DILIGENCE

## FIRM STRUCTURE AND TRUST ARRANGEMENTS

### SUFFOLK LIFE MASTERSIPP

The Suffolk Life MasterSIPP is a trust based SIPP and is a product issued by Suffolk Life Pensions Limited (SLP) under the Suffolk Life Appropriate SIPP. The Suffolk Life Appropriate SIPP was established by trust deed dated 5 September 2007.

SLP is the operator and Scheme Administrator of the Suffolk Life Appropriate SIPP.

Suffolk Life Annuities Limited (SLA) is an authorised insurance company that provides the trustee investment plan to the trustee to hold commercial property.

Suffolk Life Trustees Limited (SLT) is the trustee.

### SUFFOLK LIFE SELF-INVESTED PERSONAL PENSION

The Suffolk Life SIPP is a deed poll arrangement established by SLA on 21 February 1995. SLA is the provider and operator of the Suffolk Life SIPP and is an authorised insurance company that issues contracts of insurance to the members.

SLP has been appointed by SLA as the Scheme Administrator.

The Suffolk Life SIPP is not open to new members but existing members can make additional single regular contributions or request transfers in.

### INVESTOR COMPENSATION

Should investors need to seek compensation, they may be able to claim under the Financial Services Compensation Scheme (FSCS), if we are unable to meet our obligations to them. The compensation levels as from January 2010 are indicated below. (Plans established before 15 March 2010 may be subject to different levels of compensation. Please contact us if you need more information.)

The MasterSIPP (failure by SLP)	Investors may be able to claim up to a maximum benefit of £50,000
The MasterSIPP (property trustee investment plans (TIPs))	The trustees may be able to claim for the investor's TIP up to 90% of the value of the TIP.

### HOW ASSETS ARE HELD

The Suffolk Life MasterSIPP is a trust based scheme where the operator and scheme administrator is SLP. SLT is the trustee. Investors become members of the trust based scheme and receive a membership certificate.

Under the MasterSIPP the assets bought are legally owned by the trustee.

The Suffolk Life MasterSIPP has been designed to meet the demands of all SIPP investors. The assets, other than property, in our trust based scheme are legally owned by the trustee and so are not required to comply with the permitted links rules.

When property investments are made as part of the SIPP the asset is owned by SLA. In respect of the MasterSIPP this is facilitated by a trustee investment plan issued by SLA to the trustee. This means we are able to offer co-ownership of the property asset across all pension benefits where appropriate.

# DUE DILIGENCE CONTACTS

AT SUFFOLK LIFE we operate an open-door policy which extends to both staff and customers. Below is a list of contact details for some of our departments; details for specific adviser teams can be found at [www.suffolklife.co.uk/ascontactus](http://www.suffolklife.co.uk/ascontactus).

## General contact details

Telephone	0870 414 7000
Fax	0870 414 8000
Email - general enquiries	<a href="mailto:ifaenquiries@suffolklife.co.uk">ifaenquiries@suffolklife.co.uk</a>
Address	Suffolk Life 153 Princes Street Ipswich Suffolk IP1 1QJ

## Sales development

Head of Sales	Ray Hart <a href="mailto:ray.hart@suffolklife.co.uk">ray.hart@suffolklife.co.uk</a>
Sales Manager	Sean Osborne <a href="mailto:sean.osborne@suffolklife.co.uk">sean.osborne@suffolklife.co.uk</a>
Key Accounts	Sarah Knight <a href="mailto:sarah.knight@suffolklife.co.uk">sarah.knight@suffolklife.co.uk</a>
Key Accounts Director	Rollo Wilson <a href="mailto:rollo.wilson@suffolklife.co.uk">rollo.wilson@suffolklife.co.uk</a>
Sales Executives	Craig Clarke <a href="mailto:craig.clarke@suffolklife.co.uk">craig.clarke@suffolklife.co.uk</a> Damien Bowler <a href="mailto:damien.bowler@suffolklife.co.uk">damien.bowler@suffolklife.co.uk</a> Daniel Smith <a href="mailto:daniel.smith@suffolklife.co.uk">daniel.smith@suffolklife.co.uk</a>

## Technical adviser support

Pensions Technical Manager	Claire Brooks <a href="mailto:enquiries@suffolklife.co.uk">enquiries@suffolklife.co.uk</a>
----------------------------	---

## Adviser services

Director of operations	Will Self
Head of New Business & Client Relationships	Melissa Dean
Client Administration Manager	Esther Berntzen
Head of Financial Administration	Andrew McLaughlin

## Property

Director of Property	Oliver Crichton
Property Operations Manager	David McLaughlin

## Compliance

Compliance Officer	Philip Newman
--------------------	---------------



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 operate and administer self invested personal pensions and similar pension products. Suffolk Life Trustees (registered in England and Wales number 6341296) is the trustee of the Suffolk Life MasterSIPP. The registered address of all 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 purposes.

Ref: Q0031906 / Approval no: H0121753 / August 2011

**SUFFOLKLIFE**