

AMPS Clarifies SIPP Provider Responsibilities

6 November 2009

At a recent open meeting of the Association of Member-Directed Pension Schemes (AMPS), the FSA's Small Firms and Contact Division gave a talk on the findings of the thematic review of small SIPP operators published in September 2009.

It was apparent from the meeting and from some commentary in the press that there may be a misunderstanding of the suggestion that SIPP operators request copies of suitability reports provided to clients by the intermediary giving advice. Some interpretations have been that the FSA requires SIPP operators to vet each application they receive for suitability of advice.

AMPS committee member, David Phillips has been in further contact with the FSA following the open meeting in order to clarify the situation.

David Phillips says "In AMPS' view the FSA is not requiring small SIPP operators to request copies of suitability reports on a case by case basis or to vet individual applications they receive for suitability of advice."

"The FSA's report confirms that firms acting purely as SIPP operators are not responsible for the SIPP advice given by third parties. However, they are expected to have adequate systems and controls to identify possible instances of financial crime and consumer detriment such as unsuitable SIPPs."

“The practice of requesting copies of suitability reports was one example of measures that SIPP operators could consider to improve their systems and controls. It is AMPS’ understanding that this is not a requirement but could provide further information where high level management information has identified trends or concerns.”

- Ends -

For further information:

Contact details for members of the Committee can be found at www.ampsonline.co.uk

Specific issues regarding their roles on the committee can be addressed to:

Robert Graves, Rowanmoor Pensions – Chairman T:08445 440716

David Phillips, D A Phillips & Co – FSA Liaison T:01580 762 555

Andrew Roberts, Barnett Waddingham – Secretary

Elaine Turtle, Hornbuckle Mitchell – Treasurer

Geoff Buck, Killik & Co. – Membership Secretary

About AMPS

AMPS was set up in 2005 as an amalgamation of the SIPP Provider Group (SPG) and the Association of Pensioner Trustees (APT) to represent the interests of both SIPP and SSAS providers and practitioners. AMPS has approximately 200 full and associate members.

The aim of the Association is to be the principal body and voice for changes in this important area of pension planning. It has used its influence in a variety of discussions with the FSA, DWP, HMRC and the Treasury to name but a few. The Association is run by committee, which is formed from elected representatives from member firms.

Member-Directed Pension Schemes

Member-Directed pension schemes are predominantly SIPPS and SSASs but also include any other self-managed funds.