

Media Release
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IFAs concerned about SIPP and SSAS fee increases

Latest research from Xafinity, one of the UK's leading specialists in pensions and employee benefits, has revealed that most financial advisers surveyed have seen providers increasing their SIPP / SSAS fees, with 62% having seen a rise in set up fees, 94% a rise in annual fees, and 44% an increase in exit fees. 39% of advisers surveyed believe that providers are increasing exit fees in order to discourage transfers out.

Capital Adequacy concerns - 44% of respondents have concerns about some providers' ability to meet proposed capital adequacy requirements due to the fact that they are increasing their fees.

Notice period fee increases - Advisers also want changes to the notice period that providers give for any changes to fee increases; just 22% consider 60 days fair, and none at all consider 30 days a fair notice period.

The research was carried out amongst leading IFAs specialising in SIPP and SSAS business across the UK.

Andy Bowsher, director of self invested pensions, "We consulted with key advisers in the SIPP and SSAS market as many were expressing concerns that some providers were hiking their fees. While regular inflationary or index-linked fee increases are generally good practice to avoid large sudden changes in fees, advisers clearly see some of the recent changes as poor practice. Comments from advisers also showed that there are a handful of providers whose fee increases are colouring the broader picture. I believe that it is key for the industry that TCF prevails."

- ENDS -

Notes to editor:

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Notes to Editor

Xafinity

Xafinity is one of the UK's leading specialists in pensions and employee benefits. Our expertise includes pensions and actuarial services, flexible benefits, SIPP and SSAS, and healthcare.

We have managed SSAS since 1979 and SIPP since 2004 and we have built a hugely experienced and growing team, with 50 specialised staff based in Stirling. We administer self-invested pension assets worth in excess of £1.1bn for thousands of SSAS and SIPP members.

We are committed to providing a professional and proportionate service, tailored to our clients' needs and delivered cost effectively.

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