

Financial Services Consumer Panel

AN INDEPENDENT VOICE FOR CONSUMERS OF FINANCIAL SERVICES

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14 November 2005

John Tiner
Chief Executive
Financial Services Authority
25 The North Colonnade
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London
E14 5HS

Our ref: SIPPs

Dear John

Self Invested Personal Pension Plans

As you are aware we have been concerned about the potential lack of regulation of Self-Invested Personal Pensions between A day next year when the rules are relaxed and the anticipated introduction of regulation in April 2007. We believe that this may produce a gap in consumer protection at a time when the relaxation in the pensions tax regime from 'A-day' in April 2006 is likely to stimulate major promotional campaigns in this area.

Press coverage of your and Callum's recent appearance before the Treasury Select Committee indicated that you had said that most firms offering Self-Invested Personal Pensions were already regulated by the FSA and were, therefore, bound by the FSA's Treating Customers Fairly principle.

Can I take it from this that the FSA will be applying the TCF principle to the SIPPS business of regulated firms before it assumes formal responsibility for the regulation of SIPPS? You will recall that this possibility was raised by the Panel in its submission to the Select Committee and is a move that we would strongly support. Consequently, we would like your confirmation that the FSA does indeed intend to apply the TCF principle in this area.

Further we would like to know if the FSA considers that it can use the principle to cover advertising materials about SIPPs and advice about SIPPs and also whether consumers who have purchased these products could also use TCF as a gateway to claims to the Financial Ombudsman Service and to the Financial Services Compensation Scheme.

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Finally we would also like to hear about the FSA's plans for monitoring compliance and enforcement of this principle in the period between 'A-Day' and the expected extension of the FSA's regulatory remit in 2007.

Yours sincerely

A handwritten signature in black ink, appearing to be the name 'John Howard'. The signature is stylized, with a large, looped 'H' and a smaller 'J'.

John Howard
Chairman
Financial Services Consumer Panel

Cc Callum McCarthy