

Mrs Lisa Jones
Marchants Barn
Marchants Close
Hurstpierpoint
Hassocks
BN6 9UZ

Date of this letter
11 November 2016


Plan number
F46043/91676

Planholder
Lisa Jones

 **0345 602 9221**

Open weekdays 8.30am-6.00pm

 **0345 600 0624**

 **Friends Life and Pensions Limited**
PO Box 1550, Salisbury, SP1 2TW

 **www.friendslife.co.uk/membersite**

Lisa Jones-Transfer

Dear Mrs Jones

I refer to recent correspondence in connection with the proposed transfer of your pension savings to the Elljess Investments Ltd Executive Pension Scheme. As a regulated provider, Friends Life is obliged to carry out due diligence checks to ensure that pension transfers comply with regulatory requirements and also do not impose potential material risks to transferring customers and Friends Life. When assessing pension transfer requests we take into account guidance from the regulators, the relevant industry code of best practice and internal legal advice.

One particular business model, whereby agents arrange for occupational pension schemes to be established by non-trading companies is recognised by the industry and the regulators as indicating increased risk to both the transferring provider and the member. In these circumstances, the sponsoring company is likely to have been created for the sole purpose of establishing a scheme to accommodate pension transfers. Often such transfers are re-invested in unregulated high-risk investments such as overseas property or esoteric investments which are not protected by the Financial Services Compensation Scheme if things go wrong.

Additionally, if the agents or firms arranging the transfer are not regulated by the Financial Conduct Authority (FCA) you may not have recourse to the Financial Ombudsman Service (FOS) if you have a complaint.

Friends Life view (which takes into account guidance from the regulators) is that such arrangements indicate increased risk to both the transferring member and Friends Life.

The Pensions Regulator has previously stated the following:

'For example, in certain circumstances where a scheme describing itself as an occupational pension scheme is sponsored by a dormant company, which has never actually traded, the trustees (of the transferring scheme) may conclude that it does not have the necessary characteristics of an occupational pension scheme.'

I would add that although the Elljess Investments Ltd Executive Pension Scheme is registered with HM Revenue & Customs (HMRC) that registration does not confer a general approval or recommendation by the HMRC or any other government body. HMRC may also subsequently

deregister a pension scheme should it consider that it is not being operated in accordance with its tax rules or established by a genuine employer. Deregistration would result in penal tax charges.

In this case, we understand that Pension Practitioner.com is the sponsoring employer of the Elljess Investments Ltd Executive Pension Scheme. However, following our due diligence checks we can find no evidence that the company is trading. We are therefore concerned that the Elljess Investments Ltd Executive Pension Scheme does not have the characteristics of a genuine occupational pension scheme and that your pension savings may be put at risk if you decide to transfer to that scheme. I enclose a leaflet from the Pensions Regulator about those risks that you may find helpful.

With regards to your statutory right to a pensions transfer, a recent High Court Judgement on 19 February 2016 (Donna-Marie Hughes v The Royal London Mutual Insurance Society Limited) considered this point. The Judge concluded that if an individual had a source of earnings from any employment they would have a statutory right to a pensions transfer.

Based upon that judgement, and proof that you have a current source of earnings, Friends Life is obliged to complete your pensions transfer subject to you completing and returning the enclosed declaration. I would stress that this does not detract from our general concerns regarding the Elljess Investments Ltd Executive Pension Scheme.

If you are unclear, or are still considering transferring your pension to another pension scheme, you should also consider seeking independent financial advice. The Financial Conduct Authority (FCA) regulates firms providing financial advice – the FCA's register at <http://www.fsa.gov.uk/fsaregister> provides further details. If you do not have a financial adviser you can visit www.unbiased.co.uk for details of regulated financial advisers in your area.

You can discuss your retirement options by contacting Pensions Wise. Pension Wise is a free and impartial government service.

I hope that this information is useful. If you need any more information or have further questions, please contact us and we will be happy to help. So that we can deal with your queries quickly and efficiently, please quote the reference shown at the top of this letter.

If you change your email or postal address, landline or mobile number, please let us know so that we can update our records to keep in contact with you.

Yours sincerely,

Friends Life Customer Team

These documents are available in other formats.

If you would like a Braille, large print or audio version of this document, please contact us.

Name: Lisa Jones

Friends Life policy/plan number: F46043/91676

Receiving Scheme: Pension Practitioner.com

I declare that:

- I am in receipt of earnings and therefore an 'earner' as defined in Sections 3, 4 and 12 of the Social Security Contributions and Benefits Act 1992; and
- having considered and understood the information and risk warnings provided to me by Friends Life and the Pensions Regulator, I wish to proceed with the transfer of my Friends Life pension benefits to the receiving scheme detailed above.

I understand that:

- following the payment of the transfer value to the receiving scheme, Friends Life will be discharged of all liabilities in relation to my policy/plan and will not bear any future liability for claims (financial or otherwise) including any tax charges imposed by HM Revenue & Customs arising from the transfer.


Signature

22 / 11 / 16
Date

Please return the completed form to Friends Life [0345 602 9221]