

SCHEME/PROVIDER DUE DILIGENCE QUESTIONNAIRE

HARGREAVES
LANSDOWN

Name of company:	RC ADMINISTRATION LIMITED
Name of pension scheme:	SCOTNEY FAMILY PENSION
Name of Trustees:	CHRISTOPHER SCOTNEY
Pension Scheme Tax Reference (PSTR):	20004777RE

Section 1

Which regulatory bodies, if any, authorise your company's pension provision:

HMRC who managed registered scheme administrators. We also have an connected FCA business, RC Financial Services Limited which provides investment services to trustees. We are members of AMPS, which is the trade body for self directed schemes

What type of assets can be held in your pension?

Asset Class	Offered (Y/N)
Shares	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Bonds	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Gilts	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Funds	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Hedge funds	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
ETFs	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Asset Class	Offered (Y/N)
Investment trusts	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Structured products	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Commercial property	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Private/unlisted shares	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Loans to sponsoring employer	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Loans to third party	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Please describe your approach to Product Governance including the frequency of investment Target Market reviews and/or Product Reviews within the last 12 months:

We undertake an annual review in line with Industry guidance from the Pensions Working Group , plus TPR annual guidance and also Validpath who have oversight of RC Financial Services provide FCA compliance guidance on a continuing basis.

Please describe how you identify manage and mitigate any relevant conflicts of interest between Pension provider, trustee,

The Trustees must be members of the scheme and can only invest funds in accordance with the basis of scheme tax registration. The must consider regulated financial advice or in the case of commercial property take advice via a member of RICS.

What restrictions or charges are applied to requests to transfer out of the pension?

There are no transfer out charges by us as administrator, or exit penalties by our financial services company. We take a risk based approach, with transfers to QROPS, SSAS and SIPP the highest risk, with transfers to insurance based plans (PPS) lower risk.

How is the pension scheme marketed and if using 3rd party introducers what processes are in place to ensure they act only within their regulatory permission?

We do not use third party introducers, unless they are members of an RPB, e.g. accountant or solicitor. We work on a referral basis and do not mass market our services.

Are clients able to leverage debt against the value of the pension?

☐ Yes ☒ No * with the exception of commercial mortgage

Are clients able to take loans from the pension?

☐ Yes ☒ No

Are clients able to access assets within the pension prior to age 55 (57 from 2028), other than due to ill health?

☐ Yes ☒ No

If yes, please explain further:

Clients can obtain a commercial mortgage to purchase a commercial property in limited circumstances

Section 2: The following questions apply to your process when onboarding a new fund (unit trust or OEIC) investment into the pension/platform

Please indicate which of the following areas you request information on as part of due diligence procedures:

Factors	If yes, what are the key elements considered?
Staff <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	(e.g. number of staff or turn over)
Governance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	(e.g. Senior Management Functions of directors)
Legal and regulatory risks <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	(e.g. board structure)
Operational and business planning <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Business and financial strength <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	(e.g. company start date or total AUM)
Investment strategy <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	(e.g. fund structure)

What requirements, if any, do you have around the product EMT, provision of PRIIPs or Key (investor) information Documents?

Customers are notified that as a trustee of a SSAS, they are the members also and they must consider regulated financial advice as part of the decision making process. Where they use our financial services firm, they are provided with PRIIPs and related documents. Where, in the case of commercial property purchase, they must take advice from a member of RICS in connection with the suitability basis of the property acquired.

We do not offer investment services unless it is via our financial services firm RC Financial Services LLP

What other criteria must be met before a fund is offered in the pension, including but not limited to trading frequency, structure?

We only permit funds which are listed on a main stream stock exchange with 30 day liquidity requirements. We do not permit investment into any fund which is not covered by advice under the FSCS.

We do not permit investment into any funds which are illiquid, are not covered by FCA passporting regime and in the case of self trading, the customer uses a recognised firm such as Interactive Investors,. Customers cannot deal and trade in high risk holdings, such as future, options or derivative contracts.

Section 3: The following questions apply to your process when onboarding a new exchange traded investment into the pension/platform

What information is used to identify the line of stock being added? (e.g. ISIN)

ISIN and systems adopted by Interactive Investors whom we use to permit a client to self trade and invest in exchange traded funds.

Is there a list of active stocks available in the pension? (Please provide list or link to where this may be available online)

<https://www.ii.co.uk/ii-accounts/pension-trading-account>

Is there a list of expired stock previously offered in the pension? (e.g. closed or redeemed investments).

no

What minimum standards does the pension/platform require to be met before allowing an exchange traded asset to be offered? (e.g. settles via CREST)

CREST

Which third party data sources are used for valuation and information about the available stocks?

https://media-prod.ii.co.uk/s3fs-public/pdfs/terms_of_service.pdf

Assets from which markets are available in the pension?

<https://www.ii.co.uk/etfs>

What requirements, if any, do you have around the product EMT, provision of PRIIPs or Key (investor) information Documents?

This is fulfilled by Interactive Investors -

Are any complex investments offered in the pension?

no https://media-prod.ii.co.uk/s3fs-public/pdfs/pta_terms.pdf

What steps, if any, are taken to preclude complex investments where they are unsuitable for all clients?

Clients who self trade can only use the pension trading platform and this precludes complex products.

What steps, if any, are taken to assess the sophistication of a client?

Client completes a risk profile questionnaire - as per the application. https://media-prod.ii.co.uk/s3fs-public/pdfs/pta_app_form.pdf

Which, if any, market makers are used by the pension for buying/selling assets? Do you have a minimum number of market makers available to trade before allowing an investment on the platform?

In the case of self trade, it will be Interactive Investors or AJ Bell which we will rely on in connection with market makers requirements of individual contractos.

What dealing channels are offered to clients? (e.g. telephone or online etc.)

Telephone and Online for self trade

What steps, if any, are taken to ensure transactions are reported correctly?

We have online access to administrator accounts where details of trades made are recorded.

Which sources, if any, are used to reference which assets can be held in the pension?

HMRC, FCA, TPR

Section 4: The following questions apply if you accept commercial property into the pension/platform

Please explain how you ensure the authorised borrowing limits are not exceeded, including when replacing or restructuring existing borrowing?

We only work through a solicitor in respect of re-mortgage and require latest mortgage statements, plus the proposal or borrowing to ensure conformity with HMRC limits. The solicitor will be party to that proposal.

Please explain how you ensure the borrowing is on commercial terms, including in respect of the interest charged and any required security.

We do not permit third party borrowing unless the lender is on the FCA register and also we only deal with recognised bank and building socities. We do not transact with unregulated commercial lenders.

What processes, if any, are undertaken to value the asset?

We require a red book valuation by a member of RICS. <https://www.rics.org/uk/upholding-professional-standards/sector-standards/valuation/red-book/>

What processes, if any, are undertaken to establish the relationship between the pension member and property holder?

We require a property proposal to be completed and will ascertain from the property holder's solicitor the connected party and MLA requirements. We will also use IDU 3 identity verification for commercial relationship.

What processes, if any, are undertaken to assess whether the asset could be residential property?

We obtain written confirmation via the Red Book RICS valuation for any residential interest.

How does the scheme keep track of commercial rent (and if applicable shortfall)?

We administer the pension bank account and our CRM system flags any missed payments or payment errors.

What processes, if any, are in place to allow clients to buy or sell these assets?

The client will notify and we will engage with a solicitor and RICS in respect of the property sale.

What governance is in place around the accepting of commercial property into the scheme?

Please include any evidence which may be requested from the client

RICS Red Book Valuation, Enviro Report, Full Title Land Search, Council Search, Bank Search, Restricted Use Search, Lease

Is the client able to hold commercial property outside the UK?

☐ Yes ☒ No

Section 5: The following questions apply to when accepting private or unlisted assets into the pension/platform

What governance (if any) is in place around the acceptance of non-standard investments (excluding commercial property) into the scheme?

Please include any evidence or elements (e.g. investment structure, etc.) which may be considered

We do not permit any non standard or esoteric investments under ANY circumstances and therefore this section does not apply.

What processes, if any, are undertaken to assess whether the asset could be tangible movable property?

What processes, if any, are undertaken to value the asset?

What processes, if any, are in place to allow clients to buy or sell these assets?

What channels are offered to clients to place trades? (e.g. online)

Does the Scheme allow fractional investments?

☐ Yes ☒ No

