

# The Premier Trust Full SIPP

## Consumer Duty: Product Specification and Target Market

### Introduction

The FCA's new rules on Consumer Duty set out standards for products and services that we provide and require us to act to deliver good outcomes for retail customers. We are fully committed to the new rules and have allocated significant resources to ensure that we meet the various deadlines.

This document sets out important information about the Premier Trust Full SIPP, who it is suitable for, and gives an overview of the work we are doing to ensure we comply with the new regulations.

### Product Summary

Our Premier Trust Full SIPP is a “member directed” personal pension plan. It offers clients (with the assistance of their financial adviser if they have one) control over what they pay in, how they invest their fund, and how they draw benefits out. It is a “full” SIPP that permits clients to invest in a wide range of investments, including commercial property.

The SIPP is provided on a fee basis and as such offers complete transparency on charges, with a menu approach for additional services.

This section gives a brief overview of the product. Full details can be found in the Key Features, Terms of Business, Fee Schedule and other supporting literature.

#### **Distribution**

The SIPP is distributed through two channels:

- On an advised basis through FCA regulated financial advisers holding the appropriate permissions.
- On an execution only basis with non-advised clients opening a SIPP directly with us. We do not provide financial advice to these clients.

We do not accept business from non-regulated introducers.

#### **Transfers in**

Clients can transfer benefits held in other registered pension schemes into their SIPP. However, the SIPP does not accept transfers from:

- Defined Benefit schemes,
- Qualifying Recognised Overseas Pension Schemes (QROPS), or
- schemes that contain Guaranteed Minimum Pensions (GMP's).

We will only accept transfers from schemes with Guaranteed Annuity Rates (GAR's) if a positive recommendation to transfer has been provided by an FCA regulated financial

adviser. The SIPP can accept in specie transfers (in the form of assets rather than just cash).

### **Contributions**

The SIPP can accept employer, employee and third-party contributions. The contributions can be one off, regular and ad hoc. The SIPP cannot accept in specie contributions.

### **Investments**

Clients have access to a wide range of investment options and can hold as many investments as they would like. Permitted investments include:

- Commercial Property
- Investment portfolios containing standard investments with Discretionary Fund Managers, Platforms, Stockbrokers, and/or Insurance Companies.
- Cash, including deposit accounts.

The SIPP is not permitted to invest in non-standard assets (such as unregulated investments, hotel developments, or unlisted shares).

### **Member benefits**

Clients have access to a wide range of benefit options and can draw lump sums and income directly from their SIPP through drawdown. They can also take their benefits in stages through phased drawdown.

### **Transfers out**

Clients can transfer out of our SIPP at any time and for any reason. We do not place any unnecessary barriers (either administrative or financial) on their ability to transfer. Alternatively, they can switch to another of our SIPP products if they would like.

## **Product Objectives**

The main objectives of the product are as follows:

- To enable retail clients to save for retirement (accumulation) within a registered pension scheme.
- To give clients a wide range of investment options, including commercial property.
- To enable clients to take retirement benefits (decumulation) from their SIPP by drawing a lump sum and/or an income from their fund.
- To give clients the flexibility to take their benefits in stages.
- To give a high-quality personal service to clients, which delivers positive outcomes and is cost effective.

## **Target Market**

The Premier Trust Full SIPP has the following target market:

- UK resident retail clients who are either:
  - advised by a regulated financial adviser, or
  - non-advised, acting on an execution-only basis.
- A retail client who is engaged with their pension and who (with or without the help of a financial adviser) wishes to take control over their investment choices.

- A retail client looking to benefit from the wide investment options, e.g. one or more of the following:
  - A client looking to purchase commercial property within their pension scheme, either to let to their own business, or to let on the open market.
  - A client looking to invest in securities through one or more discretionary fund manager, platform or stockbroker.
  - A client looking to invest in other standard investments, including bank accounts and deposits.
- A retail client looking to take advantage of the range of benefits options available.
- A retail client looking for a high-quality personal service.
- A retail client with reasonably sized pension savings – as the fixed rate fees become disproportionately high for lower fund values. We have set the threshold fund value at the point at which the estimated annual fee for the product (inclusive of VAT) exceeds 1.25% of the value of the SIPP. Where the value of a SIPP is below this level then we investigate further to determine whether the SIPP is appropriate. The current threshold values are set out below:

| <b>SIPP Category</b>                              | <b>Estimated Annual Fees including VAT</b> | <b>Threshold SIPP Value</b> |
|---|--|-----------------------------|
| Accumulation SIPP no Commercial Property          | £702                                       | £56,160                     |
| Accumulation SIPP invested in Commercial Property | £1,158                                     | £92,640                     |
| Drawdown SIPP no Commercial Property              | £864                                       | £69,120                     |
| Drawdown SIPP invested in Commercial Property     | £1,320                                     | £105,600                    |

## Vulnerable Customers

The FCA has described a vulnerable customer as “someone who, due to their personal circumstances, is especially susceptible to harm, particularly when a firm is not acting with appropriate levels of care.”

Vulnerability could occur as a result of a wide range of factors, such as physical or mental ill health, financial difficulty, significant life changes (like divorce or bereavement), or simply a difficulty in dealing with financial information.

Vulnerability can be temporary, intermittent, or permanent.

We are fully committed to delivering good outcomes to clients with characteristics of vulnerability by tailoring our service and support to meet their individual circumstances.

## Price and Value

We charge fees using a menu-based approach with fixed fees for performing specific functions.

We have completed a comprehensive fair value assessment of our fees to ensure that the product represents good value for money for the target market identified above.

This analysis included:

- **Cost analysis** – To ensure that the fees charged are reasonable based on the cost of performing the task to which they relate.
- **Competitor analysis** – We compare our charges to other SIPP operators who offer similar products
- **Client and Adviser feedback** – We review and act on feedback relating to our fees. Going forward, we will be proactively seeking feedback from clients and advisers in the form of satisfaction surveys.

The fair value assessment will be completed at least annually.

## Consumer Understanding

We are committed to ensuring that our communications meet the needs of our customers, can be easily understood, and enable clients to make informed decisions. In doing so, we focus on the following key areas:

- Use of clear language
- Focus on the target audience
- The method of communication (letter, email, phone) to ensure it works for the client in question
- A clear and easy to follow layout
- Lack of small print
- Lack of jargon (or where unavoidable, we ensure that we explain what it means)
- The right amount of information for the circumstances.

We test and monitor our effectiveness by:

- Having our communications reviewed by 'laypeople', and
- Gathering and reviewing clients' actions and feedback.

## Consumer Support

We ensure that we deliver an appropriate service that responds flexibly to the needs of our clients. We achieve this through (among other things):

- Setting up our systems and processes in a way that supports our clients and enables them to disclose their needs.
- Informing clients of the support available to them.
- Putting in place adequate resources, systems and processes to ensure we deliver good service to our clients.
- Ensuring our staff are proactive and focused on the needs of our clients.

We test and monitor our effectiveness by gathering and analysing management information to ensure the product is performing as expected. This includes feedback gathered from clients and advisers.

## Further information

If you have any queries about this document or would like any further information, then please contact your account manager. Alternatively, you can contact us using the details below:

**DP Pensions Ltd**

Address: Bridewell House, Bridewell Lane, Tenterden, Kent TN30 6FA

Email: [enquiries@dapco.co.uk](mailto:enquiries@dapco.co.uk)

Tel: 01580 762 555

Fax: 01580 766 444

The information in this booklet is based on our understanding of current rules and regulations.

**DP Pensions Ltd**

Bridewell House, Bridewell Lane, Tenterden, Kent TN30 6FA

Tel 01580 762 555

Fax 01580 766 444

[www.dapco.co.uk](http://www.dapco.co.uk) [enquiries@dapco.co.uk](mailto:enquiries@dapco.co.uk)

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