

50% of IFAs prefer SIPPS that permit complete freedom of investment choice

A recent survey by independent research company Defaqto found that advisers prefer Self Invested Personal Pension Products (SIPPs) which permit full flexibility of investment choice versus those offering a more structured approach to investments.

David Abbis, author of the report and Insight Analyst for Wealth Management at Defaqto said: “Cost is often a vital consideration when making a SIPP recommendation, so, although a product with a structured investment approach may initially appear cheaper, it is possible that a flexible product may offer the opportunity to negotiate costs.”

- 50% of IFAs prefer SIPP products that permit freedom of choice when selecting investment services
- 10% of IFAs prefer SIPP products that provide structured links to investment services
- 40% of IFAs have no preference and are open to recommending either type of SIPP product

SIPP feature	Structured/Guided Approach	Flexible approach
Bank Account	Access to one bank account or a panel of bank accounts	Open market access to bank accounts
Permitted investments	Asset type accepted on a conditional basis	Asset type accepted unconditionally
Mutual fund trading	Defined link to a fund trading platform	Open market access to fund trading platforms
Share dealing	Defined link to a share dealing platform	Open market access to share dealing
Discretionary fund management	Access to one, or a panel of, discretionary fund managers	Open market access to discretionary fund managers
Commercial property purchase	Access to one, or a panel of, solicitors	Open market access to solicitors
Commercial property borrowing	Access to one, or a panel of, lenders	Open market access to lenders

The SIPP report is available from www.defaqto.com/adviser and covers the following areas:

- Market review
- Market landscape
- Defaqto product research tools
- Product landscape
- SIPP investment landscape
- SIPP business winners
- IFA product selection criteria
- Reasons for recommending SIPP providers
- Due diligence in product selection

-Ends-

Notes to Editors:

About David Abbis

Following a career in retail banking, David joined Defaqto in 1997. His main responsibilities involve ensuring that pension products and investment bonds are reflected properly within the database to ensure that advisers are able to select the correct products for their clients and carrying out analysis on those products to produce the Defaqto 5 Star ratings for SIPPs and on and offshore investment bonds. In addition carrying out bespoke consultancy work on investment and pension orientated products he writes adviser guides and market reports relevant to pensions and bonds. David oversees the preparation of best advice product panels and manages the relationships with panel clients. Until recently he sat on the ABI Investment Classification Committee and is now a member of the ILAG Distribution Practitioner Group. David qualified as an associate member of the Chartered Institute of Bankers in 1972.

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13 July 2010

About Defaqto: www.defaqto.com

Defaqto is an independent financial research company specialising in rating, comparing and analysing financial products.

Since 1994, Defaqto has built the largest, whole of market, financial product database and become one of the leading providers of financial product data in the UK. We now cover over 30,000 products across banking, life, pensions, investments and general insurance.

Our experts validate and analyse the data to provide insight and consultancy to all layers of the financial services sector including IFAs, mortgage and general insurance brokers, providers, web aggregators and the public sector.

Our products and services include the following:

Defaqto Star Ratings

Our Star Ratings reflect the quality of a financial product and help to identify the range of features and benefits in each one. We review and assess every financial product across various categories and award a Star Rating from 1 to 5. The ratings are aimed at helping consumers and advisers decide which product suits their specific needs. Providers also use the ratings to ensure they offer products to meet differing consumer demands.

Aequos Online

An extensive, independent, financial product analysis and comparison database available in the UK. The database contains feature, rate and fees information on more than 30,000 products from nearly 2,000 providers. Our customers include leading insurance and assurance companies, banks and building societies and investment organisations.

Defaqto Engage



An integrated system for independent financial advisers (IFAs) and insurance brokers. The system makes the reporting, analysis, recommendation and review process easy, delivering the perfect product to meet client needs.

Defaqto Compare

An interactive, comparison tool enabling consumers to easily compare product features against each other on a host of key features, using a simple 'traffic light' system.

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