

Comprehensive due diligence is essential when recommending SIPPs

Independent financial research company Defaqto has published a free guide to Self Invested Personal Pensions (SIPPs), which gives IFAs guidance on factors that should be considered when recommending these products to clients.

SIPPs are becoming an increasingly popular investment option. Since they were introduced 21 years ago, more than 500,000 plans have been written. Defaqto's study of 500 advisers in September 2009 found a greater number of IFAs were recommending SIPPs than in the previous year, with the number recommending personal pensions falling.

David Abbis, author of the report and Defaqto's Insight Analyst for Wealth Management, said: "A comprehensive due diligence process for SIPPs is essential to not only ensure the right product is recommended for clients but also that due consideration is given to the underlying investment choices."

A due diligence process should include areas such as accessibility, permitted investment options, investment links and services, fees and charges, retirement income options, online/offline administration and service.

The guide covers all aspects to consider when advising on SIPPs, including:

- Regulatory activity
- Recent changes to the landscape, including taxation and the Budget
- How to choose the right product for your client
- Selecting the right SIPP provider
- SIPP product data

The SIPPs guide can be downloaded free from www.defaqto.com/adviser/ifa/guides

An in-depth annual report on SIPPs is also available at <http://www.defaqto.com/adviser/insights/sipp-report-2010>

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Notes to Editors:

About David Abbis, author of the SIPPs guide

David Abbis is Insight Analyst for Wealth Management at Defaqto. 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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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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