

SIPP fees have fallen by up to 11%

A report on Self Invested Personal Pensions (SIPPs) published by Independent research company Defaqto reveals that the average set up fee and the average annual administration fee for SIPPs have fallen for most fund sizes over recent years. The combined average set up and annual fee for a £50,000 investment has fallen by 11.1% over the last three years from £675.41 to £600.11

David Abbis, author of the report and Insight Analyst for Wealth Management at Defaqto said: "It is encouraging to see that competition for business continues to feed through into the favour of customers in the form of lower fees but it is noticeable that a number of providers base their set up fee on a percentage of the investment and they may feel some pressure to taper the percentage charged for larger investments."

Date	Average Set up fee for a £50,000 investment	Average annual admin fee for fund of:				
		£50,000	£100,000	£200,000	£500,000	£1,000,000
March 2007	£266.57	£408.84	£429.11	£466.47	£554.93	£651.09
March 2008	£248.92	£411.99	£431.45	£470.17	£584.61	£701.28
March 2009	£244.74	£396.43	£414.25	£453.97	£556.93	£685.58
July 2010	£239.64	£360.47	£391.51	£433.02	£542.27	£676.71
% (reduction) / increase in fee since March 2007	(10.1%)	(11.8%)	(8.8%)	(7.2%)	(2.3%)	3.9%

Mr Abbis continued: "The average individual fund size in a SIPP is just under £200,000 and it is notable that the average annual administration fee at that level is falling. However, in the light of the rumours that the FSA may require SIPP providers to increase their cash provisions to meet future expenses, it is unlikely that many further reductions in annual fees will be possible."

The SIPP report is available from www.defaqto.com/adviser

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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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About Defaqto: www.defaqto.com

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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.

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