

'Official list necessary to protect SIPP investors' - says Adam Wrench, Head of Business and Product Development, London & Colonial.

Regulators, HM Revenue & Customs and the industry must present a united front against risky esoteric investments in pension plans, Adam Wrench has said.

London & Colonial's product and business development manager called for an overhaul of the information available on permitted pension investments.

He said the industry and regulators should create a list of investments suitable for SIPPs, small self-administered schemes (SASS) and Qualifying Recognised Overseas Pension Schemes (QROPS) to help advisers and clients make informed decisions.

Mr Wrench said the list, which could include esoteric overseas property investment such as Latin American teak forests, should be made available to the public on HMRC's website, and possibly on the websites of the FCA and The Pensions Regulator.

He added: "There are so many glossy brochures promising high returns, but they must go through proper due diligence. Many investors don't realise these are not appropriate investments for their SIPP or SASS.

We would hate to see some NHS Nurse putting £30,000 of her pension into this sort of unregulated investment.

If people want to invest in these things outside of a pension, that is their right. But in a pension, trustees have a fiduciary duty to protect members and work in their best interests.

HMRC should be looking at which investments fall foul of rules on taxable properties, or which investments seem to break the core principles of pensions, which is to provide an income for life."

He added that the Association of Member-Directed Pension Schemes should also promote such a list.

The FCA, HMRC, AMPS, and The Pensions Regulator were unable to comment at the time of going to press.

Adviser View

Alan Dick, owner of Glasgow-based Forty Two Wealth Management, said: "There is far too much marketing of completely unsuitable investment options. Mr Wrench is going in the right direction, but it might be difficult to get agreement."

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Notes to Editors

About London & Colonial

London & Colonial specialises in self-invested products for both UK residents and persons resident overseas.

The London & Colonial Group includes

- (1) London & Colonial Holdings Limited – UK parent company
- (2) London & Colonial Services Limited which is regulated by the UK Financial Services Authority and operates SIPP's and SSASs
- (3) London & Colonial Assurance PLC which is regulated by the Gibraltar Financial Services Commission (matching UK standards) and which offers Open Annuities, QROP Annuities and Open Offshore Bonds
- (4) L&C (Administration Services 2) Limited and London & Colonial (Trustee Services) Limited which are both based in Gibraltar and offer the EU SIPP.

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