



Friends Life Limited
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PRIVATE AND CONFIDENTIAL

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or write to
Friends Life Limited, PO Box 1550,
Milford, Salisbury SP1 2TW
Calls may be recorded for training and audit purposes

30 March 2015

Our ref : TCS/CS.NGP.MA2
Your ref : Roseland Securities Pension Scheme

Dear Gina

Scheme number : F56097/28
Member's name : Jonathan J Wheeler
Scheme name : Sun Valley Salaried Defined Contribution Retirement and Death Benefits Scheme

Thank you for your letter dated 6 March 2015.

Before considering the contents of your letter, could you kindly clarify the regulated status of your agency. The footer of your letter states that Pension Practitioner.Com is authorised and regulated by the Financial Conduct Authority (FCA) under number 651082, however we cannot verify that information on the FCA's register. Please confirm the position.

With regard to the information enclosed with your letter, you will be aware that the regulators are concerned with non-insured occupational pension schemes being established by unregulated entities. One typical feature of these schemes is that they are established by non-trading/dormant companies with no genuine employees. This appears to be a form of regulatory arbitrage to avoid the regulated regime applying to Self-Invested Personal Pensions. I would draw your attention to the following statement issued by the Pensions Regulator:-

'For example, in certain circumstances where a scheme describing itself as an occupational pension scheme is sponsored by a dormant company, which has never actually traded, the trustees may conclude that it does not have the necessary characteristics of an occupational pension scheme.'

Similarly, the HM Revenue & Customs (HMRC) registration confirmation letters now warn that HMRC expects occupational pension schemes to be established by genuine employers and that it may consider de-registering the scheme if this is not the case, which would of course lead to penal tax charges. The point of concern is not specifically the fact that a sponsoring company is dormant, but that it may have been contrived for the sole purpose of establishing an occupational pension scheme to accommodate pension transfers within a non-regulated environment. Having reviewed your letter, whilst accepting that Roseland Securities exists as a corporate body, we can find no evidence that it is a genuine trading employer. Our experience is that the reference to the company being 'active' at Companies House is not a confirmation that it is in fact trading.

Friends Life view (which takes into account guidance from the Pensions Regulator, HMRC, FCA, the new industry code of practice and internal legal advice) is that such arrangements indicate potential increased risk to both the transferring member and Friends Life. Recent Pension Ombudsman determinations have



also clarified that if an individual is not in gainful employment with a scheme's sponsoring employer he/she does not have a statutory right to a transfer to that scheme.

If you wish us to consider this transfer request further, please provide documentary evidence that the company is trading. For example, other recently established companies yet to file any accounts have provided us with copies of invoices, correspondence etc to evidence that the company is genuinely trading.

If there are any matters arising from this letter that you wish to discuss, please contact us on the number above. We will be happy to help.

Yours sincerely

Lynne Sales

Lynne Sales
Client Services