



# YORSIPP TARGET MARKET

## CONSUMER DUTY 2023

### **Overview**

The aim of this document is to set out:

- A definition of our product and service;
- Who Yorsipp will target for the purposes of offering our services and products to;
- Who we will work with, what checks we carry out on advisers and their firms; and,
- The circumstances in which we will not transact business.

The document should assist advisers in assessing suitability of our products and services to their clients.

### **Yorsipp's product and service**

A SIPP, or self-invested personal pension, is a type of personal pension that allows the investor to make their own decisions on the investments that are made and offers a wide choice of investment type. Essentially a SIPP can allow an investor more control over where their pension pot is invested. The Yorsipp SIPP follows this model by allowing the member, in most cases subject to advice, to make a range of investments falling within the FCA's definition of 'standard assets' and/or, commercial property. The product range reflects the range of investments used (see below).

Once the SIPP is opened, Yorsipp provide administration services to ensure that the SIPP is administered in line with HMRC and FCA requirements.

It is important to remember that as with any pension, the value of investments can change, and so Yorsipp recommend that independent financial advice is sought by its SIPP members to ensure a full understanding of the risks being taken and individual requirements are considered and align with our products and services.

### **Who is Yorsipp's Target Market?**

Our focus is to offer our products to UK based retail clients advised by FCA regulated Independent Financial Advisers.

We currently offer three variants of a 'SIPP' and these are detailed below with some guidance notes as to who we assess these being most suitable for.

Our products are assessed as being most suitable with the following profile to product:

### Singular SIPP

- Customers with a simplified investment structure, i.e. 1 investment.
- This product **does not** facilitate property investments.
- It is likely after consideration of likely ongoing charges (including an assessment of likely advisor and investment fees) that this product may be most suitable with a base investment of £50,000. \*

### Step up SIPP

- Customers with a broader investment structure, i.e. 2 to 5 investments/
- This product **does not** facilitate property investments.
- It is likely after consideration of likely ongoing charges (including an assessment of likely advisor and investment fees ) this product may be most suitable with a base investment of £75,000. \*

### Full SIPP

- Customers with a broader investment structure, i.e. more than 1 investment
- This product **does** facilitate property investments.
- It is likely after consideration of likely ongoing charges (including an assessment of likely advisor and investment fees ) this product may be most suitable with a base investment of £150,000. \*

\*Based on overall SIPP, potential advisor and investment fees falling between a range of 2.5 to 3%.

All of our SIPP's have a clear and concise charging structure and are therefore suited to clients that require a clear understanding of fees being charged.

Due to our fixed-fee charging structure, our SIPP products become comparatively better value for money the more clients invest.

We may request sight of a suitability report from advisors which considers overall charges in relation to pot size, and we may question what we feel to be excessive advisor or investment fees (in other words, where the ongoing fees in aggregate exceed 3%).

We will review all pot size applications; however, we may request evidence that advisors have fully considered all charges in assessing suitability and that these have been adequately explained to and understood by clients. We do not hold permissions to advise, therefore requests of suitability documents will be for the sole purpose of consumer duty protection only (i.e. evidencing that these checks are in place for clients).

It is unlikely that our products are suitable for retail clients that do not have a suitable form of independent financial advice assessing product and service suitability and needs, fully considering risk appetite and ensuring understanding of risks being taken.

We are happy to consider all age profiles if full investment advice has been sought and is fully understood by the member.

All of our products are primarily designed for UK residents subject to UK taxation.

All of our products are suitable for clients who may wish to seek to:

- Build retirement savings.
- Invest in tax efficient manner.
- Access flexible retirement income.

We operate an internal Vulnerable client policy as part of our regulatory requirements, to ensure that we can provide the correct level of support and identify instances of vulnerability. We ask that advisors notify us of any instances of vulnerability at the point of referring new business and during the client lifecycle to assist us with meeting any additional needs.

### **How do we distribute our products and services?**

We have a Business Development Manager that is our front of house, advisor facing point of contact for new business. We will directly market to UK independent advisors.

We offer meetings in person, on site, off site and by the various “online” technologies available to discuss our products and services in detail.

We have an in-house compliance function who may also communicate directly with advisors to ensure we are fully compliant with all regulatory requirements.

Our skilled team of administrators will be on hand to assist with the smooth running of member products and services once onboarded.

We also use LinkedIn for Yorsipp.com to communicate wider market messaging and retain an email database that is managed by our external marketing team for anything more specific, targeted again at UK Independent advisors.

### **Will we do business with independent firms, Network & Nationals?**

Yes, all UK registered firms will be considered upon receipt of our completed Professional Client Agreement (PCA).

### **What checks will we do upon receipt of a completed Professional Client Agreement?**

We will endeavor to ensure that all Independent Financial Advisers (IFA) introducing retail clients to Yorsipp are fully authorized by the FCA and meet the full criteria required, to advise on all aspects of SIPP, Investments & Drawdown and understand which products are suitable to their clients and have an understanding of Yorsipp's target market.

Upon receipt of a fully completed PCA, we will:

- Check the details match with the FCA Register and that the company is Authorised/ an Appointed Rep.
- Check the disciplinary history and any warning notices (This includes checking the Prohibited Individuals list)
- Carry out an open check on the firm using all media available to us.
- Check the company (or Principle if Appointed Rep) has the following Permissions
  - Activity Name: Advising on investments (except on Pension Transfers and Pension & Opts outs).
  - Investment Instrument: Personal pension scheme
  - Customer type: Retail (Investment)
  - Activity Name: Arranging (bringing about) deals in investments
  - Investment Instrument: Personal pension scheme
  - Customer type: Retail (Investment)
  - Activity Name: Making arrangements with a view to transactions in investments
  - Investment Instrument: Personal pension scheme
  - Customer type: Retail (Investment)

### **What happens if an advisor/ related party does not pass the checks?**

If any of the above requirements are not met, we will raise this point internally for review with our Trustee committee.

Ultimately, we may refuse new business / an IFA where we feel or think that there is concern that could be of detriment to ourselves or the client.

### **Will you work with IFA's that are overseas?**

No, all advisers must be UK registered and are subject to checks as mentioned above.

### **What if the Adviser is UK based and the clients is overseas?**

We will carry out the following checks on each application and ultimately a decision is made at our Trustee Committee.

- What is the client's link to the UK?
- Is the client a UK national?
- Confirmation of intention to make contributions? This can cause issues with the member having UK Relevant Earnings.
- Has the client received any advice on tax implications?
- If not, are they appropriately sophisticated in this area?
- Confirmation that the client has received advice at some point in their advised journey regarding the suitability of investments.
- Confirm that the IFA is UK based and regulated by the FCA and advising on the transfer.
- Is the SIPP to be funded from a UK pension(s)?
- Is the SIPP being actively marketed overseas?
- Would the clients' accountants/DFM etc. be handling any necessary reporting?

### **Who else do we work with?**

Whilst we can, and do interact with the following professional partners:

- Solicitors
- Accountants
- Surveyors
- Banks, Credit / Finance Companies
- Accountants

All our documents, literature, marketing, communications state that, and directly,

Yorsipp are authorised and regulated by the Financial Conduct Authority under reference 464198 but are not authorised or regulated to provide financial advice.

The above guide is intended for use by financial advisers only and should not be construed as being indicative of a specific case or clients' circumstances, there will be a requirement to demonstrate individual circumstance and needs have been assessed and understood by clients.

We will only accept New Business and/or work with IFA's that have been pre-checked, onboarded and comply with the FCA permissions criteria.

### **Ongoing monitoring of onboarded advisers**

To ensure compliance with our regulatory requirements and to safeguard members interests, we will check FCA register each and every time the adviser requests the following service ( please note this list is not exhaustive and will continually evolve):

- New Business

- Investments
- Disinvestment
- Contributions
- Drawdown/benefits
- Property Purchase
- Death Benefits
- Annual Reviews

### **Will you take clients directly?**

We do not accept applications direct from clients – they must be submitted by a UK FCA regulated adviser.

### **How will you deal with clients that have been ‘orphaned’ by an IFA?**

We will, at every opportunity, stress the importance of seeking a UK FCA regulated and approved IFA. We will also direct the client/s to the many approved search engines such as Unbiased, Money helper, Yell etc.

### **Enquiries**

We can be contacted at

Email: [info@yorsipp.com](mailto:info@yorsipp.com)

Telephone: 0141 772 3365

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