

# WHAT HAPPENS IN THE EVENT OF INSOLVENCY

APPROVED FOR INVESTOR USE | JULY 2018



**Now more than ever, people want to understand what would happen if a company holding their money or investments were to fail. This document sets out our understanding of how the Financial Services Compensation Scheme (FSCS) applies to our products.**

## The Curtis Banks Group

The Curtis Banks Group is the largest independent SIPP provider in the UK. As at 31 December 2017, we held just under 76,500 SIPPs for our customers, with assets under administration of £24.7bn.

We are a financially strong business. The Group is AIM listed with 54% of the share capital in public hands. Our revenue in 2017 was £43.6m, up from £29.7m in 2016. We are well capitalised above the regulatory requirements: as at 31 December our total capital requirement was £11.4m and we had a surplus of £13.1m over this amount. We also have an internal policy for each of our regulated companies to hold at least 130% of their required regulatory capital; using this measure our surplus is £9m.

## The Financial Services Compensation Scheme (FSCS)

The FSCS is there to help consumers if an authorised financial services firm fails. It may offer different levels of protection depending on what type of firm is involved.

With SIPPs things are a little more complicated, because there will usually be more than one firm involved: the SIPP provider itself and the firm(s) running the investment account(s) within it.

## What happens if an underlying investment firm fails?

We will not be liable if an underlying investment firm fails, but it may be possible to make a claim from the FSCS against that firm.

In the case of banks and other credit institutions, you or we may be eligible to make a claim of up to £85,000. This would need to be included with any other claims you had with the bank or banking group outside your SIPP.

For investment firms which are authorised and regulated by the Financial Conduct Authority (FCA), you or we may be eligible to make a claim for 100% of the first £50,000.

Fund managers or providers of underlying investments will need to be covered by the FSCS in relation to that investment. Where this is the case we may be able to claim for 100% of the first £50,000.

Insurers providing a trustee investment plan would also need to be covered by the FSCS. If so, you or we may be able to claim for 100% of the value with no limit.

In addition, if you received financial advice when making the investment, and the financial adviser becomes insolvent, you or we may be able to

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make a claim against the financial adviser for 100% of the first £50,000.

**All of this confirms the importance of choosing investments covered by the FSCS, and using a regulated financial adviser.**

### **What happens if the Curtis Banks Group fails?**

Each of the pension schemes operated by Curtis Banks and each of the current Suffolk Life products (the MasterSIPP, SimSIPP and SmartSIPP) have companies which act as the trustees and legal owners of the assets. The trustee companies are not trading companies; their only function is to hold assets on behalf of the beneficial owners (our customers).

If we, as the pension administrator, were to fail, the trustee companies and the assets they own should remain intact, enabling each investor to transfer to a new pension provider.

We are still covered by the FSCS. Therefore you may be eligible to make a claim of up to £50,000.

Plans under the original Suffolk Life SIPP (or 'deed poll' scheme) which closed for new business in 2007, are structured as contracts of insurance issued by Suffolk Life Annuities Limited. Because of this, you may be eligible to claim 100% of the value of your SIPP, with no limit.

### **Contact Details**

You can find further information about compensation directly from the FSCS. Their address is:

10<sup>th</sup> Floor  
Beaufort House  
15 St Botolph Street  
London  
EC3A 7QU

Their website address is [www.fscs.org.uk](http://www.fscs.org.uk)

If you'd like to speak to us about anything on this fact sheet, please contact us on:

**E [enquiries@curtisbanks.co.uk](mailto:enquiries@curtisbanks.co.uk)**

Please remember not to send any personal, financial or banking information via email as it is not a secure method of communication.