

SIPP & SSAS Due Diligence Guide

KEY FACTS

- Large, conservatively run parent
- Financially strong



This guide sets out some of the key reasons why you can be comfortable recommending Barnett Waddingham to your client. We are happy to complete your own due diligence register and provide supporting documentation should this be required.

About Barnett Waddingham

Barnett Waddingham LLP is the UK's largest independent firm of actuaries and consultants. Founded in 1989, the firm now has 60 partners, 550 staff and over 120 actuaries across 7 offices nationwide.

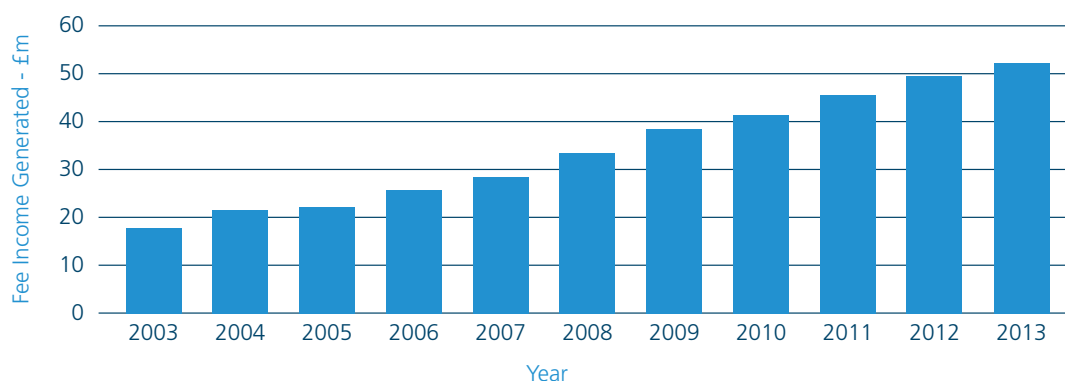
We have administered SIPPs since 1999 and SSASs since 1989. As at 31 March 2014, assets held within our 2,300 SIPPs and 2,000 SSASs were worth over £4 billion.

Our SIPP business is led by Julia Bassett, who set up our first SIPP in 1999. Our SSAS business is led by Andrew Roberts, past chairman of the Association of Member-directed Pension Schemes.

Financial strength

Barnett Waddingham LLP is a financially strong firm, with a remarkably consistent record of turnover growth and profitability.

Barnett Waddingham ten year turnover



BW SIPP LLP is a well-established business, backed by the financial strength of parent firm Barnett Waddingham LLP and their commitment to the self-invested market. At a time when there is uncertainty about future capital adequacy requirements and operators' commitment to the market, we are able to confirm that we could meet the FCA's CP12/33 proposals for higher financial resources.

BW SIPP LLP's revenue is driven by recurring administrative fees. This is very significant as we believe it demonstrates the underlying profitability of our business. Other operators earn significant proportions of their revenue from interest rate share, set up fees and transaction fees.

KEY FACTS

- **Modern administration system**
- **Experienced management team**
- **Robust internal controls**



Systems and controls

In 2011, we decided to upgrade our SIPP administration system, in part to stay ahead of regulatory demands. Key requirements were to adopt a system that was process-oriented, scalable and robust. We therefore took the decision to move to a new generation system called Composer.

Composer has been developed by Australian company GBST, who are veterans of the platform and pensions IT industry. Composer enhances our operating efficiency with robust levels of in-built validation and controls. We benefit from regular software updates whenever GBST create a new version of the software, ensuring we always have the latest technology available.

For SSAS, we decided to build our own property system as there are few systems on the market that can adequately deal with the intricacies of SSAS administration.

Governance

Managing all aspects of risk is high on our agenda. The heads of our SIPP and SASS business streams report to Barnett Waddingham's Management Board and, in addition, we have set up a SIPP Governance Committee. This committee comprises of four partners closely involved with SIPPs and our Compliance Officer and is supported by Barnett Waddingham's Professional, Risk and Compliance Committee.

Client Managers are supported by our internal Investment Committee and our internal technical committee who counsel on specialist investment and technical requests respectively.

All compliance is undertaken in-house by experienced and highly-qualified staff, including staff with specific expertise in SIPPs and SSASs.

We believe that our cautious approach and sound governance is an important counter-balance given the flexibility of self-invested pension products.

Barnett Waddingham LLP is licensed by the Institute and Faculty of Actuaries. Being regulated by a Designated Professional Body, the FCA categorise Barnett Waddingham as an Authorised Professional Firm and have placed us in risk category c3 (this is not on the basis of a risk assessment). The firm is regulated by the FCA (494494). BW SIPP LLP is also regulated by the FCA (458323).

IT infrastructure

As part of a large firm we have access to the support of an excellent and well-developed in-house IT department. This means that we can be certain that our systems are reliable and robust.

We take the protection of our customers' data very seriously and align ourselves with FCA and ISO27001 best practice guidelines on data security. We are registered as a Data Controller under the Data Protection Act 1998 and have created a Risk Management Committee to oversee adherence to these principles.

Our disaster recovery and business continuity plans make use of our seven offices across the UK, each with some degree of spare capacity. Our plans accommodate for short and long-term interruptions.

We operate mirror data centres from two of our offices. These systems are managed and maintained by local on-site IT teams. All core systems that reside within the virtual environment are replicated to our remote site for business continuity and availability purposes.

KEY FACTS

- **Dedicated point of contact**
- **Low staff turnover**
- **Strong technical support**



Service

We pride ourselves on our high levels of service. Once a financial adviser has chosen to use us, they have direct access to a dedicated Client Manager, who will be knowledgeable and approachable. All our staff work in teams to ensure there is cover during staff absences.

Given the different skill sets required, we have different Client Managers for SIPPs and SSASs.

Our reputation is very important to us. We have received many testimonials and positive reviews. We would be delighted to provide a recent examples on request.

Our staff

As the regulator stressed in their thematic reviews of SIPP operators, a breadth and depth of skills is required to run a successful and sound company. Our staff turnover is remarkably low across both our SIPP and SSAS teams, which means we retain knowledge, skills and experience. The SIPP team has an average of over 6 years of service at Barnett Waddingham. The SSAS team has an average of over 10 years.

Every member of staff has a Personal Development Review once a year, where objectives are set in line with our values and are regularly reviewed.

Technical expertise

All staff are actively encouraged to improve and progress their technical knowledge, professional skills and therefore develop expertise in their field. As well as members of staff receiving full on the job training, we fully support relevant professional qualifications.

Barnett Waddingham employees is actively involved with professional bodies, including the Association of Member Directed Pension Schemes (AMPS), the Chartered Institute of Insurance (CII), and the Association of Consulting Actuaries.

Our culture

We are not just a partnership by legal structure: we are a partnership by approach, too. We take a long-term view of all of our services and relationships and pride ourselves on doing the right thing.

Working with advisers

Over 80% of our business is from financial advisers. We do not provide financial advice.

We support them through regular technical email newsletters, annual seminars, and individual meetings. We look to build a close working relationship over time and are typically on first-name terms. Barnett Waddingham does not provide financial advice.

KEY FACTS

- **Flexible SIPP for range of clients, SSAS for HNWIs**



Our target audience

Our SIPP and SSAS products are designed with particular customers in mind, as required under the principles of Treating Customers Fairly.

The Barnett Waddingham Flexible SIPP provides low-cost access to a wide range of popular investment managers. It also retains familiar bespoke options such as direct investment in commercial property. Moving between investment options is easy and economical as the Flexible SIPP is a single product. Set up is via a simple online facility and advisers' peace of mind is ensured through a dedicated point of contact.

Our SSAS is for those who want to make a more active role in the management of their pension, by being a trustee of their own pension fund. A SSAS has to be set up by an employer and as such our SSAS is generally for business owners or key employees. We do not encourage setting up of companies for the prime purpose of establishing a SSAS. Our SSASs are usually used by those who want to build up significant pension funds over their lifetime or make use of the company loan back facility (or both). We are happy to act either as trustee or as scheme practitioner or simply as a consultant assisting trustees with ad hoc queries.

In addition, we are one of the few firms who still manage Funded Unapproved Retirement Benefits Schemes (FURBS). We can act as trustee or simply provide guidance and administration help to existing trustees.

Treating Customers Fairly

As a firm regulated and authorised by the FCA, we fully support the FCA's Treating Customers Fairly (TCF) initiative. This is applied through clear disclosure in our literature, our transparent fee-based charging and our commitment to excellent service and long-term relationships. Most of all it is embodied in our core values, which include 'Being open, honest and dealing fairly', 'Caring about quality' and 'Every client is important'.

Further information

If you would like us to complete your own due diligence questionnaire or if you require more detailed information and supporting documentation, please use the details below.

If you would like to discuss anything relating to our SIPP please contact us as follows:



0844 443 0100



sipp@barnett-waddingham.co.uk

If you would like to discuss anything relating to our SSAS please contact us as follows:



0844 443 0200



ssas@barnett-waddingham.co.uk

Barnett Waddingham LLP is a body corporate with members to whom we refer as "partners". A list of members can be inspected at the registered office. Barnett Waddingham LLP (OC307678), BW SIPP LLP (OC322417), and Barnett Waddingham Actuaries and Consultants Limited (06498431) are registered in England and Wales with their registered office at Cheapside House, 138 Cheapside, London EC2V 6BW.

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