



Investments • Pensions • Financial Planning

A photograph of railway tracks receding into the distance, overlaid with a semi-transparent blue rectangle. The tracks are made of wooden sleepers and metal rails, set on a bed of gravel. The background shows some greenery and a clear sky.

Guide to: Pension Transfer Advice

What does this guide focus on?

An overview of our approach

Providing advice on the option to take a transfer payment from a Defined Benefit pension is complex and, quite rightly, very highly regulated.

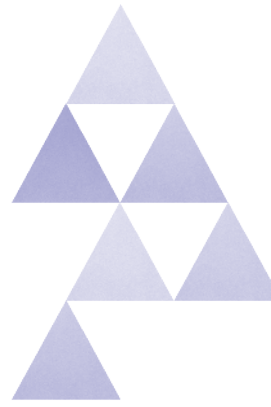
At Atkins Bland, we address this by following a step by step structure, designed to ensure the advice we give at the end of the process is clearly understood, properly considered and constructed to achieve the best outcome for our client, based on their personal circumstances, needs, objectives and priorities.

This document does not explore the process in detail but summarises each stage, so you know what to expect and why to expect it.



Our approach

The steps we take when advising pension transfers



Stage one: initial discussion

This is an initial meeting, or telephone discussion if a meeting isn't practical, to start the process of obtaining the information about you and your circumstances which we will need before we can give any advice. This also enables us to explain our services and answer any questions you may have.

The time this takes can vary. A brief initial discussion may only take 15 minutes while full data gathering can take up to 1.5 hours.

Stage two:

Option A - If we have not yet obtained all the details we need for option B

We will send you our "triage" letter which looks at some of the core issues associated with transferring from a Defined Benefit pension, sets out the costs of our advice services in this area and asks some questions designed to help you judge if it is worth moving to that stage.

The letter will enclose our *Defined Benefit Questionnaire*, which we will need you to complete if you do wish us to move on to the stage of providing pension transfer advice.

We should be able to send our Triage letter to you within a day or two of our first discussion.

If you wish to take matters further we will need to arrange a further meeting or telephone discussion to obtain full information on your circumstances and objectives. We will then send you the additional documents detailed in option B below.

Option B - If we have already obtained detailed information on your circumstances

If we feel we have enough information after our initial discussion then, as well as sending you the documents shown in option B, our initial pack will also include the following:

- Our follow up letter detailing the information we have gathered regarding your circumstances
- *Risk Profiling Questionnaire*, designed to help us establish your personal attitudes towards investment and financial risk, which is essential information before any pension transfer advice can be given
- *Investment Priorities Questionnaire*, designed to look at a range of variables over how a pension fund can be managed



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The process may stop here but, if you do decide to take things further, we will need the questionnaires completed and returned, before we can move on to the next stage.

We will also need you to provide us with authority to obtain any information we need from your pension scheme administrators, including a transfer valuation in the prescribed format if you have not already obtained this.

We expect to have our letter completed within 7 working days.



Stage three: assessing your responses on our questionnaires

This is a written commentary and assessment, identifying any areas where we feel further discussion is needed and, to the extent possible, setting out our views on which options may be most suited to you.

We should have completed this within 7 working days of receiving all the questionnaires back from you.

Stage four: addressing grey areas and reaching conclusions on what would suit you best if you do transfer

This can be a meeting or telephone call, or sometimes just an email exchange. The purpose is to consider the content of our letter assessing your responses on our questionnaires and reach the stage where we are able to move forward to providing advice.

The time taken to complete this stage will depend on how long it is before a meeting or call can be arranged.

The process itself should take no more than an hour, in most cases.

Up to this point you will not have incurred any costs, beyond some of your time. Beyond this point, some costs will arise. Details on these costs are in the “triage” letter, referred to earlier.

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Stage five (optional): Preliminary Viability Assessment (PVA) or, in FCA terminology, “abridged advice”

This looks at the suitability of a transfer as an alternative to a scheme pension in terms of your circumstances, needs and objectives.

It does not look at the terms on offer from your pension scheme, if you retain the current benefits or transfer, since we are not permitted to do that when giving “abridged advice.”

The purpose of this optional stage is to assess if a transfer might be viable.

To achieve this it includes a very important appraisal of whether or not a transfer is suitable in terms of your capacity to accept the added risk to your future financial security by exchanging a secure income for a capital sum, the income from which will depend on your own decision making and the success, or otherwise, of any investment strategies used throughout retirement.

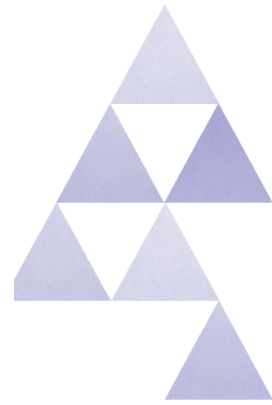
The only two conclusions available at this stage are:

- a transfer should not be recommended, as it is unsuitable, or
- It is unclear if a transfer would be suitable, as this will depend on the scheme details and the terms on offer, neither of which will have been assessed at this point.

Provided all previous stages have been completed, it should take no more than 7 working days for us to complete and send out our abridged advice/PVA letter.

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Stage six: full advice

If the outcome of stage five is that it is unclear if a transfer is suitable, and that you wish to receive advice on whether or not it is, we would move to the full advice process. This is also the next step after stage four (above) if you do not wish to include stage five.

As part of our advice process, we will provide an Appropriate Pension Transfer Analysis (APTA) and part of this involves us obtaining a Pension Transfer Analysis including Transfer Value Comparator (TVC) from a third party specialist company.

The Pension Transfer Analysis including TVC assesses the transfer option using prescribed methodology. Our own analysis assesses the transfer option with specific reference to your own circumstances, priorities and objectives and will arrive at a conclusion on whether or not we should recommend a transfer.

If we have not been through stage five, we will include an analysis of the issues in that stage, including your capacity to accept the risks associated with a pension transfer.

If we do not consider you have the financial capacity to accept the risks associated with giving up a secure income in exchange for an invested lump sum of capital, or feel a transfer is unsuited to your needs and objectives, we will normally conclude that taking the transfer value offered is not suitable and will advise you against doing so.

If our conclusion is that we should recommend a transfer, our letter will also set out our specific recommendations in terms of:

- where to transfer the money, including assessing the merits of transferring to any current or past workplace pension scheme available to you, rather than selecting a personal pension arrangement from the wider marketplace;
- how to invest the money within the recommended plan;
- what ongoing advice services should be put in place so that the arrangement is reviewed at appropriate intervals to help ensure it, and the investment strategy being used, remains suited to your needs and objectives, including any changes in these and any changes in the economic, financial or legislative background.

The time taken for this stage is difficult to judge since we cannot assess how long it will take for the pension administrator to provide all the information we require to conduct our full analysis. However, once we have that, the remaining elements of this stage can take 3 to 4 weeks, since the TVC transfer report can take up to 10 working days to obtain.

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Stage seven: implementing advice to transfer

If our advice is to transfer and you decide to proceed, we will move to the final stage of arranging the transfer.

The time taken for this can vary considerably, depending on the efficiency of both the transferring scheme, and the receiving scheme. However, completing the paperwork to send to the companies need not take more than a day or two following an instruction to proceed, assuming all the documentation needed has been provided by the companies concerned.



Our advice charges and costs

These are set out in our triage letter.

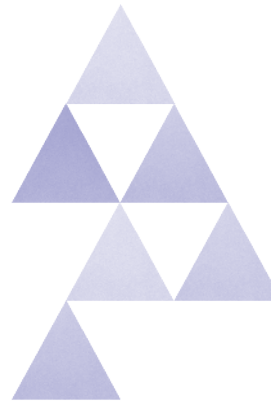
Please be aware that, once we move to the stage where fees apply, these are payable regardless of the conclusions from our advice and whether or not you decide to act on that advice.

If the outcome is that we do recommend a transfer and you proceed, our fees may be collectable from the pension scheme, following transfer. However, if they are not, they will need to be paid from your other resources.

If requesting full advice, please bear in mind that the cost of our advice will normally need to come from your other resources if our recommendation is that you do not transfer.

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Other points

Between any of these steps you may want to have a meeting, or a telephone call, depending on the nature of any issues which need further discussion and we are happy to accommodate whatever works best for you.

While, as you will see, there are several steps we use for pension transfer advice, the overall structure does work well, with a logical progression through the advice process designed to ensure everything is considered and understood and that the final outcome is very well matched to your personal preferences, objectives and circumstances.

If you do not agree with our advice, we are always happy to discuss this with you.

If our advice is to transfer but you prefer a different choice of receiving scheme or investment strategy this should, normally, be easy to accommodate, as long as it still fits in with your needs and circumstances and does not breach your capacity for investment or other risk.

If our advice is not to transfer, but you disagree with our opinion and wish to transfer anyway, we recognise that you have the right to do this. However, we will not usually facilitate this as we do not wish to assist anyone in taking a financial decision which we believe is against their best interests and might cause them financial losses they do not have the capacity to accept.

We are, however, always happy to discuss the issues and review our decision on the merits of a transfer if someone feels there are points regarding their objectives and needs which we have not understood properly or they believe our assessment of their capacity to accept loss is inaccurate.

Throughout our advice process, we will always take into account the financial needs of any dependants and will not recommend a transfer if a dependant's financial security could be compromised.

Conclusion

We hope the above overview of our pension transfer advice process, and the rationale behind it, is helpful, but we welcome any questions and will always endeavour to answer them and, where we can, adapt our structures to individual needs.

Important notes

Any opinions expressed on the merits or disadvantages of any options are intended as a general comment only and not as specific advice to the reader.

This document is intended as a supplement to full independent advice and not as a replacement for it and should be read in conjunction with any personalised recommendations provided by Atkins Bland Ltd and with any product brochures supplied.

The value of investments will fall as well as rise, as can any income produced.

Inflation can reduce the real value of capital and the income it generates.

Past investment performance is not a reliable guide to the future.

Any reference to taxation, regulation or legislation is based on our current understanding and details should be checked before any reliance is placed upon its accuracy.

The impact of taxation and tax planning depends on individual circumstances and may be subject to change, which can be retrospective.

Errors and omission excepted.

Prepared by Atkins Bland Ltd. January 2021



The value of most investments will fall as well as rise, as can any income generated. An investor may, therefore, get back less than invested.

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