



Letters and industry viewpoints

SIPP service levels being hit by stretched staff

Dear editor,

Recent articles in several financial publications have criticised the service levels offered by the SIPP providers in recent times.

As a SIPP provider, Dentons has picked up a high proportion of business in the last fiscal year from transfers from other SIPP providers, where poor administration and a distinct lack of client service has been the motivation to move.

Whilst it would be wrong for me to comment on the service offered by the SIPP industry in general, I believe that the problem here is twofold. Firstly, the number of SIPP providers chasing the bulk business, and secondly, the tools available plus the process of selection of SIPP provider for the IFAs.

There has been a trend within the market to push down the headline cost of SIPPs, with the supposed increase in technology allowing these cuts whilst still retaining profitability for the provider.

In reality, this simply means taking on more and more business without increasing staffing levels. Whilst some of the platform based SIPPs may benefit from computerised servicing, the moment something out of the ordinary is required, human input is

inevitable. SIPPs, whilst being a product, are in reality a service driven vehicle and failing to keep staffing levels relative to new business is always going to impinge on service levels. By their very nature, SIPPs are often bespoke vehicles where clients very much want to do their own thing and in such cases, no amount of technological advancement can beat 'bums on seats'.

The rating tools to assist IFAs in selecting a SIPP provider are all too generic and focus on headline factual information. These would include broad headings such as costs and features, but none actually drill down beneath the gloss to look at the real facts.

As an example, how many rating tools make actual reference to whether or not a provider has an over-riding interest paid on default bank accounts? How many disclose that they receive commissions from stockbrokers and fund managers?

These practices inevitably increase the provider's margins at the expense of the client. How many simply ask if commercial property can be accepted without asking if it can be jointly held with a member, or transferred in, 'in specie'?

Where is there reference to admin levels and service standards? A difficult one to measure, I accept, but

obviously one that is coming to the top of advisers' agendas judging by recent press articles.

Not only have we never entered into the price war, have always had a business model built around recruitment before growth (our staffing levels have risen in line with new business acquisition over the last three years) and so have managed to maintain our service standards to pre A-day levels.

Whilst we are not the cheapest product, if headline fees only are the measuring instrument, we still maintain a steady rate of growth and lose very few cases on a service driven basis.

We are also not entirely error free, but where errors do occur, we are open about them and rectify them as a priority within our service standards. No wonder one of our strap lines has been 'we never forget whose money it is'.

One of my own merits is being client relationship manager, a role I am very fortunate not to have to fulfil very often.

Advisers should remember that much more often than not, you get what you pay for.

Martin Tilley is a pension consultant & business development manager at Dentons Pension Management

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