

## Press Release

### London & Colonial's comment to article entitled '*Withheld SIPP interest could be the 'next mis-selling scandal'*' which appeared on FTAdviser.com (website) 26/04/13 (See attached)

"With the recent PPI mis-selling shambles by banks and financial services organisations refusing to go away from the news agenda in recent months, it is easy to label all potential problems in our industry with the "mis-selling" label. However, in this case, it is not only wrong to do so, it is also very misleading.

"It is only a potential mis-selling scandal if the client is not made aware of the fact that the provider keeps part of the interest. London & Colonial, along with other providers, already declare this, and are open and completely transparent about it. The amount of interest is also important. In many cases the client still receives exactly the same amount of interest that they could have obtained had they placed it themselves with the Bank in question. It is just that with the large sums of money involved when all of the clients' funds are grouped together, that SIPP providers are able to negotiate a significantly higher rate of interest".

"It is also essential to point out that London & Colonial, along with other SIPP providers, normally retain at most only the difference between the interest that the client could have obtained themselves, and the enhanced rate of interest that the SIPP provider has been able to secure through their own efforts - in some cases the Providers actually credit their client accounts with higher rates than would have otherwise been available. Therefore the client is in no way disadvantaged. The amount of the "enhanced" interest retained by Providers helps among other things towards meeting the increasing costs of regulatory requirements and in keeping down costs to clients".

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#### Notes to Editors

##### About London & Colonial

London & Colonial specialises in self-invested products for both UK residents and persons resident overseas.

The London & Colonial Group includes

- (1) London & Colonial Holdings Limited – UK parent company
- (2) London & Colonial Services Limited which is regulated by the UK Financial Services Authority and operates SIPPs and SSASs
- (3) London & Colonial Assurance PLC which is regulated by the Gibraltar Financial Services Commission (matching UK standards) and which offers Open Annuities, QROP Annuities and Open Offshore Bonds
- (4) L&C (Administration Services 2) Limited and London & Colonial (Trustee Services)

Limited which are both based in Gibraltar and offer the EU SIPP.

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