



Financial Services Authority

FSAVC Review Model Guidance

May 2000

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There is now a dedicated team within the FSA with responsibility for the FSAVC review.

Enquiries and comments about the FSA review should be made to:

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Terms used

Actual Loss	The calculation at the date of retirement or death of the loss suffered by the holder of an FSAVC compared with the alternative benefit provision under the occupational pension scheme.
Added Years	Additional years (or part years) of pensionable service under an occupational pension scheme granted in respect of AVCs.
Appointed Representative	A person: <ul style="list-style-type: none">• Who is employed by an authorised firm under a contract for services which:<ul style="list-style-type: none">– Requires or permits him to carry on investment business of a kind to which Section 44 of the Financial Services Act 1986 applies: and– Complies with sub-sections (4) and (5) of Section 44 of the Financial Services Act 1986; and• For whose activities in carrying on the whole or part of that investment business his principal has accepted responsibility in writing.
Calculation Date	For prospective loss cases the Calculation date is the first day of the three-month period in which the calculation is done. This will normally be the most recent of 1st February, 1st May, 1st August and 1st November. For actual loss cases the Calculation Date is the date of crystallisation of FSAVC benefits.
Case File	A file containing the information gathered to assess the compliance of the sale of the FSAVC.
Complainant	The FSAVC policyholder or, where appropriate, that individual's surviving dependant/s (or the suitable representative/s of such dependants); or the personal representative of the policyholder.
Departed firm	A firm that is no longer authorised to give investment advice.

Firm	A person whose regular occupation or business is (or was at time of sale) authorised to advise on and transact FSAVC business. The authorised person may be a company, friendly society, partnership or sole trader.
Free-standing Additional Voluntary Contributions (FSAVCs)	Voluntary contributions paid to a stand alone vehicle arranged with an insurer or other product provider by an employee who is a member of an occupational pension scheme.
ICTA 88	Income and Corporation Taxes Act 1988.
IFA	Independent Financial Adviser.
In-house Additional Voluntary Contributions (AVCs)	<p>Contributions by an employee paid, over and above those required by an occupational pension scheme, to secure additional benefits on retirement under the scheme. For the purposes of this guidance this includes:</p> <ul style="list-style-type: none"> • contributions over and above the minimum rate which are matched by employer contributions; • additional contributions paid to secure a higher accrual rate or added years.
Investor	A customer of the firm in connection with a particular sale – for this guidance the purchase of an FSAVC or a personal pension.
Occupational Pension Scheme	<p>A scheme designed to provide benefits (such as pensions) on termination of service, death or retirement to persons who are or have been in employment, or their spouses or dependants. This covers company sponsored pension schemes including:</p> <ul style="list-style-type: none"> • Occupational pension schemes approved under Chapter I Part XIV of ICTA 88; • Occupational pension schemes seeking approval; and • Schemes established under statute including public service schemes. <p>‘Group personal pensions’ are not occupational pension schemes.</p>
Personal Pension	Any personal pension approved under Chapter IV Part XIV of ICTA 1988.

Predecessor firm	A departed firm from which a firm has contractually agreed to accept legal liability in respect of its relevant past business.
Product provider	The insurance company, unit trust company or friendly society underwriting the FSAVC. The product provider may also be the firm.
Prospective Loss	The calculation, at the date of review, of the current capital value of the loss which is expected to be suffered in the future by the holder of an FSAVC compared with the alternative benefit provision under an occupational pension scheme.
Quarterly Assumptions	The assumptions set by the Financial Services Authority for loss calculations.
Time of sale	The point or points in time at which the original advice was given on the FSAVC recommended and/or the transaction was first arranged.
Waiting Period	Period of employment before and pending membership of an occupational pension scheme for pension purposes.

1 Introduction

Model guidance

- 1.1 The Financial Services Authority ('FSA') has concluded that firms should review their sales of Free-Standing Additional Voluntary Contributions ('FSAVC') policies made during the period 29 April 1988 to 15 August 1999. This guidance sets out the procedures and standards to be used.
- 1.2 Where appropriate, the model guidance follows the principles of phase 2 of the Pensions Review¹. In particular relevant investors are to be sent a 'direct invitation' to request a review. Where investors ask for a review, whether following a direct invitation or otherwise, their policy should undergo a compliance assessment, loss assessment, causation test and, where necessary, redress should be paid.
- 1.3 **This guidance should be treated as a stand-alone document and firms should not seek to apply Pensions Review guidance unless explicitly asked to do so.**
- 1.4 The model guidance is addressed by the FSA to the self-regulatory organisations ('SROs') and professional bodies ('RPBs') recognised under Section 206 of the Financial Services Act 1986. It is also addressed to those firms directly regulated by the FSA. Firms regulated by the FSA should use the procedures and standards as described in this guidance.
- 1.5 It contains the model that the FSA expects the SROs and RPBs will adopt with such adaptation as their own circumstances warrant. It is expected that SROs and RPBs will contact their firms regarding the specific conduct of the review.
- 1.6 The Boards of the SROs have considered and adopted this guidance as follows:
 - The Board of the Investment Management Regulatory Organisation ('IMRO') has determined that any IMRO firm that has conducted FSAVC business within the scope of the review should be required to undertake a

¹ Pension Transfers and Opt Outs Review: Phase 2 Guidance. Financial Services Authority. August 1998.

review of past FSAVC business and that supervision of the review will be carried out on IMRO's behalf by the FSA in accordance with IMRO's inspection powers under Chapter 4, Rule 1.2. Firms regulated by IMRO that have conducted FSAVC business within the scope of the review should use the procedures and standards as described in this guidance;

- The Board of the Personal Investment Authority ('PIA') has considered and adopted this guidance. The Board of PIA has already determined that its regulated firms are required to undertake a review of past FSAVC business in accordance with PIA Rule 7.2.2. This model guidance therefore constitutes the standards and specification for the review in accordance with that rule. Supervision of the review will be carried out on PIA's behalf by the FSA. Firms regulated by PIA should use the procedures and standards as described in this guidance.
- The Board of the Securities and Futures Authority ('SFA') has considered and adopted this guidance. All SFA firms that have not been excluded from the review are required to undertake a review of past FSAVC business. Supervision of the review will be carried out on the SFA's behalf by the FSA. Firms regulated by the SFA that have conducted FSAVC business within the scope of the review should use the procedures and standards as described in this guidance.

- 1.7 It is not intended that any part of this guidance should require firms to take steps that would invalidate their Professional Indemnity ('PI') insurance. All firms with PI insurance are encouraged to keep their insurers fully informed of the steps that they are taking in conducting the review of FSAVC policies.
- 1.8 The FSA is prepared to consider modifications to the model guidance should the need arise.

Which firms have to do the review?

- 1.9 All firms that advised on or arranged on an execution only basis FSAVCs during the period 29 April 1988 to 15 August 1999 must take responsibility for the review of that business.
- 1.10 FSAVCs sold by IFA firms (or other independent intermediary firms) are the responsibility of the IFA firm rather than the product provider.
- 1.11 Firms should undertake reviews of business in respect of FSAVCs sold by their appointed representative even if an appointed representative is no longer contractually attached to the firm.
- 1.12 Any appointed representative of a firm that was previously an authorised firm in its own right must undertake a review in respect of relevant FSAVCs sold whilst it was authorised. In this situation, the firm to which the appointed

representative is now attached is required to take responsibility for ensuring the review is promptly and properly undertaken. The firm to which the appointed representative is now attached is not required to meet the cost of any redress in respect of the appointed representative's liabilities.

- 1.13 In the case of FSAVCs sold during the period 29 April 1988 to 15 August 1999 by firms which are no longer authorised in their own right and which have not become appointed representatives of an authorised firm (i.e. 'departed firms'), a review will be carried out by the FSA Pensions Unit with a view to assisting the Investors Compensation Scheme to pay compensation in appropriate cases.

How to use the guidance

- 1.14 The FSAVC review will be a focused exercise using an approach similar to that used for phase 2 of the Pensions Review. Certain categories of FSAVC policyholders (estimated to comprise up to about 8 percent of all FSAVC sales) must be sent a 'direct invitation' to request a review of their case. Other FSAVC policyholders who may be concerned about their circumstances will also be able to request a review. In all cases, where a review proceeds it must be carried out in accordance with the standards in this guidance. The guidance explains:
- Which investors will be sent a direct invitation;
 - How firms should identify the relevant investors;
 - How firms should set about mailing investors;
 - How firms should deal with requests for review;
 - How firms should test for loss, compliance and causation;
 - How firms should calculate and offer redress.
- 1.15 The guidance is divided into 10 sections. In each section, there are a series of requirements, corresponding to particular stages within the review. These requirements each have a number e.g. 3.3, 5.5.7.
- 1.16 Sections 9 and 10 set out the timescales for the review and the steps that firms must follow in planning their work.
- 1.17 The record-keeping requirements are shown in boxes throughout the text. They begin with the letter 'RK' e.g. RK5.5.1, RK9.5.1. Record keeping requirements have the same status as all other requirements. Firms should comply with the record keeping requirements as they complete each stage of the review.
- 1.18 At some points in the text 'Notes to the guidance' provide background information to help firms interpret the guidance.

Reporting requirements

- 1.19 Outline details of reporting requirements are available from the FSA website address <http://www.fsa.gov.uk/fsavc-review>. These details are provided to assist firms with their IT systems design and project planning. The FSA will provide further guidance explaining how firms should report their progress to their regulator. The FSA recognises the systems implications of reporting requirements for some firms and will endeavour to ensure that any further reporting requirements are incremental to the requirements set out on the website. **No action is required immediately in respect of reporting. Firms are, however, expected to ensure that they are in a position to respond to reporting requirements from their regulator in a timely manner when called upon to do so, based on the outline details given on the website.**

Note to the guidance: The FSA is proposing to set up arrangements so that firms may report progress with the review electronically. It is possible that firms with significant numbers of cases may be required to report the details electronically.

2 What business does the review cover?

The categories

- 2.1 The FSAVC review covers certain categories of FSAVC policies that were advised on or arranged on an execution only basis between 29 April 1988 and 15 August 1999. These categories are referred to as:
- Matched AVC schemes;
 - Other subsidised AVC schemes;
 - FSAVCs converted from personal pensions; and
 - Requests for review.

Matched AVC schemes

- 2.2 This category covers FSAVC sales to investors whose employer's contributions to their occupational pension scheme would have been greater if the employee had contributed more to the in-house AVC arrangement or to the occupational pension scheme rather than to the FSAVC.
- 2.3 For example, the employer might match the employee's Additional Voluntary Contributions (AVCs) on a one-for-one basis. Alternatively, the employer's contributions to the main occupational pension scheme might increase by, say, 2 percent for each additional 1 percent the employee pays. There may be a cap on the employer's contributions to any one individual.

Note to the guidance: *In such cases, by investing in an FSAVC rather than the in-house AVC arrangement, the employee would have lost out on an employer contribution, and hence it is likely that the investor's fund will be less valuable.*

- 2.4 Annex A contains a list of occupational pension schemes and employer names where the employer would have 'matched' investor contributions.

Note to the guidance: *The FSA will be publishing an amended occupational pension schemes and employers list in the second quarter of 2001. This may include further additional occupational pension schemes that have been identified that have either matched or subsidised benefits.*

Other Subsidised AVC schemes

- 2.5 This category covers FSAVC sales to investors who would have received an enhancement in benefits, the cost of part of which would be met by the employer, had the investor's contribution been directed to the in-house AVC arrangement or to the main occupational pension scheme itself. The benefits in this case are normally defined benefits.

Note to the guidance: *The two most common kinds of subsidy are through additional accrual of benefits or through the provision of subsidised added years.*

In the first an employer operates a tiered pension scheme; say a 3 percent employee contribution attracts an 80th accrual rate, whereas a 5 percent employee contribution attracts a 60th accrual rate. By investing in an FSAVC rather than paying additional contributions to the occupational pension scheme, the investor may have effectively lost out on an employer contribution and there is a possibility that the investor has suffered a loss.

The second is where an occupational pension scheme arranges in-house AVCs on an added years or additional fixed benefit basis and where the formula gives an employer subsidy in favour of the investor. Employer subsidised added years might also be used to provide benefits in the main occupational pension scheme.

- 2.6 Annex A contains a list of occupational pension schemes and employer names where an investor may have had the option of paying AVCs or additional ordinary member contributions to the occupational pension scheme in order to secure additional benefits at retirement and where part of the cost of these benefits is intended to be met by the employer.

Note to the guidance: *In providing the list of employer names in Annex A, the intention has been to provide firms with every assistance in identifying their review population. However, matched or other subsidised benefits are a feature of occupational pension schemes rather than of a particular employment. Firms should therefore be aware that, in some cases, investors employed by employers listed in Annex A may not have been eligible for matched or other subsidised benefits under the relevant occupational pension scheme.*

- 2.7 The review does not cover cases in this category where the full cost of benefits is intended to be incurred by the scheme members and where there is therefore no employer subsidy.

Note to the guidance: *In these circumstances, benefits where the 'full cost is intended to be incurred by the scheme members' are benefits where the terms on which they are provided to scheme members were set up so as to reflect the individual circumstances of the members (i.e. age, salary etc as appropriate) as well as reasonable financial and other assumptions. The terms of such benefits will therefore have been set up to reflect the costs of individual members' benefits with no subsidy incurred by the employer.*

Benefits where a movement in financial or other conditions meant for a while that the terms became generous to the investor are not included as 'other subsidised AVC schemes' However where a firm judges at time of sale, or might reasonably be expected to judge at time of sale, that such benefits might be, and continue to be, generous to the investor then the scheme may be included in the category of 'Other Subsidised AVC schemes'. An example would be a scheme offering a guaranteed annuity rate.

FSAVCs converted from personal pensions

- 2.8 This category covers certain sales of FSAVCs which converted from regular premium personal pension policies where the personal pensions were sold to investors during an occupational pension scheme waiting period.

Note to the guidance: *For sales of regular premium personal pension policies in such circumstances there is a strong possibility that the initial sale and the conversion to an FSAVC may have been arranged without due consideration of the in-house AVC alternative. In addition the terms on converting the personal pension to an FSAVC may not be seamless and may imply an element of double charging.*

- 2.9 The FSAVC policies which should be reviewed are those where:

- The investor started contributing to the personal pension during an occupational pension scheme waiting period; and
- The investor joined the relevant occupational¹ pension scheme at the end of the waiting period; and
- The investor contributed to the FSAVC after joining the occupational pension scheme; and
- The occupational pension scheme is one of those listed in Annex A.

- 2.10 Where the investor described in 2.9 received advice on the FSAVC policy from a firm other than that which gave the advice regarding the personal pension policy then the personal pension sale may be ignored – the FSAVC will form part of the second firm's review population.

Note to the guidance: *Firms may wish to keep a record of all FSAVCs converted from personal pensions whether described in 2.9 or not. This will lessen the need for reworking if an occupational scheme is subsequently added to Annex A following the procedures outlined in paragraphs 3.3.1 to 3.3.5.*

Requests for review

- 2.11 The final category is those investors who:

- Request a review of the sale of their FSAVC policy without being sent a direct invitation mailing; or
- Request a review of the sale of their FSAVC policy having previously failed to respond to a direct invitation mailing; or
- Request a review of the sale of their FSAVC policy in response to the direct invitation mailing but the relevant occupational pension scheme or employer is not listed in Annex A.

¹ The occupational pension scheme referred to here is that occupational pension scheme which the investor was eligible to join at the end of the waiting period at the time of the personal pension sale.

These cases should be reviewed even though the occupational pension scheme involved may not be listed in Annex A.

- 2.12 Firms are required to treat as requests for review all representations or complaints made in connection with, or arising from, the sale of an FSAVC policy during the review period which indicate that the complainant is, or might be, seeking a remedy from the firm in respect of loss or damage.
- 2.13 Investors who have requested a review prior to the direct invitation mailing, but would otherwise have formed part of the review population due to their scheme or employer being in Annex A should have their case reviewed as a matched or other subsidised AVC case as appropriate. These cases are to be treated as a particular category for mailing. See paragraphs 4.2.2 and 4.2.3 for instructions on these cases in relation to mailing.

Occupational pension scheme information

- 2.14 Firms should take all reasonable steps to ensure that the information they use to conduct the review is reliable. This does not mean that firms may not co-operate, through a scheme library or otherwise, but it does mean that firms should take care to ensure that their responsibility for the review is not compromised.
- 2.15 Both matched AVC schemes and other subsidised AVC schemes refer to a finite number of occupational pension schemes as listed in Annex A.
- 2.16 The FSA is aware of an initiative by Pension Advisers Support System Ltd ('PASS') to assemble a library of occupational pension scheme information.
- 2.17 The FSA is supportive of this initiative by PASS, or any other initiative, which will allow the review to be conducted efficiently and economically. Clearly a library of occupational pension scheme information could:
- Assist firms in conducting the review;
 - Reduce the workload on the occupational pension schemes listed in Annex A; and
 - Possibly allow the review to be completed more quickly (to the required standards) than might otherwise have been possible.

The FSA has, therefore, discussed the proposals for an occupational pension scheme library with PASS and expects to continue to work with the project as it develops.

- 2.18 However responsibility for the review lies with firms as outlined in paragraphs 1.9 to 1.13.

3 Finding the relevant investors

Sales population

3.1 **Firms are required to establish their sales population.**

- 3.1.1 This means taking all reasonable steps to identify all possible types and format of investor records and databases involving FSAVC policies advised on or arranged on an execution only basis between 29 April 1988 and 15 August 1999. For IFAs these records will include new business registers and commission records for the relevant period, and other relevant records and databases.
- 3.1.2 Firms should take all reasonable steps to ensure they identify all sources of information relating to all predecessor firms.
- 3.1.3 Firms are required to search all relevant records and databases for FSAVC policies advised on or arranged during the period 29 April 1988 and 15 August 1999 and create a separate list of them.
- 3.1.4 If a firm is unable to establish the date of advice for any given case, then that case should be included within the sales population if the first premium payment was made during the period 29 April 1988 to 1 November 1999.
- 3.1.5 Any FSAVC policy where the fund has been transferred to a different arrangement should be included.
- 3.1.6 Any FSAVC policy where premiums have stopped should be included even where the fund value is now zero.
- 3.1.7 FSAVC policies that were either not taken up or cancelled from outset should be excluded.

Note to the guidance: *For example, this means that cases where the adviser recommended an FSAVC or an increment to an FSAVC, but the investor declined the advice or took no further action are not included in the review.*

- 3.1.8 The resulting list of FSAVC sales is the 'sales population'.

3.1.9 Product provider firms, in addition to their sales population as defined in paragraphs 3.1.1 to 3.1.8, are required to identify all FSAVC business accepted from IFA firms (or other independent intermediary firms) where the first premium payment was during the period 29 April 1988 to 1 November 1999.

RK3.1 Records to keep

RK3.1.1 Firms are required to keep a list of the policy number and reference number (if any), investor name, National Insurance number, date of birth and date of advice (or date of first premium payment where date of advice is not recorded) for all those policies in their sales population.

RK3.1.2 Where the firm is a product provider and the investor was a client of an IFA (or other independent intermediary) firm, the product provider is required to record the SIB reference number and (where applicable) agency number of the IFA firm from which it accepted the business at time of sale.

RK3.1.3 Firms are required to keep a record of how they produced their sales population. This will include specifications for searches of computer databases, if these were used. It will also include a note of how firms satisfied themselves that they had included all possible FSAVC sales during the relevant period in this sales population.

RK3.1.4 Firms are required to create a list of any exclusions from the sales population and document the reasons why policies were excluded.

RK3.1.5 Firms are required to keep a record of any apparently missing or incomplete records which they have identified and which prevented them from compiling a comprehensive list of their sales population.

Review population

3.2 Firms are required to establish their review population.

3.2.1 The records of FSAVC policies in the sales population should be examined.

3.2.2 Those FSAVC policies that have been converted from personal pension contracts should be marked as a personal pension conversion. An FSAVC is considered to be 'converted' from a personal pension policy if it is in respect of the same investor and premiums to the FSAVC started within 3 months of premiums to the personal pension stopping. FSAVC premiums may be at the same or a different level to the premiums paid to the personal pension.

3.2.3 For all FSAVC policies in the sales population that converted from personal pensions, firms are required to identify the occupational pension scheme that the investor joined when the personal pension was converted to an FSAVC.

- 3.2.4 For all FSAVC policies in the sales population **other** than those converted from personal pensions, firms are required to identify the occupational pension scheme of which the investor was a member, or the employer for which the investor worked, at time of sale.
- 3.2.5 Firms are required to take all reasonable steps to identify the occupational pension scheme name **or** the employer name at time of sale for all FSAVC policies. The FSA recognises the extent of work required for population identification. Firms have therefore been given the option to use either the occupational pension scheme name or the employer name. Firms may switch between options if the need arises. For example, the firm may have recorded the employer name on one computer system and the occupational pension scheme name on another. However in deciding which option, or mix of options, to use, firms should select the course which could reasonably be expected to produce the most comprehensive list, having regard to their systems and record keeping arrangements.

***Note to the guidance:** Firms are reminded that, in providing the list of employer names in Annex A, the intention has been to provide firms with every assistance in identifying their review population. However, matched or other subsidised benefits are a feature of occupational pension schemes rather than of a particular employment. Firms should therefore be aware that, in some cases, investors employed by employers listed in Annex A may not have been eligible for matched or other subsidised benefits under the relevant occupational pension scheme. Consequently, reliance on occupational pension scheme name, in preference to employer name, may appear to be the more desirable option, but firms are reminded of the need to select the course which could reasonably be expected to produce the most comprehensive list.*

- 3.2.6 As a minimum, the steps to take to identify the occupational pension scheme name or the employer name at time of sale should include referring to system records, case files or other internal records. Where firms are aware, or ought reasonably to be aware, that their system files are incomplete, firms are required to examine paper or other records. In order to ensure that the details relate to the circumstances at time of sale, as a minimum it is expected that firms will refer to paper records of the sale or microfiche copies where necessary. In the case of computer records, firms are reminded that these records may have been over-written, perhaps with the current occupational pension scheme or employer name.
- 3.2.7 The record and database search for occupational pension scheme names or employer names should be sufficiently broad to capture likely variations of the occupational pension scheme names and/or typographical errors. For example: the 'Rail Board Pension Scheme' for 'Railways Pension Scheme'; or 'British Gail' for 'British Rail'.
- 3.2.8 For certain occupational pension schemes and employers listed in Annex A, firms may wish to conduct an additional search using occupations. This is likely to prove most effective for two occupational pension schemes in

particular because they have had a quasi monopoly of certain occupations, at least until recently. The schemes are:

- The Post Office Pension Scheme – for example postman, postwoman, postal worker, post master, parcel distribution, parcel delivery; and
- The Railways Pension Scheme – for example train driver, train guard, train conductor, stationmaster, signalman.

These examples are not exhaustive and firms may identify other schemes where a search by occupation may be appropriate.

- 3.2.9 Firms are required to take all reasonable steps to establish the relevant occupational pension scheme or employer name from their own records **before** they contact third parties, including investors.
- 3.2.10 If, having taken all reasonable steps to establish the relevant occupational pension scheme or employer from its own records, the firm then determines that it has no alternative but to mail investors it may **only** do so by following the procedures outlined in paragraphs 3.2.12 to 3.2.13 or in paragraphs 4.2 to 4.2.9. For product provider firms this only applies to cases within their own sales population (outlined in paragraphs 3.1.1 to 3.1.8).

Note to the guidance: *this means either sending the investor an ‘Investor Occupation Form’ or an amended ‘Information Request Form’. In both cases the wording of the two forms is prescribed.*

- 3.2.11 **(IFA firms only)** The FSA is proposing to collect data from product providers to establish a database of all FSAVC sales within the categories outlined in paragraphs 2.2 to 2.9 (the ‘review database’). If the data proves sufficiently robust IFA firms will have access to this data where it refers to their own sales, or to sales of predecessor firms. Therefore it is not necessary **at this stage** for IFA firms to contact product providers to reconstruct past business registers where these are missing or incomplete. IFA firms should not contact product providers for details of FSAVC sales until further notice. The FSA will make arrangements to inform IFA firms if and when they can access the review database.

Note to the guidance: *At that time IFA firms may be required to validate their sales population against the information held on the review database.*

- 3.2.12 Where, after taking all reasonable steps, the firm is unable to identify the occupational pension scheme or employer associated with the FSAVC then the firm should either:
- Make enquiries of the relevant investor using the Investor Occupation Form and accompanying materials detailed in Annex B according to the procedures described in paragraph 3.2.13 ; or

- Proceed to the direct invitation mailing described in section 4 (for specific details see paragraph 4.2.6).
- 3.2.13 The FSA is concerned that the effectiveness of the direct invitation mailing should not be diluted by the style or quantity of previous mailings. If firms do approach investors prior to the direct invitation mailing they are required to use the Investor Occupation Form in Annex B without amendment. **Firms should not mail the Investor Occupation Form to the same investor more than once.** Firms are reminded that they may be required to take further steps to improve their response rates where these appear to the regulators to be deficient.
- 3.2.14 Firms are required to compare the occupational pension scheme or employer name associated with each FSAVC policy in the sales population, where this is available, with the occupational pension schemes and employer names listed in Annex A.
- 3.2.15 If the occupational pension scheme or employer associated with the FSAVC policy has been identified and is not one of those listed in Annex A, then the FSAVC policy may be excluded from the review population. Firms should note that they will still be required to conduct a review if the relevant investor requests a review.
- 3.2.16 Firms should note that some policies excluded at this stage might be added back at a later stage, because the FSA intends to update the list of occupational pension schemes and employer names in the second quarter of 2001. The details of how this might happen are in paragraph 3.3. Firms should therefore be careful to keep these records in a form that makes them easy to retrieve for example by later searching a computer record for a particular occupational pension scheme or employer name.
- 3.2.17 Firms may exclude from their direct invitation mailing population any cases where complaints or claims in respect of the relevant FSAVC policy/ies have already been resolved on a basis at least equivalent to those set out within this guidance, or by the decision of a judge, arbitrator or ombudsman.
- 3.2.18 The FSAVC policies remaining at this stage are:
- FSAVC policies where the occupational pension scheme or employer at time of sale has been identified and corresponds to a scheme or employer listed in Annex A; including
 - FSAVC policies which converted from a personal pension (as defined in paragraph 3.2.2) and where the occupational pension scheme at the time of conversion has been identified and it corresponds to a scheme listed in Annex A; and any

- FSAVC policies where the occupational pension scheme or employer could not be identified despite taking all reasonable steps to do so.

3.2.19 This list of FSAVC sales is the 'review population'.

RK3.2 Records to keep

- RK3.2.1 Firms are required to keep a list of the occupational pension scheme or employer name for all those FSAVC cases **in their review population**.
- RK3.2.2 Firms are required to keep a list of the occupational pension scheme or employer name for all those FSAVC cases **excluded from the review population**.
- RK3.2.3 Firms are required to keep a record of the reasons, where applicable, for choosing to identify either occupational pension schemes or employers in preference to the other. Where one option was not readily available to the firm, it should note the fact.
- RK3.2.4 Firms are required to keep a record to demonstrate that they have considered the utility of a search by occupation for relevant occupational pension schemes or employers, together with the outcome of that consideration.
- RK3.2.5 Firms are required to keep a record of how they identified their review population. This will include specifications for searches of computer records and the results of these, if these were used.
- RK3.2.6 Firms are required to record the basis on which any previous complaint cases excluded from their direct invitation mailing population have been settled, including, where appropriate, evidence that they have been settled on terms at least equivalent to those set out within this guidance.
- RK3.2.7 Product provider firms are required to keep a record of all intermediary sales where they have been unable to establish the relevant occupational pension scheme or employer at the time of sale, including details of the efforts made to establish this information from their own records.

Additions to the review population

3.3 Firms are required to establish any extra policies to be included in their mailing population if additional schemes and/or employer names are added to the FSA list.

- 3.3.1 The FSA will be publishing an amended occupational pension schemes and employers list in the second quarter of 2001. This may include further additional occupational pension schemes that have been identified, during the early stages of the review or in some other way, that have either matched or other subsidised benefits.

- 3.3.2 Firms are required to compare the occupational pension scheme name or employer associated with each FSAVC policy in their sales population, where this is available, with the extra schemes and employer names which may be added to the FSA list in Annex A.
- 3.3.3 Firms are required to identify any FSAVC policies in their sales population where the occupational pension scheme or employer at time of sale, or conversion from personal pension to FSAVC, is one of the extra occupational pension schemes or employers added to the FSA list in Annex A.
- 3.3.4 The FSAVC policies identified in 3.3.3 are the extra policies that firms should add to their review population.
- 3.3.5 Firms should add only those policies identified in 3.3.3 for which it gave advice or arranged on an execution only basis during the relevant period. Product provider firms are also required to identify any of the FSAVC policies identified in paragraph 3.1.9 where the scheme or employer names are included in any additions to the FSA list.

Note to the guidance: *The FSA recognises the extent of work required for population identification and the difficulties caused by the addition of schemes to the FSA occupational pension scheme and employer list. The FSA will therefore update the list only once. The requirements in 3.2.4 and 3.2.16 are also designed to mitigate the work involved.*

- 3.3.6 Firms **should not** however wait for the FSA to publish any additional occupational pension scheme and employer details before beginning to mail and review cases.

RK3.3 Records to keep

- RK3.3.1 Firms are required to keep a list of all the extra policies to be included in their review population.
- RK3.3.2 Firms are required to keep a record of how they identified the extra policies to be added to their review population. This will include specifications for searches of computer records, if these were used.

3.4 Firms are required to deal appropriately with requests for review.

- 3.4.1 Firms are required to acknowledge all requests for review in writing within 7 business days of receipt.
- 3.4.2 Firms are required to establish whether each request for review is their responsibility in accordance with paragraphs 1.9 to 1.13.
- 3.4.3 Where the firm determines that the request for review case is not their responsibility they should confirm this to the investor in writing.
- 3.4.4 Firms are required, for all request for review cases that they identify as their responsibility, the occupational pension scheme of which the investor was a member at the time of the original sale.

- 3.4.5 **If the occupational pension scheme identified is listed in Annex A**, firms should continue to review the case as if the investor had responded to the direct invitation mailing.
- 3.4.6 **If the occupational pension scheme is not listed in Annex A**, firms are required to obtain sufficient information about the occupational pension scheme and associated AVC scheme to determine whether matched contributions or other subsidised benefits are, or have been, offered by that occupational pension scheme. **This is not necessary if the firm has previously reviewed information in respect of that occupational pension scheme.**
- 3.4.7 Firms are required to take all reasonable steps to obtain the required information about the occupational pension scheme described in paragraph 3.4.6 promptly. As a minimum firms are expected to approach the following:
- Scheme administrator/trustees;
 - Employer; and
 - Investor;
- for further information, including the scheme booklet and any supplementary material relating to AVCs.
- 3.4.8 Firms are required to review any information received in relation to the relevant occupational pension scheme within 28 days of receipt. Firms should not delay their review of information from one source pending responses from other parties approached for data.
- 3.4.9 Firms should take care to ensure that the correct occupational pension scheme is reviewed for the particular investor, having regard to the specific employer and occupational pension scheme membership details.
- 3.4.10 Where a firm determines that the occupational pension scheme offers matched or other subsidised benefits they are required to submit the notification form in Annex D, duly completed, to the FSA **within 5 business days** of making that determination.
- 3.4.11 Firms **should not** delay dealing with these cases for example by waiting for the FSA to issue any amendments to Annex A, but should continue to review them as matched or other subsidised AVC schemes in line with the guidance.

RK3.4 Records to keep

RK3.4.1 Firms are required to keep a record of all request for review cases, recording the date the request was received by the firm.

RK3.4.2 Firms are required to keep a record of all employers and schemes approached for information in respect of request for review cases.

- RK3.4.3 Firms are required to record for each request for review case the efforts made to collect the scheme information.
- RK3.4.4 Firms are required to record against each employer/scheme and against the relevant investor, their determination of the category (matched contributions, other subsidised benefits, or neither), and their rationale for that determination.
- RK3.4.5 Firms are required to keep a record of all the work undertaken in connection with determining the relevant category, to include copies of all correspondence with the investor, employer, trustees, and/or administrators.
- RK3.4.6 Firms are required to keep a record of all notifications sent to the FSA, including copies of the forms, copies of the evidence submitted, copy of any covering letter, and the date the form was submitted.

3.5 Firms are required to categorise schemes appropriately.

- 3.5.1 It should be clear if an occupational pension scheme falls into the matched AVC schemes category.
- 3.5.2 The following guidelines are intended to assist firms to judge whether a case may be properly excluded from the other subsidised AVC schemes category. However each case should be assessed on its own merits.
- 3.5.3 Firms should ask the scheme administrators and/or trustees whether the terms offered by the occupational pension scheme are intended to provide a subsidy for investors contributing to the AVC scheme. Firms should also examine the terms on which the investor can obtain benefits. There may in fact be a subsidy to the investor where these terms do not reflect the individual's circumstances (i.e. age, salary, normal retirement date etc). However where the terms on which the investor can obtain benefits are tailored to the individual's circumstances and the scheme administrators and/or trustees state that there is no intention to provide a subsidy then firms may reasonably assume that there is no subsidy.
- 3.5.4 A scheme need not be treated as a subsidised AVC scheme solely because the employer meets any scheme charges relating to additional employee contributions.
- 3.5.5 Firms are not required to compensate investors for lost subsidies where any subsidised benefits were not offered at time of sale to that investor, and it was not reasonably foreseeable that such benefits would be offered in future.
- 3.5.6 Firms are not required to compensate investors for lost subsidies where any subsidised benefits were not significantly attractive at time of sale, to that investor, and it was not reasonably foreseeable that such benefits would become significantly attractive in future.

Note to the guidance: *For example a guaranteed annuity rate which was significantly below market rates during a period when market annuity rates were not reasonably expected to fall significantly would be a case in point.*

4 Investor mailing

Direct invitation mailing

4.1 **Firms are required to identify all investors to be sent the direct invitation mailing.**

4.1.1 The investors to be sent the direct invitation mailing are those whose FSAVC policies were advised on or arranged during the period 29 April 1988 to 15 August 1999 in the following categories:

- Matched AVC schemes;
- Other subsidised AVC schemes;
- FSAVCs converted from personal pensions falling into the two previous categories; and
- FSAVCs where the original occupational pension scheme is not known and cannot be identified from details of the employer.

These investors are known as the ‘direct invitation mailing population’.

4.1.2 Firms are also required to identify all investors in the direct invitation mailing population who have more than one FSAVC policy in the above categories.

4.1.3 Where firms are aware from their own records that an investor would **never have been** eligible for matched or other subsidised AVC benefits despite working for a particular employer or being a member of a particular occupational pension scheme, then that investor need not be sent a direct invitation mailing. For example some schemes only offer matched or other subsidised benefits to certain categories of employees, or may have ceased to offer such benefits to new employees during the period of the review. In such cases firms may exclude an individual from the direct invitation mailing process because for example his or her dates of employment did not coincide with a period when such benefits were offered.

- 4.1.4 Where investors are excluded from the direct invitation mailing process described in paragraph 4.1.3 above, there must be clear demonstrable evidence on the case file to support this decision including, as a minimum:
- Full details of the eligibility criteria of the occupational pension scheme/s in question at time of sale; and
 - Sufficient details of the investor's circumstances to demonstrate why he or she would **never have been** eligible for matched or other subsidised AVC benefits at time of sale.

Note to the guidance: *Firms are reminded that cases which are excluded from the direct mailing process as described in paragraphs 4.1.3 and 4.1.4 remain part of the firm's review population.*

- 4.1.5 **Firms may not approach the investor for any of the information outlined in paragraphs 4.1.3 and 4.1.4.** If the firm does not have sufficient information from its own records to reliably establish the investor's eligibility for matched or other subsidised AVC benefits, then firms are required to send the investor the appropriate direct invitation mailing materials.
- 4.1.6 Firms should note that some investors who are not sent the direct invitation now may need to be mailed at a later stage, because of the potential addition to the list of occupational pension schemes already described. Details are in paragraph 4.5.

RK4.1 Records to keep

RK4.1.1 Firms are required to keep a list of the policy number and reference number (if any), investor name and National Insurance number for each FSAVC policy where the investor was excluded from the direct invitation mailing because it appeared that he or she was ineligible for matched or other subsidised AVC benefits.

RK4.1.2 Firms are required to keep a record to show in each case on what basis an investor had been excluded from the direct invitation mailing because it appeared that he or she was ineligible for matched or other subsidised AVC benefits.

RK4.1.3 Firms are required to keep a list of the policy number and reference number (if any), investor name and National Insurance number for each FSAVC policy related to an investor in the direct invitation mailing.

- 4.2 **Firms are required to prepare the investor materials for the direct invitation mailing appropriately.**

4.2.1 The model covering letters and Information Request Form on which the direct invitation materials should be based are shown in Annex B. Investors must be sent up to three communications:

- An invitation letter (enclosing a factsheet, Information Request Form and reply paid envelope); and, if they do not respond
- A first reminder letter (enclosing a factsheet, Information Request Form and reply paid envelope); and, if they do not respond
- A final reminder letter (enclosing a factsheet, Information Request Form and reply paid envelope as before).

4.2.2 Firms responding to a request for review may already have received some information from the investor or elsewhere, but may wish to use an Information Request Form to obtain outstanding information. In this case, firms are required to amend the appropriate Information Request Form (as described above and shown in Annex B) so that investors are **not** asked to resubmit any information.

4.2.3 In all request for review cases where firms subsequently issue an Information Request Form, firms are required to remove or overwrite the section that asks the investor to sign to request a review of the FSAVC sale. In addition, firms may either:

- Add a short question asking the investor (or his representative) in terms that the investor (or his representative) is likely to understand to outline the concerns which have given rise to the request for review; or
- (Where the request for review was made orally) add a statement of the firm's understanding of the concerns giving rise to the request for review and invite the investor (or his representative) to confirm in writing the accuracy of that statement.

If the investor (or his representative) is either unwilling or unable to outline any specific concerns, firms should continue to review the case in accordance with the Guidance. Firms that choose to insert questions as outlined in this paragraph should have regard to paragraph 4.4.4.

Note to the guidance: *Firms are reminded that, though they should investigate any specific concerns giving rise to the request for a review, they should also ensure they conduct a full review of the case in accordance with the specification and standards set out in this guidance. However, firms may reasonably take due account of any specific concerns outlined by the investor (or his representative) when assessing causation.*

4.2.4 Firms are required to use the correct version of the form for each investor. The following paragraphs describe the steps necessary to ensure the correct version of the Information Request Form is sent to the investor. The majority of respondents will normally be sent the 'standard' version where much of the information required is available from the firms' own records. Versions 2 to 4 deal with particular circumstances where information is lacking.

- 4.2.5 The standard Information Request Form should be used unamended where the original occupational pension scheme name is known, or can be derived from the employer name, and the investor is **not** in the 'FSAVC converted from personal pension' category.
- 4.2.6 **Version 2 of the Information Request Form asks for details of the employer.** Question 3a should be inserted into the standard Information Request Form where the direct invitation material is being sent to an investor where the original occupational pension scheme is unknown. (Question 3a asks investors to tell firms the name of their employer at the time they took out their FSAVC).
- 4.2.7 **Version 3 of the Information Request Form is for FSAVCs converted from personal pensions where the employer is known.** Question 10a should be inserted into the standard Information Request Form where the direct invitation material is being sent to an investor in the 'FSAVC converted from personal pension' category and where the occupational pension scheme is known. (Question 10a asks investors whether the personal pension was sold during an occupational pension scheme waiting period).
- 4.2.8 **Version 4 of the Information Request Form is for FSAVCs converted from personal pensions where the employer is not known.** Both questions 3a and 10a should be inserted into the standard Information Request Form where the direct invitation material is being sent to an investor in the 'FSAVC converted from personal pension' category and where the occupational pension scheme at the time the FSAVC was taken out is unknown.
- 4.2.9 **Firms may not use any other version of the Information Request Form nor make any other amendments to those specified in paragraphs 4.2.2, 4.2.3 and 4.2.15.**
- 4.2.10 In addition to these materials, the investors should receive:
- A copy of the factsheet FSAVC1 (illustrated in Annex B). For details of how to obtain the factsheet see paragraph 4.2.20.
 - A reply-paid C4 size envelope (to fit A4 size paper).
- 4.2.11 A return address should be shown on the outside of the envelope used for the mailing.
- 4.2.12 The covering letter that is sent should be on the firm's normal letterhead. Firms are required to ensure a senior member of staff signs the letter. The member of staff concerned does not physically have to sign the letter if the firm can reproduce that person's signature electronically to a high standard.
- 4.2.13 Where an investor appears more than once on the direct invitation mailing population (i.e. the investor has more than one FSAVC policy in the above categories) then the firm must ensure that the investor concerned is sent only **one** set of the direct invitation materials in Annex B.

- 4.2.14 Where an investor has more than one FSAVC in the review population, the policy numbers and inception dates for each of these FSAVC policies should be included in the covering letter. Firms are required to send only the most relevant Information Request Form for this group of FSAVC policies, having regard to the information available from the firm's own records.
- 4.2.15 Where the direct invitation material is being sent in respect of an investor who has died the invitation to request a review of the policy should be made to the policyholder's spouse (or other beneficiary). The covering letter should therefore be addressed to this person and amended appropriately, as should the Information Request Form.
- 4.2.16 All direct invitation materials must be reproduced on the same quality paper as firms use when sending other important documents.
- 4.2.17 Firms are required to use copies of the factsheet as supplied by the FSA (rather than reproducing it themselves). For details of how to obtain the factsheet see paragraph 4.2.20.
- 4.2.18 Firms are required to pre-fill the forms with information they already have, such as the investor's date of birth, policy number etc. The model forms indicate where pre-filling is expected.
- 4.2.19 The Information Request Forms and other investor materials must be mailed largely unaltered, save in the case of investors who are known to have died as described in paragraph 4.2.15. In all other cases firms are required to use the same font styles, font sizes, layout (as far as possible) and content. The only exceptions to this are as follows:
- A bar code may be added;
 - Where a firm wishes to use document imaging to scan the information provided by the investor, the Information Request Form may be amended to include boxes where the investor is asked to insert text.
- 4.2.20 Copies of the Model Guidance, the factsheet FSAVC1 and the Information Request Form may be obtained by telephoning the FSAVC Review order line on 0800 169 7286 or by e-mail at FSAPENSION@msm-co.demon.co.uk.
- 4.2.21 Up to 100 copies of the factsheet are free of charge. For cumulative orders over 100 copies, call the FSAVC Review order line on 0800 169 7286 for a quote. Firms may only distribute originals of the factsheet, not photocopies or reproduced versions.
- 4.2.22 The Information Request Forms may be photocopied if this is the most convenient method for firms to reproduce them.
- 4.2.23 Loose-leaf copies of the Information Request Forms suitable for photocopying may be obtained by telephoning the FSAVC Review order line on 0800 169 7286 or by e-mail at FSAPENSION@msm-co.demon.co.uk.

4.2.24 Electronic copies of the Information Request Forms are available from the FSA website address: <http://www.fsa.gov.uk/fsavc-review>.

RK4.2 Records to keep

RK4.2.1 Firms are required to keep master copies of all versions of covering letters and Information Request Forms that they use, together with a schedule of dates on which each was issued.

RK4.2.2 Firms are required to keep a record to show how they consolidated their direct invitation mailing population to ensure that each investor was only sent one set of direct invitation materials.

4.3 Firms are required to mail the direct invitation materials to the relevant investors.

4.3.1 Firms are required to take all reasonable steps to validate the quality of their mailing address lists prior to mailing. As a minimum this should include cross checking against other client records for inconsistencies and taking steps to resolve these prior to mailing. Where there is any doubt as to the investor's actual address, and the firm has more than one address recorded, firms are required to send the investor materials to each address.

4.3.2 Firms are required to mail all investors in the direct invitation mailing population with the appropriate direct invitation materials.

4.3.3 Investors who do not respond should be sent up to two model reminder letters (as shown in Annex B) as follows:

- First reminder letter between 21 and 28 days after the mailing;
- Second reminder letter between a further 21 and 28 days after the first reminder letter.

A full set of investor materials must be sent again with each reminder letter.

4.3.4 Where letters are returned as 'gone away' (or firms otherwise discover that the client is no longer living at the mailing address) firms are required to take all reasonable steps to trace the investor's new address. As a minimum the FSA would expect firms to send correspondence via the investor's bank and to make use of the DSS or other tracing services where appropriate.

RK4.3 **Records to keep**

- RK4.3.1 Firms are required to keep a record of the measures they took to validate their mailing address lists.
- RK4.3.2 Firms are required to keep copies of all versions of covering letters and Information Request Forms on the file of each investor that is mailed.
- RK4.3.3 Firms are required to keep a note of the dates on which each set of mailings was sent to the investor on the file of each investor that is mailed.
- RK4.3.4 Firms are required to record all letters that are returned as 'gone away' and all instances in which the firm discovers that the investor is no longer living at the mailing address. Firms are required to document the steps taken to contact each investor that is recorded in this way.

4.4 Firms are required to take all reasonable steps to ensure they deal fairly with investors during the mailing process and subsequently.

- 4.4.1 Firms are required to keep a contemporary record of all contact with investors during the review. As a minimum this should include copies of all correspondence sent and received, and file notes of all telephone conversations or meetings.
- 4.4.2 Contact with investors for the purposes of the FSAVC review must not be used for the purpose of promoting or selling any product or service.
- 4.4.3 Any face to face or telephone interviews with the investor must be made by someone other than the individual who made the original sale except where this is not possible, for example in the case of firms with only one employee.
- 4.4.4 Firms are required to do nothing that could reasonably be assumed to discourage investors from returning the direct invitation materials.
- 4.4.5 Firms are required to ensure that all relevant staff are made aware of these requirements.

RK4.4 **Records to keep**

- RK4.4.1 Firms are required to keep copies of all correspondence with investors relating in whole or part to the review.
- RK4.4.2 Firms are required to keep copies of all file notes of telephone conversations or meetings with investors relating in whole or part to the review.

- RK4.4.3 Firms are required to keep records of the individual concerned where any face to face or telephone interviews are carried out with investors. Where that individual was the person who made the original sale the record must include the reason for this.
- RK4.4.4 Firms should keep records of all procedures, general staff communications and training materials used which relate in whole or part to dealing with investors during the review.

Mailing additional FSAVC investors

- 4.5 Firms are required to mail any investors that have been added to their review population as a result of the addition of extra schemes to the FSA list in Annex A, as identified in paragraphs 3.3 to 3.3.5.**
- 4.5.1 Firms are required to follow the same procedures in paragraphs 4.1 to 4.4.5 in respect of the additional policies identified in paragraphs 3.3 to 3.3.5.

Dealing with responses

- 4.6 Firms are required to take all reasonable steps to process all responses appropriately, including dealing with them promptly so as to be sure of identifying priority cases as quickly as possible.**
- 4.6.1 Any outstanding complaints, requests for review or direct invitation mailing responses in respect of investors who have either died or are already drawing their benefits are to be treated as priority cases in accordance with paragraphs 9.3 to 9.3.2. All other complaints, requests for review and direct invitation mailing responses should be dealt with in accordance with paragraphs 9.3.3 and 9.6 to 9.6.3.
- 4.6.2 Firms are required to take reasonable steps to provide appropriate information so that any investor who responds to the direct invitation mailing indicating that they do not wish to be a part of the FSAVC review is fully aware of the purpose and intentions of the review.
- 4.6.3 If there is any indication in the investor's response that he or she has not understood the purpose of the review, then firms are required to write to the investor and explain the purpose of the review in terms that the investor is likely to understand, having due regard of any previous response from the investor. For example the investor might have said 'take me off your mailing list', or 'I have left that employer so this is not relevant'. Firms are required to allow investors a reasonable time to respond to that letter before informing them that they will be taken out of the review as detailed in paragraph 4.6.4.

- 4.6.4 In all cases firms should write to investors who decline a review telling them in terms that they are likely to understand that they have been taken out of the review.
- 4.6.5 Firms are expected to treat as requests for a review subsequent requests from investors who previously declined, provided these are received before 31 December 2001.

RK4.6 Records to keep

- RK4.6.1 Firms are required to keep a list of the policy number and reference number (if any), investor name, National Insurance number, date of birth and date of advice (or date of first premium payment where date of advice is not recorded), for all cases responding to the direct invitation mailing where the investor has either died or is drawing benefits.
- RK4.6.2 Firms are required to keep a list of the policy number and reference number (if any), investor name, National Insurance number, date of birth and date of advice (or date of first premium payment where date of advice is not recorded), for all cases responding to the direct invitation mailing with a request for a review.
- RK4.6.3 Firms are required to keep a list of the policy number and reference number (if any), investor name, National Insurance number, date of birth and date of advice (or date of first premium payment where date of advice is not recorded), for all cases excluded from the review due to the investor failing to respond to the mailing.
- RK4.6.4 Firms are required to keep copies of all correspondence and communications with investors in relation to the direct invitation mailing.

5 Compliance assessment

Introduction

5.1 Testing whether the sale of the FSAVC met the appropriate standards of compliance that applied at the time of sale is called 'compliance assessment'.

5.1.1 Redress is needed if:

- The sale did not meet the appropriate standards of compliance; and
- A loss has been suffered; and
- The loss has been caused by the sale being non-compliant.

This section deals with the first of these. Sections 6 and 7 deal with the other two.

5.1.2 The 'appropriate standards' that applied at the time of sale include the relevant conduct of business rules then in force, and any codes of conduct or guidance applicable to the transaction.

5.1.3 Compliance assessment and loss assessment may be done in any order. However, firms should normally test for compliance before moving on to assess causation.

Note to the guidance: *A firm will normally have to carry out a full compliance assessment before proceeding to assess causation. Experience with the Pensions Review has shown that, where the causation test is carried out without the benefit of adequate information gathering and compliance testing, it is extremely difficult to meet the required standards.*

Deciding whether to concede compliance assessment

5.2 **Firms are required to establish which cases will undergo compliance assessment.**

5.2.1 Cases that should undergo compliance assessment are:

- those investors, or their representatives, that responded to the direct invitation mailing with a request for review; or
- otherwise have requested a review of their case.

- 5.2.2 Firms may if they wish concede compliance assessment and proceed to loss assessment, if this has not already been done, or to calculate redress as appropriate.
- 5.2.3 Firms with PI insurance cover may wish to consult with their PI insurers before conceding compliance.

RK5.2 Records to keep

- RK5.2.1 Firms are required to keep a list of the policy number, investor name, National Insurance number and occupational pension scheme or employer name for all cases that undergo compliance assessment.
- RK5.2.2 Firms are required to keep a list of the policy number, investor name, National Insurance number and occupational pension scheme or employer name for all cases for which they concede compliance.

Conducting compliance assessment

- 5.3 **Firms are required to conduct the compliance assessment competently, professionally and objectively.**
- 5.3.1 As a minimum, this should include the:
- Review of cases by staff of sufficient experience and competence who, where possible, were not directly involved in the sale of any FSAVC that the firm is reviewing; and
 - Provision of adequate resources to carry out compliance assessments to the required standards.
- 5.4 **Firms are required to gather the information necessary to carry out compliance assessment – initially using their own records.**
- 5.4.1 This should include gathering sufficient information about the circumstances of the sale. This information is called a ‘case file’. Firms may use their existing client file as the basis of a case file.
- 5.4.2 Firms will not be expected to build a case file for those compliance assessment cases where compliance has been conceded.
- 5.4.3 In assessing compliance firms should assume that:
- The investor was advised to take out the FSAVC policy; and
 - The investor wanted to be better off in retirement, or to benefit from a longer period of retirement, or both;
- unless there is demonstrable evidence to the contrary.

5.4.4 Firms are required to take all reasonable steps to build a case file for the review. Information needed by firms to carry out a compliance assessment which may already be on the case file includes:

- ‘Know your customer’ and suitability information collected from the investor and occupational pension scheme at time of sale;
- Information given to the investor at time of sale to enable the investor to understand the FSAVC and the differences to the in-house AVC arrangement; including
 - Brochures, illustrations and any other marketing or point of sale material used to describe the FSAVC recommended at time of sale;
 - Records of what was said to the investor at time of sale; and
 - Sales aids used by the adviser at time of sale.
- Information obtained at time of sale about the in-house AVC arrangement and, in particular:
 - Whether it offered matched or other subsidised contributions; and
 - Information about charges.

5.4.5 Where the case file is incomplete, firms are required to take all reasonable steps to rebuild the case file by collecting sufficient information from such other records they may have available to be able to assess compliance for each case to be reviewed. As a minimum firms are required to collect the following information where this is available or obtainable with a reasonable degree of persistence and effort:

- Correspondence to and from investors, occupational pension schemes, other firms etc.;
- Brochures, sales aids, illustrations of future benefits and other material used at time of sale;
- Internal records, reports and memoranda;
- File notes of meetings and/or telephone conversations;
- Statements from the salesperson who gave the advice where that person is still employed by the company (details of what to do in the case of former sales staff are in paragraph 5.5.3);
- And, where the following recording media are used by the firm concerned:
 - Computer records including scanned and imaged documents;
 - Microfiche records;
 - Taped telephone conversations.

- 5.4.6 Firms are required to take all reasonable steps to avoid determining a case on a single version of events. For example, if firms are largely reliant on the salesperson's recollection of events as supporting evidence of a compliant sale, then this should be balanced with other data such as the recollected views of the investor, consideration of the terms on which the FSAVC was set up and so on.
- 5.4.7 Firms are required to distinguish clearly between information on the case file which is contemporary to the original sale and information which has been subsequently gathered for the review. As a minimum firms are required to date, by date stamp or otherwise, all information which is gathered specifically for the review and is not contemporary to the sale. The date recorded should be the date on which the information was gathered.

RK5.4 Records to keep

- RK5.4.1 Firms are required to keep a file for each case reviewed of all records of information collected to carry out the compliance assessment.
- RK5.4.2 Firms are required to record their procedures for gathering information from their own records.
- RK5.4.3 Firms are required to add any information obtained to the case file and identify within the file the source of the information.
- RK5.4.4 Firms are required to clearly document the efforts they have made in attempting to obtain the required information from their own existing files and records.
- RK5.4.5 Firms are required to document any assumptions contrary to those in paragraph 5.4.3.
- RK5.4.6 Firms are required to document reasons why any particular source of information that could reasonably be assumed to be relevant to the sale is not available from their own records.

5.5 Firms are required to gather additional information from other sources if necessary.

- 5.5.1 Firms are required to take all reasonable steps to gather the facts necessary to judge whether or not the sale was compliant. As a minimum firms are required to :
- Thoroughly review internal records before approaching third parties;
 - Identify information shortfalls and evaluate the need to contact occupational pension schemes, investors and other third parties;

- Be prepared to pay a reasonable charge to occupational pension schemes to compensate them for their administration costs in providing information.

5.5.2 The information gathering process should be organised in an orderly and systematic manner. Care should be taken not to take up the time of third parties such as product providers, IFA firms, occupational pension schemes and investors unduly.

5.5.3 However if firms do not have sufficient information to conduct a compliance assessment from their own files then they should take all reasonable steps to collect the necessary information to assess compliance from other sources. As a minimum firms are required to collect the following information externally where this is likely to be available or obtainable with a reasonable degree of persistency and effort:

Source of information	Type of information to be obtained
From investors	<p>The occupational pension scheme(s) of which the investor was a member.</p> <p>Salary details at time of sale.</p> <p>Information about the client's financial and other circumstances, relevant to the sale.</p> <p>Brochures, leaflets, illustrations and other material given to the investor at or immediately prior to time of sale.</p> <p>Information about the advice given at point of sale.</p>
From product providers	<p>Details of the FSAVC policy including charges, selected retirement age, minimum investment levels and fund choice.</p> <p>Copies of brochures, leaflets, illustrations and other material given to the investor at or immediately prior to time of sale.</p>
From appointed representatives (where applicable)	<p>Copies of any brochures, leaflets, comparisons, illustrations, or any other material given to the investor at, or immediately prior to, the time of sale.</p> <p>The appointed representative's recollection of events and/or personal records.</p>

From occupational pension schemes or other relevant sources	<p>The eligibility terms for the in-house AVC arrangement.</p> <p>Benefits and other features under the in-house AVC arrangement including:</p> <ul style="list-style-type: none"> a) Details of charges in all cases; b) Normal retirement age; c) The terms of any matched/other subsidised in-house AVC, including minimum investment levels and fund choice; d) Any cap to the employer contribution; e) Any guaranteed annuity rates available under the OPS; f) The terms of their payment e.g. Normal Retirement Date, pension increases (including a history of discretionary increases) etc.
From former staff	The former salesperson's recollection of events and/or personal records.

RK5.5 **Records to keep**

- RK5.5.1 Firms are required to record their procedures for gathering additional information where relevant.
- RK5.5.2 Firms are required to add any additional information obtained to the case file and identify within the file the source of the information.
- RK5.5.3 Firms are required to document on the relevant case file the efforts they have made in attempting to obtain the required information from their own existing files and records.
- RK5.5.4 Firms are required to document on the relevant case file, the efforts they made in attempting to obtain the required information from other sources.
- RK5.5.5 Where firms are largely reliant on the salesperson's recollections of events, and it has not been possible to obtain the investor's recollected view, firms must document on the case file the efforts they have made to obtain the investor's recollection.

5.6 **Firms are required to carry out a compliance assessment.**

- 5.6.1 In carrying out the compliance assessment, firms are required to assess whether the sale complied with the appropriate standards of compliance that were in force at the time the advice was given or the transaction was arranged. The compliance assessment should be carried out on the basis of three specific tests.

Note to the guidance: *This three stage approach differs from the approach taken for the Pensions Review, which involved four stages. The rationale for merging the provisions for adequate information and understanding of the risk to one is that both the in-house AVC and the FSAVC are normally money purchase arrangements. So there is no fundamental difference in risk as was normally the case in the Pensions Review. However, where there was a qualitative difference in risk, for example because of an option to buy added years' service, then this should have been taken into account by the adviser and adequately described to the investor.*

5.6.2 'Know your client' and suitability. In summary, was adequate information obtained regarding the investor's circumstances and the characteristics of the in-house AVC arrangement?

5.6.3 The compliance reviewer should examine whether the firm:

- Took reasonable steps to gather all the information necessary to give advice to the investor which was suitable to his/her personal and financial circumstances and objectives;
- Took reasonable steps to evaluate the information gathered in order that it could give the investor suitable advice; and
- Took reasonable steps to tailor its advice and recommendation to the needs and circumstances of the investor.

In particular, the review should examine:

- Whether the firm had established whether the in-house AVC arrangement offered matching or other subsidised benefits that the investor might have given up by taking out an FSAVC instead; and
- Whether the advising firm had taken this information into account for the purposes of making its recommendation.

5.6.4 Where the investor would **never have been** eligible for matched or other subsidised AVC benefits at time of sale, firms may reasonably assume that a failure to establish whether they were eligible for such benefits was not by itself a material compliance failure. See also paragraph 5.10.1.

5.6.5 In request for review cases firms may reasonably use the results of enquiries made in accordance with paragraph 3.4.6 as evidence in support of their assumptions in paragraph 5.6.4 above.

5.6.6 Adequate information. In summary, was the investor given enough information about the features of the product, including the risks involved, to be able to make an informed decision about taking out an FSAVC? An explanation of the nature of risk involved is relevant in cases where the in-house AVC offered defined benefits.

5.6.7 The reviewer should examine whether the investor was told what they were giving up; what they were acquiring; and the risks inherent in the transaction, in an understandable way. In particular, did the firm provide information and draw the investor's attention to:

- The option to contribute through an in-house AVC arrangement;
- The desirability of seeking further information about the in-house AVC arrangement (where a specific comparison had not been made as part of the recommendation);
- The significance of any matched contributions or other subsidised benefits foregone;
- The likely difference in charges between the in-house AVC and the FSAVC, whether in specific or generic terms;
- Other significant differences in the features of the in-house AVC and the FSAVC, whether in specific or generic terms; and
- The nature of the FSAVC in terms of freedom of choice, privacy and flexibility with regard to changes in employment but bearing in mind the likely importance of these in the light of the investor's individual circumstances.

5.6.8 *Fair and not misleading information.* In summary, did the firm mislead the investor, or might the investor have been misled through the product literature or illustrations of future benefits? Was the in-house AVC arrangement described fairly (or at all)?

5.6.9 The compliance assessment should establish whether the firm described the FSAVC recommended in a way that was fair, clear and not misleading. For example, the compliance reviewer should be alert to evidence to suggest that the sales person may have unfairly criticised the in-house AVC arrangement. Where the sale was as a result of a direct offer advertisement, the compliance assessment should review whether the investor was alerted to the existence of an in-house AVC scheme as an alternative to the FSAVC advertised. (For further details of the procedure to follow regarding direct offer advertisement business, see paragraphs 5.8 to 5.8.4).

5.6.10 Firms would usually be expected to carry out these tests in the order given. This may however vary in the following circumstances:

5.7 Firms are required to review all sales, including 'execution only' sales.

5.7.1 'Execution only' refers to cases where:

- Investors request a specific policy, term and level of premium;
- The firm did not solicit the business; and

- No advice or judgement on the part of the firm was expected or given.
- 5.7.2 Firms are required to establish that there is clear and credible evidence on the case file that the case genuinely was execution only. This will usually require either a letter in the investor's own handwriting contemporary with the sale, or similar evidence gathered from the investor specifically for the purpose of this review.
- 5.7.3 Execution only cases need to satisfy the final compliance test – *'Fair and not misleading information'*.
- 5.7.4 If the case is assessed as being an 'execution only' sale, and passes the final compliance test, then the case need not progress any further in the review.
- 5.7.5 The firm should write to the investor and communicate the following in terms that the investor is likely to understand:
- Confirm it has reviewed the investor's FSAVC sale in accordance with regulatory guidance;
 - Confirm that it reviewed the case on the basis that it was execution only and explain the significance of that fact;
 - Confirm it does not propose to review the case further;
 - Offer the investor the opportunity to query the firm's decision and if the investor remains dissatisfied with the outcome, to refer the case to an Ombudsman or other relevant dispute resolution mechanism.
- 5.8 **Firms are required to review all sales, including 'direct offer advertisement' sales.**
- 5.8.1 'Direct offer advertisement' refers to cases where:
- Investors respond to an advertisement;
 - The advertisement makes a specific offer or invitation to enter into an investment contract; and
 - The advertisement provides the means to respond e.g. a tear-off slip.
- 5.8.2 Certain direct offer business may be regarded as having been conducted without the provision of investment advice. For this to apply there should be evidence for each case that no advice or judgement on the part of the firm was given or expected. Where this is the case, firms are required to evidence that the original direct offer advertisement material did not breach the final compliance test – *'Fair and not misleading information'*. If the case passes the final compliance test, then the case need not progress any further in the review.
- 5.8.3 In all other direct offer advertisement business firms are required to assess the case using all three compliance assessment tests as described in paragraphs 5.6.1 to 5.6.9.

- 5.8.4 If the case is assessed as being a 'direct offer advertisement' sale, and passes the relevant compliance test(s), then the case need not progress any further in the review.
- 5.8.5 The firm should write to the investor and communicate the following in terms that the investor is likely to understand:
- Confirm it has reviewed the investor's FSAVC sale in accordance with regulatory guidance;
 - Confirm that it reviewed the case on the basis that it was as a result of a direct offer advertisement and explain the significance of that fact;
 - Confirm it does not propose to review the case further;
 - Offer the investor the opportunity to query the firm's decision and if the investor remains dissatisfied with the outcome, to refer the case to an Ombudsman or other relevant dispute resolution mechanism.
- 5.9 **Firms are required to review all sales, including 'insistent customer' sales.**
- 5.9.1 An 'insistent customer' case refers to sales where the investor proceeds despite advice to the contrary from the firm. Firms are required to demonstrate that there is clear and credible evidence on the case file that the case genuinely was an insistent customer. This will usually require either a letter in the investor's own handwriting contemporary with the sale, or similar evidence gathered from the investor specifically for the purpose of this review.
- 5.9.2 'Insistent customer' cases need to satisfy:
- The tests covering understanding of risk, adequate information and misleading sales statements; and
 - An assessment of the steps taken to caution the investor after the firm's recommendation was rejected.
- 5.9.3 If the case is assessed as being an 'insistent customer' sale, and fulfils the compliance requirements stated above, then the case need not progress any further in the review.
- 5.9.4 The firm should write to the investor and communicate the following in terms that the investor is likely to understand:
- Confirm it has reviewed the investor's FSAVC sale in accordance with regulatory guidance;
 - Confirm that it reviewed the case on the basis that it was an insistent customer and explain the significance of that fact;
 - Confirm it does not propose to review the case further;

- Offer the investor the opportunity to query the firm's decision and, if the investor remains dissatisfied with the outcome, to refer the case to an Ombudsman or other relevant dispute resolution mechanism.

In its letter the firm is not required to refer to an 'insistent customer' in so many words.

RK5.9 Records to keep

- RK5.9.1 For each case to be assessed for compliance, firms are required to hold on file evidence of all materials used to carry out the assessment and to also record the analysis and verdict of the assessment. The records should clearly indicate which evidence was contemporary to the sale and which was not.
- RK5.9.2 Where a case file may have missing information and the firm has made certain assumptions to carry out the assessment, these must be recorded in the case file.
- RK5.9.3 Firms are required to keep a list of the policy number, investor name and National Insurance number for all cases that have been assessed as having passed compliance, or that have been assessed as being 'execution only', 'direct offer advertisement', or 'insistent customer' cases.

5.10 Firms may consider whether any compliance shortcomings identified by the compliance assessment were material.

- 5.10.1 Firms may regard any compliance shortcomings revealed by the tests or otherwise as not material if they can reasonably be said to be too minor to have affected the outcome of the sales process. However firms should be alert to the fact that a series of apparently minor shortcomings may amount to a materially non-compliant sale if their cumulative effect could reasonably be said to have affected the outcome of the sales process.

Note to the guidance: *Firms may regard a failure to investigate an investor's eligibility for matched or other subsidised AVC benefits as not material if the investor was not eligible for such benefits. However this failure should also be considered in the light of any other compliance shortcomings.*

- 5.10.2 If firms conclude that the case was materially compliant they should:

- Update their records ensuring that all relevant documentary evidence is retained for inspection;
- Write to the investor and communicate the following in terms that the investor is likely to understand:
 - Confirm it has reviewed the investor's FSAVC sale in accordance with regulatory guidance;

- Confirm it has not found any cause for concern in the investor's case;
- Confirm it does not propose to review the case further;
- Offer the investor the opportunity to query the firm's decision and, if the investor remains dissatisfied with the outcome, to refer the case to an Ombudsman or other relevant dispute resolution mechanism.

5.10.3 If firms determine that the sale was non-compliant they should either:

- Move to assess loss; or
- Move to assess causation or concede causation.

RK5.10 Records to keep

RK5.10.1 Where cases are assessed as non-compliant then firms are required to hold on file reasons for assessing the case as non-compliant.

RK5.10.2 Where cases are assessed as compliant then firms are required to hold on file reasons for assessing the case as compliant and copies of all correspondence to and from investors resulting from the notification of compliance assessment to the investor.

6 Loss assessment

Introduction

- 6.1 Testing whether the investor has suffered, or may suffer, a financial loss resulting from the sale is called 'loss assessment'. If the investor has died the test is whether a spouse or other beneficiaries have suffered, or may suffer, a financial loss as a result of the sale.
- 6.2 There are two types of possible loss:
 - Actual financial loss: When the FSAVC benefits have started to be paid, and the value of these benefits are less than the value of the benefits that would have been likely to be provided in the alternative in-house AVC arrangement and the shortfall is attributable to the loss of employer's matching contributions, other subsidised benefits or materially higher charges in the FSAVC compared with the in-house AVC arrangement.
 - Prospective financial loss: Where the investor (or spouse/dependants) is exposed to the probability of an actual financial loss occurring as described above when benefits are drawn from the FSAVC in the future.
- 6.3 Where there are employer matching contributions or other subsidised benefits provided by the in-house AVC arrangement it is very likely that the investor has suffered a loss. In these cases the loss an investor has suffered is the value of benefits available from the in-house AVC arrangement that were not available in the FSAVC (i.e. the employer matching contributions or subsidised benefits), adjusted for any difference in charges that may have applied.
- 6.4 Where an investor was also sold a personal pension during an occupational pension scheme waiting period and this was converted to a FSAVC then loss may have occurred from two sources:
 - From any loss of employer's matching contributions or subsidised benefits in respect of the period after the FSAVC was taken out, adjusted for any difference in charges that may have applied; and

- From 'double charging' the investor where the FSAVC was not set up on terms that took due account of the terms on which the personal pension was established.
- 6.5 In these cases the loss is the combination of the materially higher charges and the loss of employer matching contributions or subsidised benefits to which the investor has been or is exposed to as a result of the firm's advice. The calculation of loss relates to those factors which a competent adviser could be expected to take into account in recommending the FSAVC.
- 6.6 Where an investor requests a review of his FSAVC and there were no employer matching contributions or subsidised benefits provided by the in-house AVC arrangement a loss may still have occurred if the charges on the FSAVC are materially greater than the charges the investor would have incurred in the in-house AVC arrangement.
- 6.7 Normally charges on the FSAVC policy are materially greater than on the alternative in-house AVC arrangement, but this may not always be the case. For example, FSAVC charges may not be materially greater than the alternative in-house AVC arrangement when financial institutions offer special terms on their own products for staff or when FSAVCs are arranged on nil or significantly reduced commission.
- 6.8 The review of FSAVC sales is not intended to compensate investors for losses arising solely from poor investment returns in FSAVC funds since this could not be anticipated at time of sale. The loss assessment and redress calculations described in this guidance do not take account of the actual investment return that would have been achieved in the in-house AVC arrangement. Instead the calculations use one of two benchmark indices which technique provides a neutral investment return i.e. one that is independent of the actual return achieved by the in-house AVC arrangement or the FSAVC.
- 6.9 Provided the position has been adequately explained to investors, firms may assume that the investor will act to mitigate any loss suffered and to which he or she may be exposed in the future. Where an investor is made aware of the availability of employer matching contributions, subsidised benefits or materially lower charges in the in-house AVC arrangement in terms he or she is likely to understand, firms may assume the investor will join the in-house AVC arrangement as soon as they are able.

Note to the guidance: *The FSA has produced a factsheet called 'Joining or rejoining your employer's AVC scheme'. It highlights points that investors may need to think about and details how to get further information. Copies of the factsheet FSAVC2 may be obtained from the FSAVC Review order line by telephoning 0800 169 7286 or by e-mail at FSAPENSION@msm-co.demon.co.uk. A view-only copy of this factsheet is available on the FSA website <http://www.fsa.gov.uk/fsavc-review>. Up to 100 copies of the factsheet are free of charge. For cumulative orders over 100 copies, call the FSAVC Review order line on 0800 169 7286 for a quote. Firms may only distribute originals of the factsheet, not photocopies or reproduced versions.*

- 6.10 Loss assessment only establishes whether there has been an actual or prospective loss. A loss does not automatically mean that redress is due. Redress is needed if:
- A loss has been suffered; and
 - The sale did not meet the appropriate standards of compliance; and
 - The loss is caused by the sale being non-compliant.
- 6.11 Loss assessment and compliance assessment may be done in either order.

Deciding whether to concede loss assessment

- 6.12 **Firms are required to establish which cases will undergo loss assessment.**
- 6.12.1 Cases that should undergo loss assessment are those cases that responded to the direct invitation mailing with a request for review or otherwise has asked for a review of their case.
- 6.12.2 Firms may if they wish concede loss assessment and proceed to compliance assessment, if this has not already been done, or to calculate redress as appropriate.
- 6.12.3 Firms with PI insurance cover may wish to consult with their PI insurers before conceding loss.

RK6.12 Records to keep

- RK6.12.1 Firms are required to keep a list of the policy number, investor name and National Insurance number for all cases that undergo loss assessment.
- RK6.12.2 Firms are required to keep a list of the policy number, investor name and National Insurance number for all cases for which they have conceded loss.

Gathering information

- 6.13 **Firms are required to gather the information necessary to carry out the loss assessment.**
- 6.13.1 Depending on the information already held on file, it is likely that firms will have to collect information to enable them to establish the appropriate period for review.
- 6.13.2 The appropriate period for review needs to take account of changes of employment. It is intended that the answers given by the investor in the Information Request Form sent with the direct invitation material should enable firms to establish whether there has been a change of employment since the original sale and, if there has, whether the pension schemes offered by subsequent employer(s) are included in the list in Annex A.

- 6.13.3 Firms will not normally have received a completed Information Request Form from investors who have requested a review without responding to the direct invitation mailing. Firms are required to consider the information they already hold on file and, if necessary, send an appropriate version of the Information Request Form to such investors for completion. (See section 4 for details).
- 6.13.4 It may be necessary to go back to the investor to clarify the information provided on the Information Request Form.
- 6.13.5 Where information has been collected over the telephone written confirmation of the information must be sent by the firm to the person providing the information.
- 6.13.6 Firms are required to find out what benefits the investor would have received from the occupational pension scheme had their additional contributions been directed there. Any employer matching contributions or subsidised benefits may be expressed as a fixed amount or a percentage of pensionable salary and may vary by age of investor, length of service etc. Therefore, information may also be required regarding the definition of pensionable salary and any lost future matched employer contributions or subsidised benefits.

RK6.13 Records to keep

- RK6.13.1 Firms are required to keep records of the data collected and the source from which it was collected.
- RK6.13.2 Where firms have gathered information over the telephone they are required to keep records of the written confirmation sent to the person providing the information.

Preparation for the loss assessment calculation

6.14 Firms are required to establish the appropriate Calculation Date.

- 6.14.1 The Calculation Date for a prospective loss should be as at the first day of the three-month period in which the calculation is done. This will normally be the most recent of 1st February, 1st May, 1st August and 1st November.
- 6.14.2 For actual loss cases, the Calculation Date for loss assessment should be as at the date of crystallisation i.e. date of death or of drawing benefits from the FSAVC policy.

RK6.14 Records to keep

- RK6.14.1 Firms are required to ensure that loss assessment calculations clearly show the Calculation Date used.

6.15 Where there is a choice between matched or other subsidised AVC arrangements, firms should establish which in-house AVC arrangement the investor would have opted for.

- 6.15.1 It is not possible to give prescriptive guidance on how firms should establish which in-house AVC arrangement an investor would have opted for if, for example, there was a choice between (subsidised) defined contribution or defined benefit options. Firms are required to judge this on a case by case basis. Firms may wish to ask the investor what their choice would have been.
- 6.15.2 If an investor has made some contributions to a particular in-house AVC arrangement in the past then this may be an indication that the investor would have opted for this arrangement.
- 6.15.3 When communicating the outcome of their review, firms are required to explain to investors in terms that they are likely to understand what in-house AVC options there were and what option the firm has assumed the investor would have taken.

RK6.15 Records to keep

RK6.15.1 Firms are required to keep a record of how they decided which AVC scheme to base their calculation on, along with any supporting documents and other evidence used to reach that decision.

6.16 Firms should establish which benchmark index is appropriate for the case in question.

- 6.16.1 The funds that would have arisen in the in-house AVC arrangement in respect of employer matching contributions and the value of charges should be calculated by reference to a benchmark index. The benchmark index to be used normally depends on whether the in-house AVC fund that it is assumed the investor would have opted for was deposit based or not.

In-house AVC fund	Benchmark index
Deposit based	Nationwide Building Society returns
Non-deposit based	Weighted average returns on CAPS ¹ 'mixed with property' fund

Note to the guidance: *The FSA is grateful to the Nationwide Building Society and to CAPS for permission to use their indices.*

¹ Combined Actuarial Performance Services.

- 6.16.2 Where there is a choice of in-house AVC funds firms should assume that the investor would have invested in the fund that most closely relates to their FSAVC fund choice. If the investor has switched FSAVC funds then firms should use the fund which the investor has invested in for the longest period of time.
- 6.16.3 Where the in-house AVC arrangement provides employer subsidised benefits and the investor has no choice of funds as such, firms should use the non-deposit based benchmark index where necessary in the loss assessment calculation.
- 6.16.4 Where a firm is unable to establish whether the in-house AVC fund is deposit based or not, despite having made reasonable efforts, the in-house AVC fund should be assumed to be non-deposit based.
- 6.16.5 The Nationwide Building Society returns to be used are the compound annual returns on the Nationwide Group AVC policy. Relevant returns from 1988 to 2000 are available on the FSA website at <http://www.fsa.gov.uk/fsavc-review>.
- 6.16.6 The CAPS returns to be used are those from the 'mixed with property' fund from the Pooled Pension Fund Survey collected by CAPS each quarter. Relevant returns from 1988 to 2000 are available on the FSA website at <http://www.fsa.gov.uk/fsavc-review>.
- 6.16.7 Firms are required to use the final annual and quarterly CAPS returns. These returns are published each calendar quarter with the 'final' returns normally published approximately one month after the quarter end. The FSA will publish updates of these returns on its website.
- 6.16.8 Annual CAPS returns should be used for full calendar years in the relevant period and for fractions of years at the beginning and end of the relevant period. Quarterly CAPS returns should be used for odd quarters at the end of the relevant period if relevant annual returns are not yet available. Bank base rates should be used for the periods between the last quarter date for which CAPS returns are available and the Calculation Date, if necessary.

RK6.16 **Records to keep**

RK6.16.1 Firms are required to keep records of the returns used.

- 6.17 **Firms should establish the charges that the investor would have incurred in the in-house AVC arrangement and those incurred on the FSAVC.**
- 6.17.1 The full history of the charges that the investor would have incurred in the in-house AVC arrangements should be collected if possible.
- 6.17.2 There may be some in-house AVC arrangements which have no explicit charges at all (i.e. there are no explicit charges met by employer or investor), perhaps because they offer only a with-profit fund. In these cases the total charges borne by the investor on the in-house AVC arrangement should be assumed for the purposes of loss assessment to be equivalent to an annual management

charge of 1.3% per annum. (Although the FSA expects firms normally to use this assumption, they may use an alternative assumption if there is demonstrable evidence that this would be appropriate.)

- 6.17.3 If the investor has had more than four periods of employment for which the firm has to establish in-house AVC arrangement charging structures then the firm can use default assumptions for these charges if it wishes.
- 6.17.4 If using the default assumption for charges firms should assume total charges borne by the investor on the in-house AVC arrangement to be equivalent to an annual management charge of 1.3%.
- 6.17.5 Where the investor has four or less periods of employment for which the firm has to establish in-house AVC arrangement charging structures and firms have made all reasonable efforts to establish these charging structures without success, then the firm may use the default assumption above for any in-house AVC arrangements for which they are not able to establish the actual charging structure.
- 6.17.6 If firms have used the default assumption for charges they should explain this to investors when informing them of the outcome of their review.
- 6.17.7 The FSAVC charges borne by the investor will normally be apparent. Where the FSAVC has no explicit charges then the charge borne by the investor should be assumed for the purposes of loss assessment to be equivalent to an annual management charge of 1.3%. Although the FSA expects firms normally to use this assumption, they may use an alternative assumption if there is demonstrable evidence that this assumption is inappropriate.

RK6.17 Records to keep

RK6.17.1 Firms are required to keep a list of cases where they have used default assumptions, along with details of the investor's employment history and/or a record of their attempts to obtain the actual charging structures of the relevant schemes.

Note to the guidance: *The annual management charge of 1.3% is based on the reduction in yield for an AVC policy with contributions of £100 per month over a 10 year term as reported in the Watson Wyatt AVC survey published in May 1999. This survey shows that the reduction in yield for charges/expenses is the same for unit-linked and with profits funds.*

- 6.18 **Where the investor has lost future service benefits or these have been reduced, firms should normally use an assumption for future salary increases as specified below. Firms will also need to make an assumption regarding the length of period the investor will remain with his or her current employer.**

- 6.18.1 In some cases investors who are active² members of the relevant occupational pension scheme may not now be eligible for the employer's matched AVCs or other employer subsidised benefits but they would have been if they had contributed to the in-house AVC arrangement at the outset.
- 6.18.2 In other cases the matched AVCs or other subsidised benefits for which the investor is now eligible may be lower than they would have been if they had contributed to the in-house AVC arrangement at the outset.
- 6.18.3 For investors falling within the categories described in paragraphs 6.18.1 and 6.18.2 account should be taken of the lost, or lower, future employer contributions or subsidised benefits.
- 6.18.4 This will involve making assumptions about the length of time the investor will remain with the current employer and increases in salary over this period.
- 6.18.5 The following assumption for future salary increases should be used:

Future salary increases:	In line with the assumed increases in the Retail Prices Index ³ plus 2 percent per annum.
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Note to the guidance: For example, if the RPI assumption is 3% per annum, any future salary increase will be assumed to be 5% per annum.

- 6.18.6 The FSA expects that the assumption above will normally be used. Firms may use alternative assumptions for salary increases if they have demonstrable evidence that the above assumption is inappropriate.
- 6.18.7 Firms should establish from their own records or by referral to the investor what their future period of service is likely to be with the relevant employer. In some cases this may be the full period up to the investor's intended retirement date and in other cases it may be a shorter period.
- 6.18.8 Firms should not assume that the selected Retirement Age in the FSAVC policy is necessarily the investor's intended retirement date. For example it may have been set at age 50 to allow the investor maximum flexibility. If using the selected Retirement Age in the FSAVC policy as the intended date of retirement there should be additional information on file or from the investor to support this assumption.

RK6.18	Records to keep
RK6.18.1	Where firms have decided to use alternative assumptions for future salary increases to those in paragraph 6.18.5 the evidence supporting this decision must be documented and kept.

² An active member of an occupational pension scheme is one who is currently accruing benefits in that scheme.

³ The assumption to be used for future increases in the Retail Prices Index (RPI) are those published every three months by the FSA for use in the Pensions Review.

RK6.18.2 Where firms have established from their own records or otherwise the investor's likely future period of service, the evidence supporting this decision must be documented and kept.

6.19 Firms should consider whether other firms are involved.

- 6.19.1 Firms are likely to be liable for all losses arising from non-compliant advice, where the loss was caused by non-compliance, for so long as the investor continues to rely upon that advice. Firms may reasonably assume that the causal link is broken when the client is advised or informed otherwise by that firm, in terms that he/she is likely to understand.
- 6.19.2 Where a firm has ceased to advise the client **and** has reasonable and demonstrable grounds for believing that the causal link between the advice it gave and any ongoing loss has been broken, for example because of the involvement of a second firm on change of employment, then the first firm may only be liable for the period up to the second advice.
- 6.19.3 Where a firm concludes that it may be jointly liable along with one or more other firms for the investor's loss then the firm that gave the first advice should normally review the whole period (including the period after the other firm(s) became involved) and then seek to obtain redress from the other firm(s).
- 6.19.4 Firms should agree between themselves how any redress should be divided between them.

RK6.19 Records to keep

RK6.19.1 Where a firm knows there is a second firm involved but the firm is only considering the period up until the second advice in the loss assessment, the reasons for this decision and evidence supporting it must be documented.

6.20 Firms are required to determine the relevant period for loss assessment.

- 6.20.1 Firms should normally carry out a loss assessment in respect of the period from the date at which they gave the advice to purchase the FSAVC (or the date of arrangement in the case of sales where advice was not given).
- 6.20.2 For practical purposes firms may use the date the proposal form was signed or terms of business letter sent as a proxy for the date of advice (or arrangement).
- 6.20.3 Where none of the dates in paragraphs 6.20.1 or 6.20.2 are stored electronically, firms may use the FSAVC policy date or date of first premium instead where they are satisfied that these dates are normally a reasonable proxy for the date of advice.

- 6.20.4 **Firms must not use any of the dates given in paragraphs 6.20.2 or 6.20.3 to determine whether a case falls within the scope of the review. The assessment of whether a case falls within the scope of the review should be based on the date of advice, or date of arrangement in the case of sales where advice was not given.**
- 6.20.5 If the period for loss assessment is stopped for any of the reasons given below, then it should start again if the investor made an increment to the FSAVC between 29 April 1988 and 15 August 1999 and might reasonably have expected the firm to provide advice at that time.
- 6.20.6 The end date for the period for loss assessment is the earliest of:
- The date at which the investor did or could reasonably have been expected to have started to receive the employer's matched contribution or other subsidised benefit by starting to contribute to the in-house AVC arrangement;
 - For cases not involving employer matching or other subsidised benefits, the date at which the investor did or could reasonably be expected to start contributing to the in-house AVC arrangement;
 - The end of the investor's last period of employment during which they had access to an occupational pension scheme;
 - Where the investor has stopped making contributions to the FSAVC and has not restarted them with the same provider, the start of the first full tax year in which no FSAVC contributions were made (but see paragraph 6.20.8 below);
 - The date at which the causal link between the original advice and any ongoing loss is broken;
 - The Calculation Date.
- 6.20.7 Where the investor can rejoin the in-house AVC arrangement but has not yet done so, firms should include in the period for loss assessment a period, say three months, that is long enough for the investor to join the in-house AVC arrangement for future service. If the investor can only join at particular dates in the year, this should be taken into account.
- 6.20.8 If an investor stops contributing to the FSAVC policy then firms may normally assume the period for loss assessment ceases at the start of the first full tax year for which no FSAVC contributions have been made. Firms should however make an assessment of why the investor stopped contributing to the FSAVC policy to confirm this. For example, if there is evidence on file that the investor stopped contributing because they were dissatisfied with the FSAVC policy in some way (perhaps because of the impact of high front end charges on their early contributions) then the period of liability might continue until the point at which it would have been reasonable for the investor to make alternative arrangements.

- 6.20.9 The firm may need to take account of subsequent advice given by one or more other firms as described in paragraph 6.19.3.
- 6.20.10 Where an investor has changed employment since the original FSAVC sale, the period following this change of employment should be taken into account in the loss assessment, unless a firm is able to show that the causal link between any non-compliance and the failure of the investor to contribute to the in-house AVC arrangement has been broken.
- 6.20.11 If an investor has had several periods of different employment this may mean there are gaps in the periods of service to be taken into account in the loss assessment. These may be in respect of periods of employment where either no occupational pension scheme is provided, where the investor was not employed, or where the causal link with the original advice has been broken but the investor has made a subsequent increment.
- 6.20.12 If an investor took out an FSAVC, contributed to an in-house AVC arrangement for a period as well as, or instead of, contributing to the FSAVC and then perhaps began contributing solely to the original FSAVC again, firms may reasonably assume the causal link between their original FSAVC advice was broken at the time the investor began contributing to the in-house AVC arrangement, unless they gave advice to the investor at the time they recommenced contributions to the FSAVC.
- 6.20.13 In these circumstances, the relevant period for loss assessment should normally be assumed to stop at the time the investor started contributing to the in-house AVC arrangement.

RK6.20 Records to keep

- RK6.20.1 Firms are required to keep a record of how they established the relevant period for loss assessment and the evidence on which this was based.
- RK6.20.2 If firms are using the policy date or the date of first FSAVC payment as the start date for the loss assessment they should keep a record of the analysis done to show that this is reasonable.

6.21 For each tax year falling in the relevant period for loss assessment firms should establish what level of investor in-house AVC contributions should be assumed.

- 6.21.1 To establish what level of contribution the investor would have paid to the in-house AVC arrangement firms should first have regard to any lump sum or irregular amounts paid to the relevant FSAVC policy during any tax year. Where suitable advice would be to make monthly contributions to an in-house AVC arrangement, firms should calculate the average monthly FSAVC contribution over each tax year. For example, if an investor contributed a single lump sum of £1,200 into their FSAVC policy and did not contribute

anything else over the rest of the tax year, the average monthly contribution in that tax year would be £100. If suitable advice would have been to make monthly contributions rather than lump sums (for example so as to benefit from matching employer contributions) then firms should assume that investors contributed this average amount each month into their FSAVC policy for that tax year for the purposes of establishing what they would have contributed to the in-house AVC arrangement.

- 6.21.2 Where an investor does not make any FSAVC contributions for a full tax year and then restarts contributions with the same product provider, firms should normally assume for the purposes of establishing contributions that would have been paid to the in-house AVC that FSAVC contributions continued at the same average monthly level as in the previous tax year. Although the FSA expects that this assumption will normally be made, firms may use alternative assumptions if they have demonstrable evidence that this is inappropriate. For example, it may be that an investor was in the habit of paying FSAVC contributions out of an annual bonus and for one year that bonus was not paid.
- 6.21.3 Normally the investor can choose the level of contribution made to the in-house AVC arrangement. However there may be various minimum and maximum levels that qualify for different scales of matching contributions or subsidised benefits from the employer.
- 6.21.4 Where the investor's average monthly contribution to the FSAVC policy over any tax year was at a level between these limits, reviewing firms should assume that the investment in the in-house AVC arrangement would have been at the same level.
- 6.21.5 The investor's average monthly contribution to the FSAVC policy over a tax year may have been at a level below the in-house AVC minimum but suitable advice would have been to increase contributions so as to reach a threshold at which employer contributions or subsidised benefits would be provided. In this case firms should normally assume for loss assessment that the investor would have followed that advice and contributed to the in-house AVC arrangement at that minimum level.
- 6.21.6 In some circumstances, firms may use another assumption. An example of these circumstances would be where the minimum level was set at such a level as to be demonstrably unaffordable given the client's circumstances at time of sale.
- 6.21.7 Where firms can show that the investor would not have contributed to the in-house AVC arrangement at the minimum level, then firms may conclude that no loss of employer matching contributions or subsidised benefits has been suffered. The loss assessment calculation should only take into account any material difference in charges.

- 6.21.8 Where there is a range of contribution levels the investor could have paid to obtain varying levels of employer matching contributions or subsidised benefits and the investor's average contribution to the FSAVC is more than the minimum to the in-house AVC, firms should assume that investors would have paid contributions to the in-house AVC arrangement at the same level as their average FSAVC contribution.
- 6.21.9 In some cases the in-house AVC arrangement will only allow contributions at certain levels (say 4 percent or 6 percent). Where this is the case, firms should assume that the investor would have contributed to the in-house AVC arrangement at the set level of contribution rate that is the same as or closest to the average FSAVC contribution level.
- 6.21.10 Where the average FSAVC contribution falls exactly between two set levels of contribution to the in-house AVC arrangement, the firm should assume that the investor would have contributed at the higher of those two set levels.
- 6.21.11 The comparison with the average FSAVC contribution level in paragraphs 6.21.8 to 6.21.10 should be made on a tax year by tax year basis.

RK6.21 Records to keep

- RK6.21.1 Where firms have concluded that the investor would not have contributed at the minimum necessary to benefit from the employer's contributions, the reason for this conclusion and the evidence on which it is based must be documented.
- RK6.21.2 Firms are required to keep a list of all cases where they made assumptions in respect of contribution levels, along with copies of all supporting documents, including correspondence or notes of telephone conversations with the investor used to arrive at the assumption.

6.22 Where necessary firms are required to project salary figures appropriately.

- 6.22.1 Firms will often need details of salaries for the whole period up to the Calculation Date. However providing firms have at least one actual salary figure they may use this to project salary figures for the relevant period for loss assessment. Before using just one salary figure firms should consider whether projection of this figure is likely to provide a reasonable representation of the investor's salary progression. Where it is reasonable to suppose that there may have been breaks or discontinuities in the investor's earnings, firms may wish to obtain more salary information from investors before doing the loss assessment calculation, bearing in mind that they are required to disclose what salary history they have used in the calculation when informing the investor of the outcome of the review.

- 6.22.2 Where an investor is still in the relevant employment, firms are required to obtain recent salary figures. Firms may reasonably use salary figures that are up to two years old where there is no evidence or likelihood that there has been a significant change in the investor's earnings. For example, where the investor has changed jobs since the date of the salary figure there may have been a significant change in salary which means a more recent salary figure should also be obtained.
- 6.22.3 Firms should make allowance for the type of salary figure they have before making projections. For example, if pensionable salary is defined as total earnings in the previous tax year and firms have information about the annual basic salary as at the beginning of the current tax year they should make allowance for any non-basic earnings the investor has had. Also if the investor's occupation is one which is normally dependent on a significant amount of bonus payments or variable overtime/shift allowances then care should be taken to make allowance for this.
- 6.22.4 In these circumstances, if firms only have details of basic earnings they should make an assumption regarding the average level of any non-basic earnings and then check with the investor that the assumption made is reasonable at the time the firm makes an offer of redress or informs the investor that there is no loss.
- 6.22.5 Where an investor has left the relevant employment, firms are required to attempt to obtain salary details as at the time of leaving that employment although a salary figure at an earlier time will suffice.
- 6.22.6 If only one salary figure is available than this should be extrapolated forwards or backwards in line with the increases in the Retail Prices Index plus 2 percent.
- 6.22.7 Where a firm has not only recent salary information but also earlier salary information, perhaps from the proposal form, the firm should interpolate between the two figures at a uniform rate to reconstruct the salary history.
- 6.22.8 Where a firm happens to have salary information at further points in time, these should be factored into the salary history reconstruction, with interpolation between known points.
- 6.22.9 Firms are not expected to search for additional salary information once they have obtained recent salary details (although they may if they wish). They should however take account of additional information if it is readily available. For example it may be on the case file.

RK6.22 Records to keep

RK6.22.1 Firms are required to keep records of the salary information used to arrive at the salary progression, including its date, source and description.

RK6.22.2 Firms are required to document how any extrapolation or interpolation of salary figures has been done.

6.23 Firms are required to establish the fund value to be used for loss assessment.

6.23.1 The FSAVC funds used (and personal pension funds for cases where the FSAVC has converted from a personal pension) may be either the external transfer value or the ongoing value of the underlying assets of these funds. Where the ongoing value is used, this should be pointed out to the investor and the implications explained in terms that they are likely to understand. This should be done when communicating the result of the review.

Note to the guidance: For example, the ongoing value may be used in relation to with-profit funds or where the FSAVC provides a guaranteed annuity rate.

- 6.23.2 The fund that is to be used for actual loss cases is the fund immediately prior to the purchase of benefits at the date of crystallisation and before any refund of surplus that may have been made to the investor.
- 6.23.3 If the FSAVC has been used to contract out of the State Earnings Related Pension Scheme then any Protected Rights fund and any charges on that fund should be ignored.

The loss assessment calculation

6.24 Firms are required to carry out the appropriate loss assessment calculation.

- 6.24.1 The tables below set out how loss should normally be calculated for prospective and actual loss cases. There are different tables for the various categories of investor.
- 6.24.2 These tables are for guidance only. They may not cover all situations and should not be taken to exclude other elements that may be appropriate in particular circumstances. Worked examples of how to use them in practice are in Annex C.
- 6.24.3 The value of charges at the Calculation Date should be calculated by accumulating the charges in line with the benchmark index.
- 6.24.4 Where the investor has contributed less to the FSAVC than would be necessary to obtain employer matching contributions or other subsidised benefits in the in-house AVC arrangement then the FSAVC charges taken into account in the loss assessment calculation should be the actual charges incurred on the FSAVC fund.

- 6.24.5 Where the investor has contributed more to the FSAVC than would be necessary to obtain employer matching contributions or other subsidised benefits in the in-house AVC arrangement then the FSAVC charges taken into account in the loss assessment calculation should be the actual charges that were incurred on the FSAVC fund.
- 6.24.6 Where the investor is not able to join the in-house arrangement for future service and/or transfer in his FSAVC fund then allowance should be made in the loss assessment for any material difference in future charges.
- 6.24.7 The value of future charges should be calculated using, where necessary, the future salary assumption specified in paragraph 6.18.5, the future service assumption arrived at from their own records or as a result of enquiries with the investor as described in paragraph 6.18.7 and other assumptions as specified by the FSA for use in the Pensions Review.
- 6.25 **Firms may wish to investigate whether there has in fact been no financial loss suffered despite the possible loss of employer matching contributions, subsidised benefits or lower level of charges in the in-house AVC arrangement.**
- 6.25.1 If the investor has lost out on employer matching contributions or other subsidised benefits, it is almost certain that a loss will have occurred. However, an example of circumstances when a loss will not have occurred is where the investment performance of the FSAVC has exceeded that of the in-house AVC arrangement by more than the cumulative value of the lost employer contributions and any difference in charges. A further example might be where the FSAVC offers some kind of valuable guarantee of benefits in retirement.
- 6.25.2 **If a firm finds an investor for whom circumstances such as those in paragraph 6.25.1 apply they may conclude that no loss has been suffered.**

RK6.25 **Records to keep**

RK6.25.1 Where firms find cases which they propose to treat as no loss (i.e. where, for example, they determine that the value of charges on the in-house AVC arrangement are greater than the value of the employer's matched contributions), they must document the evidence, calculations and other investigations that have led them to that conclusion.

Matched AVC schemes

6.26 **Firms should calculate the loss as the value of the lost employer contributions and difference in charges as described in the following paragraphs.**

Table 1 – Actual and prospective loss assessment

The loss is:

- The fund which would have been earned from the employer's matched contributions up to the Calculation Date using investment returns based upon the benchmark index; plus
- The value of the charges incurred on the FSAVC fund up to the Calculation Date allowing for accumulation at the benchmark index; less
- The value of the charges that would have been incurred by the investor on the in-house AVC arrangement up to the Calculation Date allowing for accumulation at the benchmark index.

- 6.26.1 Where the 'loss' calculated as above is negative, or positive only due to an immaterial difference in charges, then firms may conclude that no loss has been suffered.
- 6.26.2 In some cases an investor may still be an active member of the relevant occupational pension scheme but not, for the future, be eligible for employer's matched contributions that would have been paid had they joined earlier. In other cases the level of employer matching contributions may have reduced for those who did not join at the time of the FSAVC sale or otherwise prior to the review of their case. For these investors, the present value of lost future employer's matched contributions should be added to the above together with allowance for any material differences in future charges.
- 6.26.3 The present value of lost future employer contributions should be calculated using the future salary increase assumptions specified in paragraph 6.18.5, the future service assumption arrived at from their own records or as a result of enquiries with the investor described in paragraph 6.18.7 and the discount rate appropriate for the investor's term to the Scheme Retirement Age as specified by the FSA for the Pensions Review.

Other Subsidised AVC schemes

- 6.26.4 **Firms should calculate the loss as the value of the lost employer subsidised benefits and difference in charges as described in the following paragraphs.**
- 6.26.5 Where the 'loss' calculated as above is negative, or positive only due to an immaterial difference in charges, then firms may conclude that no loss has been suffered.

Table 2 – Actual and prospective loss assessment

The loss is:

- The value as at the Calculation Date of the additional subsidised occupational pensions scheme benefits that would have been provided by the employer in respect of service up to the Calculation Date; less
- The value as at the Calculation Date of contributions that would have had to be contributed by the investor to obtain this level of benefits allowing for accumulation at the benchmark index; plus
- The value of the charges incurred on the FSAVC fund up to the Calculation Date allowing for accumulation at the benchmark index; less
- The value of the charges that would have been incurred by the investor on the in-house AVC arrangement up to the Calculation Date allowing for accumulation at the benchmark index.

6.26.6 In some cases an investor may still be an active member of the relevant occupational pension scheme but not, for the future, be eligible for employer's subsidised benefits that would have been paid had they joined at the outset. In other cases the level of employer subsidised benefits may have reduced for those who did not join at the time of the FSAVC sale. For these investors, the present value of lost future employer's subsidised benefits less the value of future contributions that the investor would have had to make to obtain this level of benefits should be added to the above together with allowance for any material differences in future charges.

6.26.7 The present value of future employer and investor contributions should be calculated using the future service and salary increase assumptions specified in paragraph 6.18.5, the future service assumption arrived at from their own records or as a result of enquiries with the investor described in paragraph 6.18.7 and the appropriate discount rate specified by the FSA for the Pensions Review.

6.26.8 The calculation of the value of employer subsidised benefits should mirror that required for the Pensions Review (except that the allowance for future salary increases should be as in paragraph 6.18.5).

FSAVCs converted from personal pensions

6.26.9 For FSAVCs converted from personal pensions loss may have arisen from two sources:

- Any loss of employer's matching contributions or subsidised benefits in respect of the period after the FSAVC was taken out, adjusted for any difference in charges that may have applied; and

- Any ‘double charging’ of the investor where the FSAVC was not set up on terms that took due account of the terms on which the personal pension was established.

6.26.10 The loss assessment calculation therefore considers both these sources of loss.

6.27 **Firms should calculate the loss as the value of the lost employer matching contributions or subsidised benefits and difference in charges as described below.**

6.27.1 The table below assumes that the occupational pension scheme provided employer subsidised benefits. Similar principles apply if employer matching contributions were available.

Table 3 – Actual and Prospective loss assessment

The loss is:

- The value of the personal pension fund and FSAVC fund (or, if the personal pension fund was transferred into the FSAVC, just the FSAVC fund) as at the Calculation Date assuming the FSAVC was set up on terms that took due account of the potential conversion; less
- The value of the actual personal pension fund and FSAVC fund (or, if the personal pension fund was transferred into the FSAVC, just the FSAVC fund) as at the Calculation Date; plus
- The value as at the Calculation Date of the additional subsidised occupational pension scheme benefits that would have been provided by the employer in respect of service up to the Calculation Date; less
- The value as at the Calculation Date of contributions that would have had to be contributed by the investor to obtain this level of benefits allowing for accumulation at the benchmark index; plus
- The value of the charges incurred on the FSAVC fund up to the Calculation Date allowing for accumulation at the benchmark index; less
- The value of the charges that would have been incurred by the investor on the in-house AVC arrangement up to the Calculation Date allowing for accumulation at the benchmark index.

6.27.2 Where the ‘loss’ calculated as above is negative, or positive only due to an immaterial difference in charges, then firms may conclude that no loss has been suffered.

Requests for review

6.27.3 **If there are employer matching contributions or other subsidised benefits then the loss assessment should follow that for investors in the Matched AVC schemes or Other Subsidised AVC schemes categories.**

6.27.4 **Where there are no employer matching contributions or other subsidised benefits available if the investor had contributed to the in-house AVC arrangement then the loss assessment should be carried out following the principle in the following table.**

Table 4 – Actual and prospective loss assessment

The loss is:

- The value of the charges incurred on the FSAVC fund up to the Calculation Date allowing for accumulation at the benchmark index; less
- The value of the charges that would have been incurred by the investor on the in-house AVC arrangement up to the Calculation Date allowing for accumulation at the benchmark index.

6.27.5 Where the 'loss' calculated as above is negative, or positive only due to an immaterial difference in charges, then firms may conclude that no loss has been suffered.

6.28 Firms should recalculate the loss arising on any case they may have failed to establish as within the Matched AVC scheme or Other subsidised AVC scheme categories.

6.28.1 On publication of any additional occupational pension schemes and/or employer names in Annex A, firms should ensure that all request for review cases already processed correctly allowed for any employer matching contributions or other subsidised benefits.

6.28.2 If, following the procedures described in paragraphs 3.4.6 to 3.4.10, firms had failed to establish that a particular case was entitled to matched or other subsidised benefits when in fact it was, then the amount of loss will almost certainly be understated. Consequently the investor may not have received adequate redress.

6.28.3 Further loss calculations should be carried out for any such cases as detailed in paragraph 6.27.3 with allowance for any redress payment already made.

Checking the calculations

6.28.4 Where possible all loss assessment calculations should be checked by a second person and any problems resolved before being accepted as correct. The FSA recognises that this is not always practical, particularly in small firms.

6.28.5 Where all cases are not being checked by a second person a sample should be checked. If this reveals errors then appropriate action should be taken depending on the number and type of errors found.

RK6.28 **Records to keep**

- RK6.28.1 Firms are required to keep a full record of the calculation. This includes the information used, any approximations or assumptions made, the Calculation Date and the date on which the calculation was done, the name of the occupational pension scheme involved, the name of the person who did and checked the calculation, the result and details, if applicable, of the calculation software used.
- RK6.28.2 Firms are required to keep the results of any independent sample checking together with the rationale for the sample selected and details of any action taken as a result of the findings of the checking.

Notifying the investor of no loss

6.29 **If the result of the loss assessment is that no loss has been suffered the firm should write to the investor telling them this in terms they are likely to understand.**

6.29.1 In the letter to the investor the firm should:

- State that the FSAVC has been reviewed in accordance with regulatory guidance;
- State that no cause for concern was found and in particular that no loss has been suffered;
- State the information used to arrive at this conclusion, including any assumptions made, salary figures used etc;
- State that the investor has the opportunity to query the firm's decision;
- Explain the complaints procedure the investor should follow if they still remain dissatisfied; and
- Confirm the firm does not propose to review the case further.

6.29.2 Details of the loss assessment calculation, including information used to arrive at the result should be sent to the investor if they ask for this.

6.29.3 The firm should use its best endeavours to answer any questions the investor or their adviser has about how the calculations have been made.

6.29.4 If the investor says that he or she wishes to get outside help the firm may say that it will not accept any responsibility for the costs incurred in getting such advice.

RK6.29 **Records to keep**

RK6.29.1 Firms are required to keep a copy of the letter sent to the investor informing them of the result on the case file.

RK6.29.2 Firms are required to keep copies of any correspondence and telephone conversations dealing with the investor or their representative's queries over the result on the case file.

7 Causation assessment

7.1 Testing whether the loss, if any, was caused by material non-compliance with the appropriate standards that applied at the time of sale is called 'causation assessment'.

7.2 **Firms must assess causation to test whether the non-compliance was the cause of any loss.**

7.2.1 Firms may if they wish concede causation assessment and proceed to loss assessment, or to calculate redress as appropriate.

7.2.2 Firms with PI insurance cover may wish to consult with their PI insurers before conceding causation.

7.2.3 Firms may assess causation before assessing loss but in order to do so, they must have assessed compliance. In this case they are effectively saying, 'If there is a loss, is this loss caused by the non-compliance?'

Note to the guidance: *for example firms might reasonably assume that there is likely to have been a loss in the case of Matching and Other Subsidised schemes where the investor will have lost out on employer contributions and wish to proceed to test whether the presumed loss was caused by material non-compliance.*

7.2.4 Firms are required to assess causation by considering the available information in respect of the question:

If the advice and information given to the investor had complied with the regulator's rules and been given by a firm acting within those rules, would the investor have acted differently and thereby avoided any loss?

The question should be answered on the balance of probabilities, taking all factors into account.

7.2.5 If, following careful consideration, the reviewer determines that the answer to the question in paragraph 7.2.4 is 'yes the investor would have acted

differently', then the investor's loss was caused by non-compliance. In this case the firm must:

- Record the reasons for the decision on their files; and
- Proceed to either loss assessment or, where there was a loss, redress.

7.2.6 If, following careful consideration, the reviewer determines that the client would not have acted differently if the advice had been compliant then no link exists between the non-compliant advice and any loss suffered by the investor. In this case the firm must :

- Record the reasons for the decision on their own files;
- Contact the investor and explain in writing in terms the investor is likely to understand that, although the case was non-compliant, it does not believe that any loss was a result of the non-compliance. The reason for the decision should also be clearly explained. The investor should be offered the opportunity to query the firm's decision and if the investor remains dissatisfied with the outcome, to refer the case to an Ombudsman or other relevant dispute resolution mechanism.

7.2.7 If compliance is conceded then the firm must proceed to loss and/or redress assessment.

RK7.2 Records to keep

RK7.2.1 Where cases have been assessed as having a causal link to the advice given then firms are required to hold on file reasons for the causal link.

RK7.2.2 Where cases are assessed as having no causal link then firms are required to hold on file the reasons for this assessment and copies of all correspondence to and from investors resulting from the notification of the result of the review to the investor.

8 Redress and settlement

Introduction

8.1 **Where investors have suffered loss because of a materially non-compliant sale firms are required to calculate redress.**

8.1.1 Redress has two distinct parts:

- Steps to enable the investor to make an informed decision whether to make contributions to the in-house AVC arrangement in future if appropriate; and
- Redress in respect of lost past benefits and charges, and in respect of any disadvantage to the investor of ceasing to contribute to the FSAVC.

8.1.2 Where benefits are provided on a defined contribution basis in the in-house AVC arrangement then redress in respect of past service benefits will normally be in the form of augmentation to the existing FSAVC policy.

Note to the guidance: *In the Pensions Review reinstatement is always the preferred form of redress where it is available. However unlike the Pensions Review, there is often no qualitative difference between an FSAVC policy and an in-house AVC arrangement because both are usually defined contribution arrangements. Therefore, as augmentation is expected to be quicker, simpler and cheaper to deliver it is an acceptable form of redress. Firms may seek reinstatement if they wish to.*

8.1.3 Where benefits in the in-house AVC arrangement are provided on a defined benefit basis and reinstatement is available this should be offered rather than augmentation.

8.1.4 Where redress in the form of an augmentation is to be offered, the redress calculation is an extension of the loss assessment calculation.

Involvement of other firms

8.2 **Firms should consider whether there are other firms involved.**

- 8.2.1 Where a firm concludes that it may be jointly liable along with one or more other firms for the investor's loss then the firm that gave the first advice should review the whole period (including the period after the other firm(s) became involved) and then seek to obtain redress from the other firm(s).
- 8.2.2 Where a firm believes that the causal link between the advice it gave and any ongoing loss has been broken, perhaps because a second firm gave advice at the same time as a change of employment, then the first firm need only consider the period up to the second advice.

RK8.2 **Records to keep**

RK8.2.1 Where the first firm knows there is a second firm but is only considering the period up until the second advice in calculating redress the reasons for this decision and evidence supporting it must be documented.

Calculating redress

8.3 **Firms are required to calculate redress for actual loss cases as set out below.**

Augmentation for actual loss cases

- 8.3.1 For actual loss cases the loss assessment calculation provides the value of the additional fund as at the date of crystallisation that would have arisen had the investor contributed to their in-house AVC arrangement rather than the FSAVC. To calculate the redress payable firms should assume that this additional fund would have been available to the investor (or their dependants) at the date of crystallisation and determine the additional annuity payments that the investor would have received from this fund.
- 8.3.2 Redress should be provided in the form (normally) of a cash payment and annuity.
- 8.3.3 An annuity should be set up for future payments at the level that would have applied had the additional fund been converted to an annuity at the date of crystallisation.
- 8.3.4 The annuity rate used to convert the additional fund into a pension should be the rate that was or would have been applicable as at the date of crystallisation.

- 8.3.5 The form of the annuity (i.e. attaching spouses pension, increases in payment etc) should normally be assumed to be the same as applied at crystallisation. Where this is clearly no longer appropriate for example because of bereavement or if it is not clear what the form of the annuity should be then the assumption made should be in the offer letter and agreed with the investor.
- 8.3.6 The cash payment will consist of a sum equivalent to the missed past instalments of the annuity, increased to the date of payment in line with bank base rate.
- 8.3.7 Where the total amount of redress is small then the redress amount may be paid as cash to the investor. Firms may reasonably treat sums of less than £500 as small.

Reinstatement for actual loss cases

- 8.3.8 Firms are required to establish the period of employment for which they are seeking to reinstate benefits and the level of benefits to be reinstated.
- 8.3.9 For Other Subsidised AVC scheme cases, where the investor has contributed less to the FSAVC than the minimum that would have had to be paid to the in-house AVC arrangement or occupational pension scheme to obtain the employer subsidised benefits, firms should take account of this 'under contribution' in establishing the benefits to be reinstated. Firms should ensure that the value of the benefits reinstated is equal to the value of the lost employer subsidised benefits less the value of the under-contribution.
- 8.3.10 Where there is an 'under contribution' firms should also tell investors in terms that they are likely to understand when making their offer of redress that allowance has been made in the benefits to be reinstated for the investor's contribution shortfall. The investor should be given the option of making good this shortfall. Any charges incurred on such a payment should be met by the reviewing firm.
- 8.3.11 Where there has been a non-trivial contribution shortfall, and the investor is not willing to make good this shortfall, and the occupational pension scheme will not accept partial reinstatement then it is acceptable for firms to offer redress in the form of augmentation rather than reinstatement. Firms must take reasonable steps to ensure that investors understand the implications of not making good a shortfall in these circumstances.
- 8.3.12 Where the contribution shortfall is trivial then firms are expected to fully reinstate benefits.
- 8.3.13 Firms should approach the administrators of the relevant occupational pension scheme and ask them to provide the cost of reinstating the appropriate benefits.
- 8.3.14 Firms would normally be expected to pay the requested reinstatement cost, except where the cost is wholly disproportionate and the administrators of the

occupational pension scheme appear to have made an obvious error in the calculation. In these circumstances the cost should be queried with the occupational pension scheme.

- 8.3.15 The existing FSAVC fund should be used to meet part of the reinstatement cost except where investors have paid more to the FSAVC than they would have done to the in-house AVC arrangement or occupational pension scheme. In these circumstances, the part of the FSAVC fund that represents the value of the 'overpayment' should not be used to meet part of the reinstatement cost. This excess FSAVC fund should either be paid into the in-house AVC arrangement in addition to any reinstatement or be retained in the FSAVC if this is not possible.

RK8.3 Records to keep

- RK8.3.1 Firms are required to keep a full record of the calculation of the augmentation amount. This includes the information used, any approximations or assumptions made, the name of the person who made and checked the calculation, the result and details, if applicable, of the calculation software used.
- RK8.3.2 Firms are required to keep a full record of the benefits reinstated. This includes the information used to calculate these, any approximations or assumptions made, the name of the person who did and checked the calculation, the result and details, if applicable, of the calculation software used.
- RK8.3.3 Firms are required to keep copies of correspondence with the occupational pension scheme administrators together with file notes of telephone conversations.

8.4 Firms are required to calculate redress for prospective loss cases as set out below.

Augmentation for prospective loss cases

- 8.4.1 For prospective loss cases, redress will normally be in the form of an augmentation to the existing FSAVC fund.
- 8.4.2 The augmentation will normally be the loss amount arising from the loss assessment calculation.
- 8.4.3 Where the investor is not able to transfer the FSAVC fund into the in-house AVC arrangement, the augmentation should be determined by adjusting the loss amount arising from the loss assessment calculation to allow for any future charges that may be applied to the augmentation amount when it is placed in the FSAVC. Alternatively future charges on the FSAVC policy may

be reduced appropriately. The effect of either technique should be to reduce the charges to the same level as those that would be incurred by the investor in the in-house AVC arrangement.

- 8.4.4 If the investor incurs charges on joining the in-house AVC arrangement that would not have been incurred had they not contributed to the FSAVC policy the firm should make good these charges. This includes any penalty that may be applied to the existing FSAVC fund if this is transferred into the in-house AVC arrangement.
- 8.4.5 The adjusted loss amount should be expressed as a percentage of the FSAVC fund as at the Calculation Date. This percentage should be used as the percentage by which the FSAVC fund is augmented.
- 8.4.6 The original loss assessment calculation may be used to determine the augmentation **provided** the FSAVC policy is augmented within six months of the effective date of the loss assessment calculation. If more than six months have elapsed firms are required to carry out a fresh loss calculation.
- 8.4.7 Firms are required to implement the policy augmentation promptly.

Note to the guidance: *This is because:*

- *having established that redress is payable and the investor having accepted an offer, firms should not delay actually making the policy augmentation. The investor needs to be able to tell as soon as possible from, for example, their FSAVC fund value statement that the augmentation has been made; and*
- *the redress should reflect the financial loss suffered by the investor at the date the redress is paid. Therefore, as far as is practicable, redress should reflect changes in financial and other conditions since the effective date of the loss assessment calculation. Any changes are not always reflected in movements in the existing FSAVC fund value over time.*

- 8.4.8 Where the original FSAVC policy no longer exists (perhaps because it has been transferred elsewhere), the firm may set up a new FSAVC policy into which the 'augmentation' amount is paid adjusted for any future charges on the new policy to ensure that the investor is not disadvantaged by this arrangement.

Reinstatement for prospective loss cases

- 8.4.9 Firms are required to establish the period of employment for which they are seeking to reinstate benefits and the level of benefits to be reinstated.
- 8.4.10 Where the investor has contributed less to the FSAVC than the minimum that would have had to be paid to the in-house AVC arrangement or occupational pension scheme to obtain the employer matching contributions or subsidised benefits, account should be taken of this 'under contribution' in establishing the benefits to be reinstated. Firms should ensure that the value of the benefits reinstated is equal to the value of the lost employer subsidised benefits less the value of the under-contribution.

- 8.4.11 Where there is an ‘under contribution’ firms should also tell investors when making their offer of redress that allowance has been made in the benefits to be reinstated for the investor’s contribution shortfall. The investor should be given the option of making good this shortfall. Any charges incurred on such a payment should be met by the reviewing firm.
- 8.4.12 Where there has been a non-trivial contribution shortfall, and the investor is not willing to make good this shortfall, and the occupational pension scheme will not accept partial reinstatement then it is acceptable for firms to offer redress in the form of augmentation rather than reinstatement. Firms must take reasonable steps to ensure that investors understand the implications of not making good a shortfall in these circumstances.
- 8.4.13 Firms should approach the administrators of the occupational pension scheme and ask them to provide the cost of reinstating the appropriate benefits.
- 8.4.14 Firms would normally be expected to pay the requested reinstatement cost, except where the cost is wholly disproportionate and the administrators of the occupational pension scheme appear to have made an obvious error in the calculation. In these circumstances the cost should be queried with the occupational pension scheme.
- 8.4.15 The existing FSAVC fund should be used to meet part of the reinstatement cost except where the investor has paid more to the FSAVC than they would have done to the in-house AVC arrangement or occupational pension scheme. In these circumstances that part of the FSAVC fund that represents the value of the ‘overpayment’ should not be used to meet part of the reinstatement cost. This excess FSAVC fund should be paid into the in-house AVC arrangement in addition to any reinstatement or retained in the FSAVC if this is not possible. If retained in the FSAVC the policy charges should be adjusted to ensure that the investor is not disadvantaged by this arrangement.
- 8.4.16 If the investor is still in the relevant employment, firms should take reasonable steps to ensure that the investor is aware of the potential benefits should he or she arrange to pay contributions to the in-house AVC arrangement in future.

Note to the guidance: See the ‘Note to the guidance’ following paragraph 6.9 for details of how to obtain factsheets.

RK8.4 Records to keep

- RK8.4.1 Firms are required to keep a full record of the augmentation calculation. This includes the information used, any approximations or assumptions used, the Calculation Date and the date on which the calculation was done, the name of the occupational pension scheme involved, the name of the person who did and checked the calculation, the result and details, if applicable, of the calculation software used.

RK8.4.2 Firms are required to keep a full record of the benefits reinstated. This includes the information used to calculate these, any approximations or assumptions made, the name of the person who made and checked the calculation, the result and details, if applicable, of the calculation software used.

RK8.4.3 Firms are required to keep copies of correspondence with the occupational pension scheme administrators and other third parties, together with file notes of telephone conversations.

Checking the calculations

- 8.4.17 Where possible all redress calculations should be checked by a second person and any problems resolved before being accepted as correct. The FSA recognises that this is not always practical, particularly in small firms.
- 8.4.18 Where all cases are not being checked by a second person a sample should be checked. If this reveals errors then appropriate action should be taken depending on the number and type of errors found.

RK8.4 Records to keep

RK8.4.4 Firms are required to keep the results of any independent sample checking together with the rationale for the sample selected and details of any action taken as a result of the findings of the checking.

Offering redress and settlement

- 8.5 **Where redress is due, a firm should contact the investor in writing to explain the situation and the offer being made.**
- 8.5.1 Sufficient information should be provided to enable the investor to make an informed decision. In particular the significant data and assumptions used in calculating the redress should be clearly set out.
- 8.5.2 Firms are required to write to the investor in terms that they are likely to understand. The letter should confirm that the offer meets the regulatory specifications and explain the relevant disputes and complaints procedure.
- 8.5.3 Where an offer is made prior to any potential recalculation according to the requirements of paragraph 6.28, firms are required to make this clear to the investor. Firms with PI insurance cover may wish to consult with their PI insurers before doing so.

- 8.5.4 Firms may if they wish stipulate in any settlement offer that acceptance of the offer will fully discharge any claim the investor has against the firm in respect of the FSAVC sale (other than any recalculation according to the requirements of paragraph 6.28 where relevant). Where this stipulation is included it must be prominently displayed in any offer letter and any form requiring signature to confirm acceptance of the offer.
- 8.5.5 The investor should be offered a minimum of four weeks to consider the offer.
- 8.5.6 Firms should invite the investor to consider whether to seek outside advice before deciding whether to accept the offer. If they do this, firms may indicate that they would not accept any responsibility for the costs incurred in obtaining any such advice.
- 8.5.7 The firm should respond promptly to requests from the investor (or their adviser) for clarification and explanation regarding the offer made and how it has been calculated.
- 8.5.8 If the investor remains dissatisfied following receipt of the redress offer, the firm should handle this in the same manner and within the same timescales as any other complaint.
- 8.5.9 Once the offer has been accepted, the firm should augment the FSAVC policy or otherwise implement redress as quickly as is reasonably possible.
- 8.5.10 The file relating to the investor's FSAVC review should be completed and checked to ensure that it contains a complete record of the work undertaken.

RK8.5 Records to keep

- RK8.5.1 Firms are required to keep copies of the offer letter and any further correspondence with the investor or their adviser.
- RK8.5.2 Firms are required to keep a copy of the investor's response and any subsequent correspondence from the investor or their adviser.

9 Timescales

Population Identification

- 9.1 **Firms are required to take all reasonable steps to establish their review population (as described in paragraphs 3.2 to 3.2.15) promptly and in any case in accordance with the timescales prescribed by their regulator.**
- 9.1.1 The following dates are outer dates. Firms regulated by the FSA, IMRO, PIA and the SFA are expected to take all reasonable steps to complete their population identification as quickly as possible consistent with meeting the standards contained in this guidance. Other regulators may wish to revise the procedure and timescale required for population identification, consistent with the outer time limits for the review.
- 9.1.2 Firms regulated by the FSA, IMRO, PIA and the SFA, which advised on or arranged **less than 100 FSAVCs**, including sales by predecessor firms, during the period 29 April 1988 to 15 August 1999 are required to complete their population identification exercise **as a minimum** before 1 September 2000.
- 9.1.3 Firms regulated by the FSA, IMRO, PIA and the SFA, which advised on or arranged **100 or more but less than 1,000 FSAVCs**, including sales by predecessor firms, during the period 29 April 1988 to 15 August 1999 are required to complete their population identification exercise **as a minimum** before 15 September 2000.
- 9.1.4 Firms regulated by the FSA, IMRO, PIA and the SFA, which advised on or arranged **1,000 or more FSAVCs**, including sales by predecessor firms, during the period 29 April 1988 to 15 August 1999 are required to complete their population identification exercise **as a minimum** before 16 October 2000.
- 9.1.5 In **exceptionally** pressing circumstances firms regulated by the FSA, IMRO, PIA and the SFA will be able to make a written submission to the FSA for an extension to the deadline. As a minimum this submission must include the following details:

- A detailed project plan for completing population identification; together with
 - A concise explanation of the firm’s particular difficulties;
 - Details of the proposed action to mitigate those difficulties;
 - Details of the number of cases involved (or best estimate if accurate figures are not available);
 - Key milestones;
 - Proposed timescale for population identification; and
 - Proposed deployment of resources, including the number and experience of staff involved.
- 9.1.6 Any such submission must be received by the FSA **on or before 14 July 2000** and should be addressed to the FSAVC Review Team, 11th Floor, 25 The North Colonnade, Canary Wharf, London E14 5HS.
- 9.1.7 **Firms regulated by the FSA, IMRO, PIA and the SFA should not assume that applications for extension to the review population deadline will be accepted. They should therefore work to complete the review population identification process within the timescales set out in this guidance.**

Note to the guidance: Should there be any amendment to the occupational pension schemes and employers list in the second quarter of 2001 (as described in paragraph 3.3.1), the FSA may set further target dates. Firms will be required to meet those target dates if issued.

Direct Invitation Mailing

- 9.2 **Firms are required to take all reasonable steps to complete the direct invitation mailing (as described in section 4) promptly.**
- 9.2.1 Firms regulated by the FSA, IMRO, PIA and the SFA must commence the direct invitation mailing to investors as soon as practicable after completion of population identification. Firms may phase their mailings (as described in paragraph 9.2.3) but must not begin to mail any group of investors during December.
- Note to the guidance: The FSA is concerned that investors may not pay appropriate attention to mailings sent during December.*
- 9.2.2 Other regulators may wish to revise requirements for direct invitation mailing timescales, consistent with this guidance.

- 9.2.3 Firms regulated by the FSA, IMRO, PIA and the SFA may tranche the mailing activity where this might reasonably and demonstrably be expected to allow them to deal with the responses more efficiently. Other firms regulated by the FSA, IMRO, PIA and the SFA should not delay their mailing, but should proceed to complete the direct invitation mailing as quickly as possible consistent with meeting the standards contained in this guidance. Firms must not, however, begin to mail direct invitation material during December. Where the initial mailing is sent before December, reminders should still be sent according to the timescales set out in paragraph 4.3.3, even where this means sending a reminder letter during December.
- 9.2.4 Firms regulated by the FSA, IMRO, PIA and the SFA that decide to tranche the direct invitation mailing activity in accordance with paragraph 9.2.3 above, should document the reasons for this decision, along with full details of their intended mailing strategy, within their project plan as specified in section 10.

Priority cases

- 9.3 **Firms are required to review priority cases within the timescales prescribed by their regulator. In the case of firms regulated by the FSA and PIA this is within six months of discovery.**
- 9.3.1 Priority cases are those where:
- The investor has died; and/or
 - The investor has already taken benefits under the FSAVC; and
 - The investor (or his/her representative) has requested a review (through a direct invitation or otherwise).
- 9.3.2 'Discovery' means the point at which the firm becomes aware, or ought reasonably to have become aware, that the investor has died or taken benefits under the FSAVC.
- 9.3.3 The FSA expects firms to respond sympathetically to requests for an expedited review of other cases for compassionate reasons e.g. serious illness or significant financial hardship.

Complaints

- 9.4 **Firms are required to deal with complaints within the timescales prescribed by their regulator.**
- 9.4.1 The SROs and RPBs may wish to revise the timescales required by their rules for dealing with complaints regarding FSAVCs during the period of the review if doing so will provide for a more efficient and effective handling of the review.

Note to the guidance: *The existence of an industry-wide review will not detract from any FSAVC policyholder's right to make a complaint or otherwise request a review of the circumstances of the sale (or any other aspect of their FSAVC). However, the FSA appreciates that the review may be conducted more efficiently by revising the normal timescale to review complaints relating to FSAVC business.*

- 9.4.2 Until relevant direction is received from their regulator, firms should deal with complaints on FSAVCs in the normal manner.
- 9.4.3 Where a revision to the timetable for review of complaints is issued by SROs or RPBs, firms are required to take all reasonable steps to conclude their review of complaints quickly. Firms should not, for example, leave the review of complaints about FSAVCs until the end of any extended period by SROs or RPBs if they have the capacity to review them before this time. Complaints should not in any case be dealt with outside the timescale for the review as a whole.

Requests For Review

- 9.5 **Firms are required to review all cases where the request for review is received by 31 December 2001. This includes those received as a response to a direct invitation.** Firms receiving requests for review after this date should treat them as complaints and deal with them as prescribed by their regulator.

Target completion date

- 9.6 **Firms are required to review priority cases within the timescales prescribed by their regulator. In the case of firms regulated by the FSA, IMRO, PIA and the SFA, firms are required to take all reasonable steps to complete their reviews promptly and in any event should have completed the review of all FSAVCs in the review population by 30 June 2002.**
- 9.6.1 By 30 June 2002 all investors in the review population that are the responsibility of firms regulated by the FSA, IMRO, PIA and the SFA must have been sent either:
- An offer of redress; or
 - A letter explaining that redress is not due where:
 - the case is found to be materially compliant; or
 - despite loss and non-compliance there is no causal link; or
 - there is no loss.
- 9.6.2 The target of 30 June 2002 is an outer date. Inactivity or apparently unjustifiable delay will be subject to enquiry by the regulators.

- 9.6.3 The FSA may set interim target dates. Firms will be required to meet these target dates if issued.

Implementation of redress

- 9.7 **Firms are required to take all reasonable steps to implement redress promptly after an offer has been accepted by the investor.**

Note to the guidance: It is essential that continued progress is made after the offer stage to secure acceptance of offers and implementation of redress. These stages should not be neglected in favour of wholesale focus of resources on achieving offers of redress in order to meet targets.

10 Project management

10.1 **Firms are required to plan the work needed to carry out the review promptly.**

- 10.1.1 All firms are required to produce plans to show the activities and timescales they will be following in preparing for and carrying out the review. Firms are not expected to submit these plans to the FSA but they will need to be made available on request.
- 10.1.2 The plan should reflect firms' individual circumstances. In cases where a firm has only a few reviewable cases the plan may need only be a concise outline of the key tasks, resources to use and expected timescale.
- 10.1.3 An adequate level of effort is required both to prepare for the review and to conduct the review. Factors that need to be considered are:
- The numbers of FSAVC sales in total and assumptions about the number of expected review cases. Firms will have their own views and knowledge of the quality and general consistency of their sales process and should take these factors into account when planning the work;
 - Firms are required to determine the quantity, quality, ease of access to and provision of in-house data. The expected need to refer to paper/microfiche records, contact third parties, the effort involved in retrieval of additional data and the time taken to respond should also be considered when planning for the review;
 - An assessment of the relative priorities of other commitments over the review period, for example the review of personal pensions; and
 - The resources needed to prepare for and carry out the FSAVC review.

RK10.1 **Records to keep**

RK10.1.1 Firms must document their plan and be prepared to submit it to the FSA on request.

RK10.1.2 Cases identified to be reviewed must normally be stored together in one location.

10.2 Firms are required to use appropriately qualified individuals to carry out the review.

10.2.1 Where possible cases should be reviewed by a person of sufficient experience and competence who was not directly involved in the subject matter giving rise to the case assessment.

10.2.2 Staff carrying out the review need to be able to maintain the desired standard required for the review. Where appropriate the number, quality and experience of internal resources, including staff, need to be taken into account.

10.3 Firms are required to make adequate preparations for the review.

10.3.1 Firms with significant numbers of cases to review are required to prepare for the review appropriately. As a minimum, the following considerations need to be taken into account:

- The office space and equipment needed for the duration both for the review team(s) and any ancillary services for example a help line for investors;
- The development and testing of any systems required to analyse, extract and report data;
- The development and testing of any systems to provide communications to investors and the FSA;
- The development and testing of the overall process required to conduct the review and the production of procedure manuals to describe the process. The process should be based closely on the instructions in this guidance;
- The recruitment of additional staff where required;
- The development of training material and delivery of training for all relevant staff;
- The establishment of adequate filing and storage mechanisms;
- The establishment of any auditing functions.

10.3.2 All other firms are required to:

- Allocate sufficient time and resources for the prompt completion of the review to the required standards;
- Prepare for the review by studying the guidance and making sure the firm is familiar with what is expected;
- Take steps to be able to deal with enquiries or requests for review from investors promptly and appropriately;
- Put in place appropriate means for recording any work undertaken; and
- Anticipate any potential problems and/or difficulties.

10.4 **Firms are required to devote sufficient resources to the review.**

10.5 **Firms are required to keep clear and comprehensive records of their review work.**

10.6 **Firms are required to deal with investor enquiries appropriately.**

10.6.1 Firms are required to provide investors with a point of contact for when they are unsure of what to do with the material sent to them, or any other matter to do with the review. The contact details should be included on all correspondence with the investor.

10.6.2 The person/s who are the point of contact for the investors should have appropriate knowledge of the FSAVC review and the responses they should give to the more common investors' questions. In particular, if investors say they are not sure whether to request a review they should be encouraged to read the materials (again if necessary) and then told, if they are still unsure, to request a review.

10.6.3 Other staff who are likely to come into contact with investors regarding the FSAVC review should receive appropriate briefing or training.

RK10.6 Records to keep

RK10.6.1 Where appropriate, firms are required to retain copies of all training materials and scripts, prompt cards or help screens used by helpline staff. Where telephone calls are recorded these records should be retained.

RK10.6.2 Where used, firms are required to keep a copy of any training materials or other procedures used to brief staff.

RK10.6.3 Firms are required to keep appropriate details of the individual/s carrying out and/or managing the review for example a concise CV for each individual. Firms may be required to submit these details to the FSA on request.

List of occupational pension schemes and associated employer names for population identification

The following lists of occupational pension schemes and associated employer names are to be used in conjunction with section 3 of the Guidance. Two lists have been provided here: all occupational pension scheme names and all employer names.

Any scheme names or employers' names prefixed by the word 'The' are listed with the scheme or company name first, followed by, 'The'. For example 'The Roche Pension Fund' is listed as 'Roche Pension Fund, The'. Otherwise, the lists are in alphabetical order.

This data is also available electronically on the FSA website at <http://www.fsa.gov.uk/fsavc-review>. The website includes a:

- List of occupational pension schemes; and a
- List of employers.

Facilities have been provided on the website to view all employers associated with a particular scheme. It also provides a facility to search through the employer list.

The FSA is grateful to all those who have contributed to the compilation of this list including: occupational scheme trustees/administrators and their advisers; the Association of British Insurers and the Occupational Pensions Regulatory Authority.

All Scheme Names		
<p>Matched</p> <p>A E P Industries UK Pension Scheme</p> <p>American Express UK Pension Plan, The</p> <p>Arthur Andersen Retirement Plan</p> <p>AT & T Istel Pension Plan, The</p> <p>Bankers Trust UK Pension Plan, The</p> <p>Barclays Bank Retirement Investment Scheme, The</p> <p>BBC Pension Scheme (Old Benefits)</p> <p>British Airways Pensions (Money Purchase)</p> <p>Chase UK Pension Plan, The</p> <p>Citibank Retirement Savings Plan, The</p> <p>EMAP Flexiplan</p> <p>Ernst & Young Retirement Benefits Plan</p> <p>Field Fisher Waterhouse Pension Plan</p> <p>Frigoscandia Ltd No. 1 Scheme</p> <p>Glaxo Wellcome Pension Plan, The</p> <p>Guardian Royal Exchange Pension Fund</p> <p>Halifax Building Society Retirement Fund</p> <p>Halifax Retirement Fund</p> <p>HSBC Defined Contribution Retirement Benefit Scheme, The</p> <p>Imperial Home Décor Pension Scheme/Borden (UK) Pension Plan</p> <p>Leeds Permanent Building Society Staff Pension Scheme</p> <p>Lloyds TSB Group Pension Scheme No1 & 2 Pension Investment Plan</p> <p>M Y Holdings Group Pension Scheme</p> <p>Metal Box Pension Scheme</p> <p>Money Match (Borden UK Companies)</p> <p>OTIS Pension Savings Plan (Money Purchase), The</p> <p>Pearson Group Pension Plan (Money Purchase), The</p>	<p>Perkins Defined Contribution Pension Plan</p> <p>Post Office Pension Scheme</p> <p>Quaker Oats Ltd Money Purchase Scheme, The</p> <p>Railways Pension Scheme</p> <p>Salvation Army Employees Pension Fund, The</p> <p>Sanderson CFL Ltd Pension Scheme</p> <p>Smithkline Beecham Pension Plan (DC Section), The</p> <p>Sun Electric UK Ltd Employee's Pension Plan, The</p> <p>Tandem Pension Scheme, The</p> <p>Tesco Plc Money Purchase Scheme</p> <p>Tibbett & Britten Pension Scheme, The</p> <p>Wellcome Group Pension Fund, The</p> <p>WH Smith Pension Builder</p> <p>Zeneca LifePlanner</p>	<p>Subsidised</p> <p>Abbey National Group Pension Scheme, The</p> <p>AMEC Staff Pension Scheme</p> <p>AT & T Istel Pension Plan, The</p> <p>BBC Pension Scheme (Old Benefits)</p> <p>Blue Circle Retirement Plan</p> <p>BOC Group Pension Scheme, The</p> <p>British Aerospace Pension Scheme, The</p> <p>British Airways Pensions (Final Salary)</p> <p>British Petroleum Pension Scheme</p> <p>Cheltenham & Gloucester Pension Fund, The</p> <p>Diageo/Grand Metropolitan Pension Scheme</p> <p>Digital Pension Plan, The</p> <p>Glaxo Wellcome Pension Plan, The</p> <p>Halifax Retirement Fund</p> <p>House of Fraser Pension Plan, The</p> <p>Leeds Permanent Building Society Staff Pension Scheme</p> <p>Nationwide Pension Fund</p> <p>Nestle UK Pension Fund, The</p> <p>Northern Foods Pension Scheme, The</p> <p>Roche Products Pension Fund, The</p> <p>Rover Group Pension Scheme</p> <p>Securicor Group Pension Scheme</p> <p>Shipbuilding Industries Pension Scheme (SIPS)</p> <p>Siemens Benefits Scheme</p> <p>Thomson Directories Pension Fund</p> <p>Thomsons Publications Group 1977 Pension Trust Ltd</p> <p>United Biscuits Pension Plan</p> <p>United Friendly Group Pension Scheme</p> <p>Vauxhall Pension Plan</p>

All Employer Names		
1066 Newspapers Ltd	AEOCC Management Co Ltd	AMEC Power Ltd
A & B (Motors) Ltd	AEP Borden Packaging UK Ltd	AMEC Process & Energy International Ltd
A & B (Newton-Le-Willows) Ltd	AEP Industries UK Ltd Resinite Group	AMEC Process & Energy Ltd
A & B (Wallgate) Ltd	AEP Rigid Packaging Ltd	AMEC Projects Ltd
A & B (Warrington) Ltd	Aerostructures Hamble Ltd	AMEC Properties Ltd
A & B (Wigan) Ltd	Aerostructures Hamble Ltd	AMEC Rail
A & B Cars (Distributors) Ltd	AFP-Extel News Ltd	AMEC Services Ltd
A & B Finance Ltd	AFX News Ltd	AMEC Utilities Ltd
A & B Motors (Newton-Le-Willows) Ltd	Aggregate Industries UK Ltd	American Express Bank Ltd
A & P Appledore (Aberdeen) Ltd	Ailsa Shipbuilders Ltd	American Express Europe Ltd
A & P Appledore (Falmouth) Ltd	Ailsa Shipbuilding Co Ltd	American Express Insurance Services Ltd
A A Laing (Dundee) Ltd	Airport Co-ordination Ltd	American Express Services Europe Ltd
A B Wilkinson & Sons Ltd	Alcon Laboratories (UK) Ltd	Amey Rail
A Comport & Son Ltd	Alex Lawrie Factors Ltd	Amey Railways
A H Gore Ltd	Alexander Cairns & Son Ltd	AMS Neve Plc
A T & T Istel	Alexander Duckham & Co Ltd	Anchor Motor Co Ltd, The
Abbey National Benefit Consultants Ltd	Alfred Stewart Ltd	Andersen Consulting A
Abbey National Financial & Investment Services Plc	Allen & Hanburys Ltd	Andersen Consulting B
Abbey National Independent Financial Advisers Ltd	Allied Signal Ltd	Andersen Consulting Services
Abbey National Life Plc	ALSTOM Wessex Traincare	Angel Train Contracts
Aberdeen Ship Repair Ltd	Alveston Kitchens Ltd	Anglia Building Society
Aberthaw & Bristol Channel Portland Cement Co Ltd	AMARC (TES) Ltd	Anglia Hastings & Thanet Building Society
Aberthaw Cement Plc	AMARC Enterprises Ltd	Anglia Oil & Gas Services Ltd
Access 24 Ltd	AMEC (Workshop) Ltd	Anglia Railways
Adam Fleck Ltd	AMEC Building Ltd	Anglo Iranian Oil Co (Aden) Ltd
Adams Ltd	AMEC Civil Engineering Ltd	Anglo Iranian Oil Co (India) Ltd
Admiral Underwriting Agencies Ltd	AMEC Construction Ltd	Anglo Iranian Oil Co (Pakistan) Ltd
Adtranz	AMEC Construction Scotland Ltd	Appledore Ferguson Shipbuilders (Devon) Ltd
Adtranz (Chiltern Railway)	AMEC Construction Services Ltd	Appledore Shipbuilders
Adtranz (LTS)	AMEC Design & Construction Ltd	Aran Pneumatics Ltd
Adtranz Signal	AMEC Design & Management Ltd	Arden Computer Services Ltd
Advertisement Publications Ltd	AMEC Developments Ltd	Arjobex Ltd
AEA Technology Rail	AMEC Engineering Ltd	Arlington Securities Plc
AEA Technology Rail (TCI)	AMEC International Construction Ltd	Armitage Excelsior Ltd
	AMEC Mining Ltd	
	AMEC Offshore Developments Ltd	
	AMEC Offshore Ltd	

All Employer Names		
Armitage Monobond Ltd	Aviation Defence Ltd	Bayerische Veransbank Aktien Gesellschaft
Armitage Plastics Ltd	Avon Pneumatics Ltd	BBC Enterprises Ltd
Armitage Services (Staffordshire) Ltd	Axial Ltd	BBC Frontline Ltd
Armitage Services Ltd	Aylesbury Web Ltd	BBC Resources Ltd
Armitage Shanks Ltd	B B S (Bakery Services) Ltd	BBC Worldwide Ltd
Armitage Shanks Manufacturing Ltd	B Billingham Ltd	Bean Products Ltd
Armitage Transport Ltd	BA (European Operations at Gatwick) Ltd	Beans Engineering Ltd
Armitage Venesta Washroom Systems Ltd	BA Avionics Engineering Ltd	Becker Lifts Ltd
Armitage Ware Ltd	BA Engine Overhaul Ltd	Beckwith & Webster Ltd
Army & Navy Stores	BA Interiors Engineering Ltd	Beddington Commercial Motors Ltd
Arnotts	BA Maintenance Cardiff Ltd	Bedford County Press Ltd
Arthur Andersen	BA Pension Investment Management Ltd	Bedford Web Ltd
Arthur Andersen & Co Information Consultants	BA Pension Services Ltd	Bedfordshire Buckinghamshire & Herts Newspapers Ltd
Arthur Andersen & Co Management Consultants	BA Regional Ltd	Bedwas Bodyworks Ltd
Arthur Andersen & Co Professional Services	BAC Global Ltd	Beecham Group Plc
Arthur Andersen Services	Baden Market Monitor Reports	Bell Lawrie White & Co Ltd
Arthur Young	Badgemore Ltd	Bell Lawrie White (Aberdeen) Ltd
Arthur Young (IES) Ltd	Bakelite Xylonite Ltd	Bell Lawrie White Financial Services Ltd
Arthur Young Financial Management Ltd	Baldwins Garage (Warrington) Ltd	Benchmark Factors Ltd
ARW Transformers Ltd	Balfour Beatty	Benchmark Group Plc
Ashton Foods Ltd	Ballast Nedam Civil Engineering Ltd	Berni Inns Ltd
Assessment Services Ltd	Ballast Nedam Construction Ltd	Beverley Acceptances Ltd
Associated Book Publishers (UK) Ltd	Bankers Trust International Plc	Beverley Bentinck Ltd
Associated Portland Cement Manufacturers Ltd	Barclays Asset Management Ltd	BFH Incineration Ltd
Astrazeneca UK Ltd	Barclays Call Centre Services Ltd	Big Wheel Ltd
ATCO Ltd	Barclays Capital Services Ltd	BIH Ltd
ATCO Qualcast Ltd	Barclays Commercial Services Ltd	Binghams (Cooked Meats) Ltd
ATOC	Barclays Curle & Co Ltd	Binns Ltd
Austin & Pickersgill Ltd	Barclays Private Banking Services Ltd	Biocatalysts Ltd
Austin Rover Group Ltd	Barnaby's Restaurant Ltd	Biokits Ltd
Autex Financial Systems Ltd	Baron Meats Ltd	Birkdale Finance Ltd
Auto Parts Express (Freight) Ltd	Barrie Evans Vending Ltd	Birmal Castings Ltd
AV Seawork Ltd	Basingstoke Private Hospital Ltd	Birmal Components Ltd
	Bateman Catering Organization Ltd, The	Birmetals Ltd
	Bath Private Hospital Ltd	Birmid Industrial Products Ltd

All Employer Names		
Birmid Industries Ltd	Borden (UK) Ltd	BP Oil Llandarcy Refinery Ltd
Birmid Qualcast (Engineering & Electronics) Ltd	Borden Chemical UK Ltd	BP Oil Ltd
Birmid Qualcast (Foundries) Ltd	Borden Chemicals Ltd	BP Oil Northern Ireland Refinery Ltd
Birmid Qualcast (Wrought & Engineering Products) Ltd	Borden Decorative Products Ltd	BP Oil UK Ltd
Birmid Qualcast Ltd	Borden Decorative Products Ltd	BP Pension Scheme
Birmid Qualcast Plc	Borden Global Packaging UK Ltd	BP Petroleum Development (Dorset) Ltd
Birmid Qualcast Properties Co Ltd	Borden International (Europe) Ltd	BP Petroleum Development Ltd
Birmidal Developments Ltd	Boston Trust & Savings Ltd	BP Plastics Ltd
Birmidal Foundry Ltd	Boulestin (Covent Garden) Ltd	BP Proteins Ltd
Birmingham Aluminium Casting Co Ltd	Bowyers (Wiltshire) Ltd	BP Refinery (Arden) Ltd
Bishopsgate Systems Ltd	BP (Aden) Ltd	BP Research Ltd
Black Horse Financial Services Ltd	BP (Aegean) Ltd	BP Shipping Ltd
Black Horse Life Assurance Co Ltd	BP (Australia) Ltd	BP Solar International Ltd
Blackwall Engineering Ltd	BP (India) Ltd	BP Solar Ltd
Bladerunner Corporate Fitness Ltd	BP (Iraq) Ltd	BP Solar Systems Ltd
Blue Circle Aggregates Ltd	BP (Pakistan) Ltd	BP Tanker Co Ltd
Blue Circle Domestic Appliances Ltd	BP Advanced Composites Ltd	BP Trading Ltd
Blue Circle Heating Ltd	BP Advanced Materials Ltd	BP Trustees Ltd
Blue Circle Home Products Ltd	BP Africa Ltd	BPE
Blue Circle Incineration Ltd	BP Chemicals (Additives) Ltd	BPE Engineering Ltd
Blue Circle Industries	BP Chemicals (Ireland) Ltd	BR Business Systems Ltd
Blue Circle Pensions Management Ltd	BP Chemicals (UK) Ltd	BR Projects
Blue Circle Plumbing Fixtures Ltd	BP Chemicals International Ltd	BR Research
Blue Circle Properties Ltd	BP Chemicals Ltd	BR Telecommunications Ltd
Blue Circle Waste Management Ltd	BP Chemicals Services Ltd	Brainsby Properties Ltd
BO Industries Ltd	BP Clyde Tanker Co Ltd	Brewliners Ltd
BOC Cryoplants Ltd	BP Detergents Ltd	Brigham & Cowan (Hull) Ltd
BOC Distribution Services Ltd	BP Energy Ltd	Brightlife Ltd
BOC Group Plc, The	BP Exploration Co (Middle East)	Bristol Composite Materials Engineering Ltd
BOC Health Care	BP Exploration Co Ltd	Bristol Garden Machinery Ltd
BOC Health Care Group Ltd, The	BP Exploration Operating Co Ltd	Britannic Estates Ltd
BOC International Ltd	BP Hydrocarbons Ltd	British Aerospace & Communications Ltd
BOC International Plc	BP Japan Oil Development Co Ltd	British Aerospace (Dynamics) Ltd
BOC Ltd	BP Marketing Ltd	British Aerospace (International) Ltd
BOC Transshield Ltd	BP Nutrition (UK) Ltd	British Aerospace (Operations) Ltd
	BP Oil Grangemouth Refinery Ltd	
	BP Oil Kent Refinery Ltd	

All Employer Names		
British Aerospace (Space Systems) Ltd	British Shipbuilders North East Training & Safety Co Ltd	C Shippam Ltd
British Aerospace (Systems & Equipment) Ltd	British Shipbuilders Pension Trustee Ltd	C Shippam Ltd
British Aerospace Consultancy Services Ltd	British Shipbuilders Training Ltd	C V Buchan Ltd
British Aerospace Flight Training (UK) Ltd	British Steel	Cadena Cafes Ltd
British Aerospace Flying College Ltd	British Vinegars Ltd	Caledon Shipbuilding & Engineering Co Ltd, The
British Aerospace Plc	Britoil Ltd	Caledonia Fabrications Ltd
British Aerospace Plc	Britoil Plc	Caledonian Airways Services Ltd
British Aerospace Plc	Britparts Ltd	Callanders (Car Rental) Ltd
British Aerospace Simulation Ltd	Broadcast Monitoring Company, The	Callanders (Jordanhill Motors) Ltd
British Aircraft Corp Ltd	Brooke Marine (Holdings) Ltd	Callanders Engineering (Aberdeen) Ltd
British Airways Board	Brooke Marine Ltd	Callanders Engineering Co Ltd
British Airways Travel Shops Ltd	Brooklands Press Ltd	Callanders Garages (Autosport) Ltd
British Airways Visitors Services Ltd	Brothers Bakers Sundries Ltd	Callanders Garages Ltd
British Bank of the Middle East, The	Bruhl (UK) Ltd	Callard & Bowser Ltd
British Breon Ltd	BT	Calmic International Ltd
British Caledonian Flight Training Ltd	Bucks & Herts Newspapers Ltd	Calmic Ltd
British Credit Trust Ltd	Budget Lift Service Ltd	Calmic Service UK Ltd
British Geon Ltd	Building & Property	Camas UK
British Hydrocarbon Chemicals Ltd	BUPA Occupational Health Care	Cambell Symonds (Wiltshire) Ltd
British Motor Heritage Ltd	Burger King (UK) Ltd	Camco Ltd
British National Oil Corp	Burger King Ltd	Cameron & Campbell Ltd
British Petroleum Co Ltd, The	Burlington Magazines Publications Ltd, The	Camille Simon Ltd
British Petroleum Co Plc, The	Burton Parsons Ltd	Cammair Engineering Services Ltd
British Pipeline Agency Ltd	Bury St Edmunds & Sudbury Broadcasting Co Ltd, The	Cammell Laird & Co (Shipbuilders & Engineers) Ltd
British Rail	Bury St Edmunds Printing & Publishing Co Ltd, The	Cammell Laird (Training) Ltd
British Rail International	Butco Building Services Ltd	Cammell Laird Shipbuilders Ltd
British Resin Products Ltd	Butco Flamerite Ltd	Campbell Symonds & Co Ltd
British Shipbuilders (Training Education & Safety) Ltd	Butec Electrics Ltd	Campbell Symonds (Wiltshire) Ltd
British Shipbuilders Education Training & Safety Co Ltd	BXL Plastics Ltd	Camro Drilling Group Ltd
British Shipbuilders Engineering Technical Services Ltd	C & B Smith Foundries Ltd	Cantrell & Cochrane (GB) Ltd
British Shipbuilders Hydrodynamics Ltd	C H Goldrei Fouchard & Sons Ltd	Cap Gemini
British Shipbuilders Marine Design Services Ltd	C I Thomas & Sons	CAP Motor Research Ltd
	C I Thomas & Sons (Haverfordwest) Ltd	Capital Marketing Assurance Corp
		Cardiff Broadcasting Co Ltd
		Cardiff Railway Co Ltd

All Employer Names		
Cardigan & Tivyside Advertiser Ltd, The	Catalis Rail Training Ltd	Chemical Investment Group (London) Ltd
Carlisle & North Western Counties Trustee Savings	Cathedral Garage Ltd, The	Chemical Securities Ltd
Carnation Foods Co Ltd	CBX Ltd	Chessington World of Adventure
Carnation Ltd	CEDAC	Chiesmans Ltd
CarnaudMetalBox Aerosols Plc	CEDAC London	Chiltern Railway Co Ltd, The
CarnaudMetalBox Aerosols UK Plc	Cement Marketing Co Ltd, The	China Agents Ltd
CarnaudMetalBox Bevcan Plc	Centrac	Choice Publications Ltd
CarnaudMetalBox Bottles & Closures Plc	Central Counties Newspapers Ltd	Churchill Communications Europe Ltd
CarnaudMetalBox Carton Systems Plc	Central Track Renewals	Citi Options Ltd
CarnaudMetalBox Closures Plc	Central Trains	Citibank N A Sucursal En Espana
CarnaudMetalBox Engineering Group Plc	Central Trustee Savings Bank Ltd	Citibank Trust Ltd
CarnaudMetalBox Engineering Plc	Cereal Partners UK	Citicorp International Ltd
CarnaudMetalBox Foodcan Plc	Chambourcy Food Co Ltd	Citicorp Investment Bank Ltd
CarnaudMetalBox Group UK Ltd	Chancery Factors Ltd	Citicorp Scrimgeour Vickers Ltd
CarnaudMetalBox Overseas Ltd	Channel Tunnel Rail Link	Citicorp Venture Capital Ltd
CarnaudMetalBox Packaging Ltd	Charles Clarke	Citipensions & Trustees Ltd
CarnaudMetalBox Packaging Overseas Ltd	Charles Clarke (Haywards Heath) Ltd	Citizen Group of Newspapers Ltd, The
CarnaudMetalBox Packaging Resources Ltd	Charles Clarke (Office Equipment) Ltd	City Symphony Orchestra Ltd
CarnaudMetalBox Packaging Services Ltd	Charles Clarke (Web Offset) Ltd	Clark & Evans Ltd
CarnaudMetalBox Packaging Technology Plc	Charles Clarke Supplies Ltd	Clark Hawthorn Ltd
CarnaudMetalBox Performance Plastics Plc	Charles H Pugh Ltd	Clark Kincaid Ltd
CarnaudMetalBox Plc	Charles Moore & Co Ltd	Cleaves Holding Co Ltd
CarnaudMetalBox Sonoco Composites Ltd	Chartridge Centre Ltd	Cleaves Shipbroking Ltd
CarnaudMetalBox Speciality Packaging UK Plc	Chase Manhattan Bank, The	Clelands Shipbuilders Ltd
CarnaudMetalBox Technology Plc	Chase Manhattan International Ltd	Clelands Shipbuilding Co Ltd
Carpan Inns Ltd	Chef & Brewer Group Ltd, The	Clifton Inns Ltd
Carrs & Carlisle Ltd	Chelmwood Brick Ltd	Clover Dairies (Gloucester) Ltd
Carte Blanche International Ltd	Cheltenham & Gloucester Building Society	Clover Dairies (Staffs) Ltd
Cartermill International Ltd	Chemco Equipment Finance Ltd	Clover Dairies Ltd
Cashco	Chemical Bank	Clyde Engineering & Equipment Co Ltd
	Chemical Bank Home Loans Administration Services	Clydesdale Bank Ltd
	Chemical Bank Home Loans Ltd	Coca Cola Southern Bottlers Ltd
	Chemical Bank Insurance Services Ltd	Codeslot Ltd
	Chemical Bank International Investment Holdings Ltd	Colborn Dawes Nutrition Ltd
		Colborn Group
		Colborn Ltd

All Employer Names		
College of Railway Technology	Crawley Dental Supplies Ltd	Denco Ltd
Coloured Glass Products Ltd	Crazy Prices Ltd	Denplan Ltd
Comatec UK Ltd	Crescens Robinson & Co Ltd	Derwent Publications Ltd
Combination Lift Services (Merseyside) Ltd	Croft Inns Ltd	Design Research Associates Ltd
Combined Cold Storage Ltd	CrossCountry Trains	Diageo Plc
Commair Engineering Services Ltd	Crosse & Blackwell (Holdings) Ltd	Dial Contracts Ltd
Commercial Catering Equipment Co Ltd	Crown Cork Co Ltd, The	Dick Bearings Ltd
Commercial Exhibitions Ltd	Crown Simplimatic	Dickin & Jones Ltd
Community Industry Ltd	Crown Wallcoverings Ltd	Digital Electronics Ltd
Compact Orbital Gears Ltd	Culverwedge Ltd	Digital Equipment Co Ltd
Compaq Computers Ltd	Curzon Components Ltd	Digital Equipment Service Industries Solution Co Ltd
Compaq Computers Ltd	Cuthberts of Dundee Ltd	Digital Equipment SSME Ltd
Compu-Mark (UK) Ltd	D H Evans	Dingles
Computer Factors (Sales) Ltd	D I S S Express Co Ltd	Direct Nitrogen Ltd
Computer Factors Ltd	D S Crawford Ltd	Distance Ltd
Computer Guides Ltd	Daicel Polymers Ltd	Distinctive Exhibitions Ltd
Concord Leasing (UK) Ltd	Dairy Produce Packers Ltd	Ditton
Coneygre Foundry Ltd	Dale Farm Eggs Ltd	Diversified Products Ltd
Connex South Central Ltd	Dale Farm Foods Ltd	Dominic Group Ltd, The
Connex South Eastern	Dale Farm Ltd	Dominion Motor Spirit Co Ltd, The
Cooper Animal Health Ltd	Dance Fire Ltd	Dorset Food Products Ltd
Cooper McDougall & Robertson	Darlings Publishing Co Ltd	Doxford Engines Ltd
Cooper Nutrition Products	Dartcast Foundries Ltd	Drabble & Allen (Knutsford) Ltd
Co-operative Permanent Building Society	Dartford Securities Ltd	Drabble & Allen Ltd
Corporate Jets Ltd	Dartmouth Auto Castings Ltd	Drake & Skull
Cossaig Ltd	Dartmouth Components Ltd	Driffield Times Co Ltd, The
Countrywide Financial Services Ltd	Datexeugstom Ltd	Droitwich Private Hospital Ltd
Countrywide Mortgage Management Ltd	David Douglas Consultants Ltd	Drybrough & Co Ltd
Courage Brewing Ltd	David Evans	Duckhams Oils Ireland Ltd
Courier Press (Holdings) Ltd	Davies Bros (DeeBee) Ltd	Dukeplume Ltd
Courier Press (Leamington) Ltd	Dawes Cycles Ltd	E R Holloway Ltd
Courier Press Ltd	DB Group Services (UK) Ltd	E S Beaven (Maltings) Ltd
Courier Publishing Ltd	DCU Birmingham	Eagle Exhibition Consultants Ltd
Crawfords Computing Ltd	De Havilland Aircraft Co Ltd	East Midland Allied Press Ltd
	Dean & Dyball	East Midland Allied Press Plc
	Delta Biotechnology Ltd	East Midland Engravers Ltd
	Deltadean Ltd	

All Employer Names		
East Midland Litho Printers Ltd	EMAP Enterprise Events Ltd	Empire Catering Co Ltd
East Midland Press Properties Ltd	EMAP Events Ltd	Endeaur Personal Finance Ltd
East Midland Printing Co Ltd	EMAP Exhibition Services Ltd	Energy & Marine Industries Plc
East Yorkshire Newspapers Ltd	EMAP Exhibitions Group Ltd	Energy & Waste Systems Ltd
East Yorkshire Printers Ltd	EMAP Exhibitions Ltd	Ener-Tech Electronics Ltd
Eastbourne Motors Ltd	EMAP Fashion Ltd	Engineering Link, The
Eastbourne Mutual Building Society	EMAP Finance & Freight Ltd	Engineering Sciences Data Unit Ltd
Eastcheap Underwriting Agency Ltd	EMAP Frontline Ltd	Enterprise Events Ltd
Eastwood Heating Developments Ltd	EMAP Heighway Ltd	Erinoid Ltd
Economic Features Ltd	EMAP Images Ltd	Ernst & Young (IES) Ltd
EDIS	EMAP in Vision Ltd	Ernst & Young Case Services (UK) Ltd
Edmonds Eccles Cakes Ltd	EMAP International Exhibitions Ltd	Ernst & Young Case Technology (UK) Ltd
Educational Computing Ltd	EMAP Ltd	Ernst & Young Financial Management
Edward R Barnett & Co Ltd	EMAP Maclaren Communications Group Ltd	Ernst & Young Services Ltd
Edwards High Vacuum	EMAP Maclaren Exhibitions Ltd	ERS Lifts & Escalators Ltd
Edwin Turner Ltd	EMAP Maclaren Ltd	Eschmanns Bros & Walsh Ltd
Electronic Data Systems Ltd	EMAP Media Ltd	Escombe Group Ltd
Elisabeth the Chef Ltd	EMAP Metro Ltd	Escombe Lambert Ltd
Elizabethan Marine & General Insurance Co Ltd, The	EMAP National Publications Ltd	ESDU International Ltd
Elmdon Cargo Handling Ltd	EMAP New Woman Ltd	Eurodollar International Ltd
Elmsleigh Autos of Enfield Ltd	EMAP Newspapers Direct Marketing Ltd	European Law Centre Ltd
EMAP Anglia Newspapers Ltd	EMAP Newspapers Ltd	European Passenger Services, The
EMAP APEX Publications Ltd	EMAP Plc	European Rail Catering Ltd
EMAP Architecture & Computing Publications Ltd	EMAP Promotions Ltd	Eurostar
EMAP Architecture Ltd	EMAP Properties Ltd	Evans Lifts Ltd
EMAP Automotive Ltd	EMAP Provincial Newspapers Ltd	Evans Medical Ltd
EMAP Business & Computer Publications Ltd	EMAP Pursuit Publishing Ltd	Evening Tribune (Nuneaton) Ltd
EMAP Business Communications Ltd	EMAP Radio Ltd	Eversholt
EMAP Business Information Ltd	EMAP Readerlink Ltd	EWS
EMAP Business International Ltd	EMAP Regional Newspapers Ltd	EWS International
EMAP Business Publishing Ltd	EMAP Response Publishing Ltd	Excel Exhibitions Ltd
EMAP Computing Ltd	EMAP Training Ltd	Executive Cleaning
EMAP Construct Ltd	EMAP Trenton International Events Ltd	Executive Group Ltd
EMAP Consumer Magazines Ltd	EMAP Unique Newspapers Ltd	Exel Produce Ltd
EMAP ELAN Ltd	EMAP Womens Group Ltd	Express Dairy (NI) Ltd
		Express Dairy (Western) Ltd

All Employer Names		
Express Dairy Ltd	Ferranti Measurements Ltd	Frigoscandia Food Process Systems Ltd
Express Foods Group (International) Ltd	Ferranti Plc	Frigoscandia Food Services Ltd
Express Foods Northern Ireland Ltd	Field Fisher Martineau	Frigoscandia Leasing Ltd
Extel Financial Ltd	Field Fisher Waterhouse Ltd	Frigoscandia Processing Services Ltd
Extel Group Plc	Filtech Engineering Ltd	Frigoscandia Storage Services Ltd
F H Taylor & Co Ltd	Finance & Investment Events Ltd	Frigoscandia Transport Ltd
F I E Management Services Ltd	Financial & Investment Exhibitions Ltd	Friskies Petcare (UK) Ltd
F J Parsons (Sussex) Ltd	Financial Times Ltd, The	Frontline (EMAP Haymarket) Ltd
F W Farnsworth (P D) Ltd	Financial Times Television Ltd, The	Frontline Ltd
F W Farnsworth Ltd	Findus (UK) Ltd	Frontline Publishing Services Ltd
FA Hughes & Co Ltd	First Engineering	FT Business Information Ltd
Facilities Technology Ltd	First Exploration Co Ltd, The	FT Information on Line Ltd
Fairclough Building Ltd	First National Bank Plc	FT Prices Ltd
Fairclough Civil Engineering Ltd	First National City Bank of New York, The	Future Publishing Ltd
Fairclough Engineering Ltd	Fisher Price Toys Ltd	G E Wake
Fairclough Homes Ltd	Fisons Consumer Health	G E Wake (Wholesale) Ltd
Fairclough International Construction Ltd	Fleur De Lys Pies Ltd	G F (Trade Fairs) Ltd
Fairclough Parkinson Mining Ltd	Flexigage Ltd	G Folwell
Fairclough Scotland Ltd	Follows & Bate Ltd	G H Turner & Co Ltd
Fairey Holdings Ltd	Formflo Ltd	Galderama (UK) Ltd
Falcon Catering Enterprises Ltd	Forth Chemicals Ltd	Gale Research International Ltd
Falmouth Docks & Engineering Co Ltd	Forum Hotel (London) Ltd	Gate Gourmet London Ltd
Falmouth Docks Oil Exploration Base Ltd	Forward Trust Group Ltd	Gatwick Express
Falmouth Ship Repair Ltd	Forward Trust Rail Ltd	GEE & Co (Publishers) Ltd
Falmouth Towage Co Ltd, The	Foxs Biscuits Ltd	General Descaling Ltd
Farley Health Products Ltd	Franey & Co Ltd	General Motors Acceptance Corp UK Ltd
Fashion Logistics Ltd	Frank Cotterell Ltd	General Post Office
Fastline	Franklin Hodge Industries Ltd	Genetech (UK) Ltd
FBA	Free of Tie Management Ltd	George Clark & New Ltd
Federal General Insurance Co Ltd	Freezing & Cold Store Services Ltd	George Howson & Sons Ltd
Federation General Insurance Co Ltd	Freightliner	Gibbs Hartley Cooper Ltd
Ferguson Brothers (Port Glasgow) Ltd	Frigofresh Ltd	Glaxo Export Ltd
Ferguson Shipbuilders Ltd	Frigoscandia (Grimsby) Ltd	Glaxo Group Research Ltd
Ferguson-Ailsa Ltd	Frigoscandia (Thore) Ltd	Glaxo Holdings Plc
	Frigoscandia Contracting Ltd	Glaxo North Europe Ltd
		Glaxo Operations UK Ltd

All Employer Names		
Glaxo Pharmaceuticals Ltd	Grandmet County Hotels Ltd	Halifax Cetelem
Glaxo Wellcome Plc	Grandmet Hotels & Catering Ltd	Halifax Direct
Glaxochem Ltd	Grandmet International Services Ltd	Halifax Financial Services
Glaxomed Ltd	Grandmet International Site Services Ltd	Halifax Independent Financial Advisers Ltd
Gleneagles Hotels Ltd	Grandmet Scottish Site Services Ltd	Halifax Mortgage Services Ltd
Glenigan Ltd	Grandmet Technical Services Ltd	Hall Russell & Co Ltd
GM Health Care Ltd	Grandmet Vending Services Ltd	Hall Russell Ltd
GMOC Administrative Services Corp	Grandmet Waste Services Ltd	Hall Russell Training Centre Ltd
GNER	Grange Chemicals	Hamard Catering Management Services Ltd
Go Fly Ltd	Grangemouth Dockyard Co Ltd, The	Hamish Hamilton Ltd
Go Places (Travel) Ltd	Grantham Journal Co Ltd, The	Hartshead Solway Ltd
Go Places Publishing Co Ltd	Grantham Melton Mowbray Oakham & Uppingham Journal Co Ltd	Harvey Berni Projects Ltd
Goole Shipbuilders Ltd	Gray Dunn & Co Ltd	Hattersley Bros Ltd
Goole Shipbuilding & Repairing Co Ltd, The	Great Eastern Railway Ltd	Haul Waste Disposal Ltd
Govan Ltd	Great Western Trains	Hawker Pacific Aerospace Ltd
Govan Shipbuilders Ltd	Greenhill Homes Ltd	Hawker Siddeley Aviation Ltd
GPO	Greenwell Montagu Gilt Edged	Hawker Siddeley Dynamics Ltd
Graham Motors (SNM) Ltd	Greenwich Joinery Co Ltd	Hawthorn Leslie (Engineers) Ltd
Graham's of Ashton Ltd	GTRM	HDL Training & Development
Graham's of Manchester Ltd	Guardian Direct Ltd	Heart of England Newspapers Ltd
Graham's of Sale Ltd	Guardian Insurance Ltd	Hedon Chemicals Ltd
Graham's of Salisbury Ltd	Guinness Ltd	Helicon
Graham's of Wilmslow	Guinness Northern Ireland Ltd	Henry Robb Ltd
Graison (Caterers) Ltd	Guinness World Records Ltd	Henry Spencer & Sons Ltd
Grand Metropolitan Airport Services Ltd	H A Darling & Son Ltd	Henry Wilson & Co Ltd
Grand Metropolitan Cardholders Ltd	H Ellis Williams Ltd	Herald & Post Newspapers Ltd
Grand Metropolitan Consumer Services Ltd	H J Newport Ltd	Heublein Europe Ltd
Grand Metropolitan Estates Ltd	H J Rose (Turf Accountants) Ltd	High Technology Electronics Ltd
Grand Metropolitan Information Services Ltd	Haagen-Dazs UK Ltd	Hill House Hammond Ltd
Grand Metropolitan Innovation Ltd	Hadrian Solway Ltd	Hill Samuel & Co Ltd
Grand Metropolitan Ltd	Hadrian Trustees Ltd	Hill Samuel (Overseas Management) Jersey Ltd
Grand Metropolitan Plc	Hadrian-Solway (Holdings) Ltd	Hill Samuel Bank Ltd
Grand Metropolitan Retailing Ltd	Halcrow Rail	Hill Samuel Commercial Finance Ltd
Grandmet Catering Services Ltd	Haley & Welle Ltd	Hill Samuel Group Ltd
		Hill Samuel Group Plc

All Employer Names		
Hill Samuel Insurance & Shipping Holdings Ltd	HSBC Gibbs Ltd	Impact News Services (Print) Ltd
Hill Samuel Investment Advisers Ltd	HSBC Holdings Plc	Impact News Services Ltd
Hill Samuel Investment Management Ltd	HSBC Insurance Brokers Ltd	Impact Newspaper Ltd
Hill Samuel Investment Services Group Ltd	HSBC Insurance Holdings Ltd	Impact Papers Ltd
Hill Samuel Life	HSBC International Trade Finance Ltd	Independent Bakeries Ltd
Hill Samuel Life Assurance Ltd	HSBC Investment Bank Plc	Industrial Rentals Ltd
Hill Samuel Private Client Management Ltd	HSBC James Capel	Information Access (UK) Ltd
Hill Samuel Property Services Ltd	HSBC Private Equity Ltd	Initial Metals
Hill Samuel Registrars Ltd	HSBC Rail (UK) Ltd	Inntrepreneur Pub Co Ltd
Hillards Plc	HSBC Select (UK) Ltd	Institute for Scientific Information
Hitco Aerospace Ltd	HSBC Trust Corp (Isle of Man Ltd)	Intek Floors Ltd
Hobourn SU Ltd	HSDE Ltd	Intercity East Coast
Holgates (Welsh Pantry) Ltd	HSIS Services Ltd	Intercity West Coast Ltd
Holgates Nutritional Foods Ltd	Hubert Davies & Co Ltd	Inter-Continental Hotels Corp
Holliday Hall Ltd	Huckleberry's Ltd	Inter-Continental Hotels Management Services Ltd
Holminster Ltd	Hughes (UK) Ltd	Interfleet Technology
Holsten Distributors Ltd	Hugo House Ltd	Interglory Ltd
Honeywill & Stein Ltd	Hull Brewery Co Ltd, The	Interlogic Control Engineering
Honeywill-Atlas Ltd	Hunt & Co (Bournemouth) Ltd	International Autumn Fair Ltd
Hong Kong International Trade Finance Ltd	Huntingdon Broadcasting Co Ltd, The	International Commodities Clearing House Ltd
Hongkong & Shanghai Banking Corp Ltd, The	Hunts (Auto & Marine) Ltd	International Consumer Products Ltd
Hornsea & Co Ltd	Hunt's Dairies (Sherborne) Ltd	International Distillers & Vintners Ltd
Hornsey Journal Ltd	Hunts Engineering (Bournemouth) Ltd	International Supply Chain Ltd
House of Fraser Ltd	Hunts Engineering (Crankshafts) Ltd	International Thomson Professional Ltd
House of Fraser Stores Ltd	Hunts Fluid Power Ltd	International Thomson Publishing Ltd
Howard & Patterson Ltd	Hunts Storage Systems Ltd	International Thomson Publishing Services Ltd
Howells	Hyfil Ltd	Irish Bonding Co Ltd
Howie-Southook Ltd	Hythe Chemicals Ltd	ISIS Construction Ltd
HSBC Actuaries & Consultants Ltd	IBH-AMARC Ltd	ISIS Plant Ltd
HSBC Asset Finance (UK) Ltd	IC Insurance Holdings Ltd	ISIS Pneumatics Ltd
HSBC Asset Management (UK) Ltd	IDC Estates Ltd	ISIS Sales Ltd
HSBC Asset Management Ltd	IDC Group Ltd, The	ISIS Vehicle Rentals
HSBC Bank Plc	IDC Property Investments Ltd	Island Line Ltd
	IFR Publishing Ltd	
	Illustrated Newspapers Ltd	
	Imagemist Ltd	

All Employer Names		
ISON Bros (N'CLE) Ltd	Kent Web Offset Ltd	Legibus 380 Ltd
ISS London	Kentish Observer Newspapers Ltd	Lex Services Plc
ISS Transport Services	Kenyon Son & Craven Ltd	Leydon Housing Ltd
Istel Automation Ltd	Kermanshah Petroleum Co Ltd	Leyland Engines Ltd
Istel Ltd	Kettering Newspaper Services Ltd	Leyland Vehicles Ltd
ITCA Ltd	Kettering Webb Ltd	LGD Ship repairs Ltd
J B Microsystems Ltd	Khanaqin Oil Co Ltd	Libby McNeill & Libby (Storage) Ltd
J Kirkaldy & Son (Southampton) Ltd	King Harry Foods Ltd	Libby McNeill & Libby Ltd
J P Nolan Ltd	Kingsway Fresh Foods Ltd	Lifestyles Sports & Leisure Ltd
Jack D Rose (Exhibitions) Ltd	KISS FM Radio Ltd	Lincoln Hannah
James & Emanuel Ltd	Kleestron Ltd	Lincolnshire Free Press Ltd
James Capel & Co	Klondial Ltd	Linear Modulation Technology Ltd
James G Mutch (Motors) Ltd	Kohler Packaging Ltd	Lithgows Ltd
James Hay Pension Trustees Ltd	Kontron Analytical Ltd	Llanelli Pressings Ltd
James Keiller & Sons Ltd	Kontron Electrolab Ltd	Llanelli Radiators Ltd
James Scott	Kontron Elektronik Ltd	Lloyds Bank Insurance Services (Direct) Ltd
James Scott Power Ltd	Kontron Instruments Ltd	Lloyds Bank Insurance Services Ltd
James W Cook & Co (Wivenhoe) Ltd	Kvaerner Computing & Consultancy Ltd	Lloyds Bank International Ltd
Janes Information Group Ltd	Kvaerner Govan Ltd	Lloyds Bank Stockbrokers Ltd
Janus Windows Conservatories Ltd	Kvaerner Kincaid Ltd	Lloyds Bank Unit Trust Managers Ltd
Janus Windows Ltd	L G C Communications Ltd	Lloyds Development Capital Ltd
Jetstream Aircraft Ltd	L O Jeffs Ltd	Lloyds Ladders Ltd
J-Jay Publications Ltd	Ladybird Books Ltd	Lloyds Merchant Bank Ltd
JMS Leroy Services Ltd	Lambert Bros (Underwriting Agencies) Ltd	Lloyds TSB Bank Guernsey Ltd
John Cook Agencies Ltd	Lambert Bros Shipping Ltd	Lloyds TSB Bank Isle of Man Ltd
John G Kincard & Co Ltd	Land Rover UK Ltd	Lloyds TSB Development Capital Ltd
John Menzies (Retail only)	Langley Times Ltd, The	Lloyds TSB Group Plc
John Pykes Ltd	Laurie & Co (Importers) Ltd	Lloyds TSB Independent Financial Advisers Ltd
John Tainton Ltd	Laystall (Holdings) Ltd	Lloyds TSB Insurance Services (Direct) Ltd
Johnstons & Paton Ltd	Laystall Engineering Co Ltd	Lloyds TSB Insurance Services Ltd
Joseph Batson & Co Ltd	Lazarus & Rosenfeld Ltd	Lloyds TSB Life Assurance
Joseph Terry & Sons Ltd	Leamington Spa Courier (Holdings) Ltd	Lloyds TSB Life Assurance Co Ltd
K & L Marine Equipment Ltd	Leamington Spa Courier Ltd, The	Logotron Ltd
K P Foods Group	Leamington Web Ltd	London & Continental
Karnlaw Ltd	Leeds Permanent Building Society	
Kemps Biscuits Ltd		
Kent Newspapers Ltd		

All Employer Names		
London & South of England Building Society	Maclaren Publishers Ltd	Matthew Hall Ortech Ltd
London Bridge Finance Ltd	Macnaughton Blair Ltd	Matthew Hall Plc
London Business Aviation Ltd	Macpenny International Ltd	Matthews & Yates Ltd
London Cargo Group Ltd	Macpennys Mist Propagation Ltd	Mayhew Ltd
London Cargo Handling Ltd	Mahdeen Laboratories Ltd	McBrides Hygiene Ltd
London Clubs Ltd	Maidenhead Autos & Stevensons Ltd	McBrides Ltd
London Goldhawk Building Society	Mainline/IDG	McCowan's Ltd
London Graving Dock Co Ltd, The	Maintrain Ltd	McDonald & Talyor Ltd
London International Hotel Ltd	Management Games for Training Ltd	McFarlane Lang & Co Ltd
London Multinational Bank	Mancargo Ltd	Mclaren Meat Processors Ltd
Lorne Stewart	Manns & Norwich Brewery Co Ltd	McClean & Bryce Ltd
Lowfield Distribution Ltd	Manor Lifts Ltd	McVitie & Price Ltd
Lowndes Lambert (N I) Ltd	Manorcroft Ltd	McVities Cakes Ltd
Lowndes Lambert Group Ltd	Manson Factors Ltd	Mebon Ltd
Lowndes Lambert Group Services Ltd	Manufacturers Hanover Bank (Guernsey) Ltd	Mecca Bookmakers Ltd
Lowndes-Ajax Computer Services Ltd	Manufacturers Hanover Export Finance Ltd	Mecca Leisure Ltd
LTS Rail Ltd	Manufacturers Hanover Finance Ltd	Medway Oil & Storage Co Ltd
Lubricants Producers Ltd	Manufacturers Hanover Investment Ltd	Melwood Investments Ltd
Lucas BP Solar Systems Ltd	Manufacturers Hanover Leasing UK Ltd	Menzies & Co Ltd
M Y Crescens Bushill Ltd	Manufacturers Hanover Ltd	Merchandising & Sales Services Ltd
M Y Dart Plc	Manufacturers Hanover Trust Co	Meredith & Drew Ltd
M Y Doncaster Packaging Ltd	Marine Design Consultants Ltd	Merlin Restaurants Ltd
M Y Duffin Containers Ltd	Marion Electronics Ltd	Merseyrail Electric
M Y Healthcare Packaging Ltd	Maritime Refineries Ltd	Merseyrail Electrics
M Y Holdings Plc	Markes & Co Ltd	Metal & Pipeline Endurance Ltd
M Y Humberside Packaging Ltd	Marlow Foods Ltd	Metal Box Ltd
M Y Plastics Ltd	Martin Bryant Ltd	Metal Box Plc
M Y Rowpack Containers Ltd	Martin Dawes Telecommunications Ltd	Methylating Co Ltd, The
M Y Sharp Futopack Ltd	Matra Bae Dynamics	Metro Radio Group Ltd
M Y Sharp Interpack Ltd	Matthew Hall Business Services Ltd	Metro Radio Ltd
M Y Sports & Games Ltd	Matthew Hall Engineering Ltd	MI Technologies Ltd
M Y Trondex Ltd	Matthew Hall Ltd	Michael Joseph Ltd
Macfarlan Smith Ltd	Matthew Hall Mechanical & Electrical Engineers Ltd	Middle Docks & Engineering Co Ltd, The
Maclaren & Sons Ltd	Matthew Hall Noble Ltd	Middle East Economic Digest Ltd
Maclaren (Exhibitions) Ltd		Middle East Visitors Service Ltd
Maclaren Exhibitions Ltd		Midland Bank Aval Ltd

All Employer Names		
Midland Bank Industrial Finance Ltd	Myson Engineering Division Ltd	Network SouthCentral
Midland Bank Ltd	Myson Fans Ltd	New World (Gas Cookers) Ltd
Midland Bank Plc	Myson Heat Exchanges Ltd	New World Domestic Appliances Ltd
Midland Bank Trust Corp (Jersey) Ltd	Myson Heating Ltd	Newsday Ltd
Midland Global Markets Ltd	Myson Heating Products Ltd	Newspaper Archive Development Ltd
Midland Main Line Ltd	Myson Industrial Space Heaters Ltd	Newstype Ltd
Midland Montagu Asset Management	Myson International Ltd	Newsweb Ltd
Midland Montagu Treasury Management Ltd	Myson Pressure Casings Ltd	NFER- Nelson Publishing Co Ltd
Midland Montagu Ventures Ltd	Myson Properties Ltd	Nicholas Laboratories Ltd
Midland Motor Cylinder Co Ltd	Myson Radiators (Wales) Ltd	Nimrod Communications Ltd
Midland Private Treaty	Myson Radiators Ltd	NLA Tower Management Ltd
Midland Stockbrokers	Myson RCM Ltd	Noble Lowndes & Partners Ltd
Mid-Shropshire Gravel Co Ltd	Myson Riders Ltd	Noble Lowndes Australia Ltd
Mid-Tyne Ferries Ltd	Myson Tool & Gauge Co Ltd	Nordos Feed Materials Ltd
Milk & General Haulage Co (Nottingham) Ltd	Myton Services Ltd	North Country Breweries Ltd
Mindscape International Ltd	N F T Distribution Ltd	North East Coast Ship Repairers Ltd
Minerva Laboratories (Instruments) Ltd	N J Publishing Co Ltd, The	North East Shipbuilders Ltd
MML Ltd	Nanoquest Defence Products Ltd	North Eastern Distributors Ltd
Monarch Machine Services Ltd	National Bank of New Zealand Ltd	North London News Ltd
Moo Cow Bakeries Ltd	National Benzole Ltd	North London Railways
Mortgage Express Ltd	National Financial Management Corp Plc	North West Regional Railways
Mould Form Tools Ltd	National Fleet Contracts Ltd	North Western Trains
MSC Solent Ltd	National Fleet Contracts Plc	Northampton Mercury Co Ltd
MTL Commercial	National Remote Sensing Centre Ltd	Northampton Town & County Building Society
Mulbrite Ltd	Nationwide Anglia Building Society	Northampton Web Ltd
Mulbrite Plc	Nationwide Anglia Estate Agents	Northamptonshire Newspapers Ltd
Multisnack Ltd	Nationwide Anglia Financial Services	Northamptonshire Printing & Publishing Co Ltd, The
Murgatroyds Salt & Chemical Co Ltd	Nationwide Anglia Overseas	Northamptonshire Web Ltd
Murphy Chemical Ltd	Nationwide Anglia Relocation	Northbourne Press Group Ltd
Mutual Assurance Fund	Nationwide Lifts Plc	Northbourne Press Ltd
Myson Central Services Ltd	Nationwide Building Society	Northern Bank Ltd
Myson Circulators Ltd	Nestec York Ltd	Northern Dairies (Ireland) Ltd
Myson Combustion Products Ltd	Nestle Chocolate & Confectionery Plc	Northern Dairies Creameries Ltd
Myson Coppard Ltd	Nestle Co Ltd	Northern Dairies Ltd
Myson Engineering Co Ltd	Nestle Holdings (UK) Ltd	Northern Dairy Engineers Ltd
	Nestle UK Pension Trust Ltd	Northern Foods Dairy Group Ltd

All Employer Names		
<p>Northern Infrastructure Maintenance Northern Spirit Northwood Publications Ltd Norwich Brewery Co Ltd NRS NTES Nuffield Services Ltd Oakes (Millers) Ltd OBS Services Ltd Occupational Health Care (Railways) Ltd Occupational Health Care Ltd Ocean Acceptances (London) Ltd Office Automation Show Ltd, The OHMEDA Oiltech Ltd Omnibus Section (Aramark) Omnibus Section (Bailey Maintenance Services) Omnibus Section (Cornings Communications) Omnibus Section (ICL) Omnibus Section (Puccino's Ltd) Omnibus Section (Stanford Management Consultancy) Omnibus Section (Wetton Cleaning Services Ltd) Onwa Electronics (UK) Ltd Opal Engineering Opclear Ltd OPRAF Optimum Air Conditioning Ltd Orient Express Orobis Ltd Osborn & Wallis Ltd OTIS Elevators Ltd Our Price Owen Williams Railways</p>	<p>Oxfordshire Warwickshire Northamptonshire Community Oxley Brick Co Ltd P & W Offshore Services Ltd P A L Shipping Services Ltd Parcelforce East Parcelforce International Parcelforce Northern England, Scotland & Northern Ireland Parcelforce West & Wales Parcelforce Worldwide Parcelforce Worldwide East Parcelforce Worldwide Northern England, Scotland & Northern Ireland Parcelforce Worldwide West & Wales Park Cake (Ireland) Ltd Park Cake Bakeries Ltd Parks Cakes Ltd Parsons Newspapers Ltd Pastificio Restaurants Ltd PBM Components Ltd Pearson Management Services Ltd Pearson New Entertainment Holdings Ltd Pearson Professional Ltd Pearson Services Ltd Pearson Television Ltd Peckham Building Society Pembrokeshire Publishing Ltd Pembury Web Ltd Penguin Books Ltd Penguin Publishing Company Ltd, The Periton Travel Service Ltd Perkins Ltd Perry Barr Metal Co Ltd Perryshaw Ltd Peter Dominics Ltd Peterboro Web Ltd</p>	<p>Peterborough Advertiser Co Ltd, The Peterborough Broadcasting Co Ltd, The Peterborough Evening Telegraph Co Ltd, The Petroleum Steamship Co Ltd Pharmaflex Ltd Phoenix Brewery Co Ltd Piccadilly Radio Ltd Pie-Finance & Investment Events Ltd Pilkington Syntex Ophthalmics Ltd Pillsbury UK Ltd Pitman Publishing Ltd Plastic Engineers (New Milton) Ltd Plastic Engineers Ltd Plessey UK Ltd Pneulec Ltd POCL Pointer Motor Co Ltd POIS Police Review Publishing Co Ltd Pope & Meads Ltd Pork Farms (SPD) Ltd Pork Farms Ltd Porn & Dunwoody Lifts Porterbrook Portland Engineering Co Ltd Portsmouth Building Society Post Office Post Office Communications Services Post Office Corporation Post Office Counters Post Office Counters Ireland Post Office Counters Ltd Post Office Counters Midlands Post Office Counters North East Post Office Counters North Thames & East Anglia</p>

All Employer Names		
Post Office Counters North Wales & North West	PPP Medical Centre Ltd	Quotron Information Business Ltd
Post Office Counters Scotland	PPP Medicalcare Ltd	R & H Green & Silley Weir Ltd
Post Office Counters Scotland & Northern Ireland	PPP Mobile Medical Centres Ltd	R & W Hawthorn Leslie & Co Ltd
Post Office Counters South Central	Premier Newspapers Ltd	R F Hill Ltd
Post Office Counters South East	Press (Yarmouth) Ltd	Racal
Post Office Counters South Wales & South West	Press Construction Ltd	Racal - BR Telecommunications Ltd
Post Office Employee Health Service	Press International Construction Ltd	Racal Avionics Ltd
Post Office Group	Press Offshore Group Ltd	Racal Telecommunications Ltd
Post Office Group Centre	Press Offshore Ltd	Rackhams
Post Office Investigation Services	Preston Oil Wharves Ltd, The	Radio City (Sound of Merseyside) Plc
Post Office IT Services	Primat Recruitment Ltd	Radio Hallam Ltd
Post Office Legal Services	Principal Investment Management Ltd	Radio Rock FM Ltd
Post Office Occupational Health Services	Private Patients Plan Ltd	Rafidian Oil Co Ltd
Post Office P&LS	Professional Publishing Ltd	Rail Europe
Post Office Property Holdings	Project Presentations Ltd	Rail Express Systems
Post Office Purchasing Services	Prorail Ltd	Rail Gourmet UK
Post Office Research Group	Provident Association for Medical Care Ltd	Railcare
Post Office Security & Investigation Services	Pullman Foods	Railpart (UK)
Post Office Services Group	Pulsewell Ltd	Railtrack
Post Office Support Services	Pumpherton Oil Co Ltd, The	Railway Claims
Post Office Training & Development Group	Purley Promotions Ltd	Railway Pensions Management
Post Office Welfare Services	Pyramid Office Services Plc	Rainbird Publishing Group Ltd, The
Potterton International Ltd	Q A Engineering Ltd	Rankin Kuhn International Ltd
Potterton Myson Financial Services Ltd	QDF Components Ltd	Raytheon Corporate Jets Ltd
Potterton Myson Ltd	Quadrant	Readerlink Ltd
Power Petroleum Co Ltd	Quaker Trading Ltd	Ready Roasted Chickens Ltd
Powertrack	Qualcast (Cuffins) Ltd	Red Rose Radio Plc
Powles Hunt & Sons Ltd	Qualcast (Fleetway) Ltd	Red Star
PPP Beaumont Plc	Qualcast (Wolverhampton) Ltd	Reda (UK) Ltd
PPP Diagnostic & Imaging Centre Ltd	Qualcast Bathrooms Ltd	Reed International Plc
PPP Healthcare Group Plc	Qualcast Ceramics Ltd	Reed Tool Company Ltd
PPP Lifetime Care Plc	Qualcast Garden Products Ltd	Rees Educational Travel Consultants Ltd
PPP Lifetime Plc	Qualcast Separ Ltd	Rees Holidays Ltd
	Qualitair (Air Con) Ltd	Rees Publishing Co Ltd
	Quality & Safety Services	Reflectone UK Ltd
	Quotnet (UK) Ltd	Refrigeration Press Ltd

All Employer Names		
Regional Money Shows Ltd	Rover Group Ltd	Rugby Advertiser Ltd, The
Regional Railways North East	Rover Group Ltd	Rugby Design & Engineering Services Ltd
Registration Services Ltd	Rover Group Plc	Rugby Review Ltd
Relayfast	Rowntree Distribution Ltd	Rugeley Motors Ltd
Reliance Bank Ltd	Rowntree Ltd	Russell Davies Container Transport Ltd
Reliance World Travel Ltd	Rowntree Mackintosh (Ingredients) Ltd	Ryder Plc
Research Publications Ltd	Rowntree Mackintosh Confectionery Ltd	S & A Services Ltd
Response Publishing Ltd	Rowntree Mackintosh European Exports Ltd	S C B S Properties Ltd
Retail Consolidation Services Ltd	Rowntree Mackintosh Export Ltd	Saccone & Speed Ltd
Retirement Choice Magazine Co Ltd	Rowntree Mackintosh Pension Trust Ltd	Salford Albion Casino Ltd
Richard Ellis Facilities Management	Rowntree Sun Pat Ltd	Salvation Army Defence Services Trust, The
Richmonds Dairies Ltd	Royal Mail	Salvation Army General Insurance Corp Ltd, The
Rimround Ltd	Royal Mail Anglia	Salvation Army International Headquarters, The
River Thames Shipbuilders Ltd	Royal Mail Cashco	Salvation Army Social Services, The
RM Consulting	Royal Mail Consulting	Salvation Army Trading Co, The
Robb Caledon Shipbuilders Ltd	Royal Mail Engineering & Construction	Salvation Army United Kingdom Territory, The
Robert McBride (Aerosols) Ltd	Royal Mail International	Salvationist Publishing & Supplies Ltd
Robert McBride (Droylesden) Ltd	Royal Mail Ireland	Samsung Telecoms (UK) Ltd
Robert McBride Detergent Ltd	Royal Mail London	Samuel Montagu & Co Ltd
Robert McBride Group Ltd, The	Royal Mail Midlands	Samuel Webster & Wilsons Ltd
Robert McBride Homecare Ltd	Royal Mail National	Sanderson CFL Ltd
Robert McBride Household Ltd	Royal Mail North East	Sanface Ltd
Robert Watson & Co (Constructional Engineers) Ltd	Royal Mail North Wales & North West	Sayers Confectioners Ltd
Robert Watson & Co (Steelwork Construction) Ltd	Royal Mail Parcellforce	Scan Television Rentals Ltd
Robson Jones (Commodities) Ltd	Royal Mail Scotland	Scarborough & District Newspapers Ltd
Robson Jones Publishing Co Ltd	Royal Mail Scotland & Northern Ireland	Scientifics
Robson Jones Travel Ltd	Royal Mail South Central	Scotrail Railways Ltd
Roche Diagnostics Ltd	Royal Mail South East	Scotstoun Marine Ltd
Roche Pharmaceuticals (Ireland) Ltd	Royal Mail South Wales & South West	Scott & Sons (Bowling) Ltd
Rolls House Holdings Ltd	Royal Mail Streamline	Scott Lithgow Drydocks Ltd
Roma Inns Ltd	Royal Ordnance Plc	Scott Lithgow Ltd
RoMEC	Royal Ordnance Plc	
Ross Restaurants Ltd	Royal Ordnance Summerfield Ltd	
Routledge Chapman & Hall Ltd	Ruddles Brewery Ltd	
Rovard Facilities Ltd		
Rover Group Holdings Plc		

All Employer Names		
Scott Lithgow Training Centre Ltd, The	Securicor Parcels Ltd	Siemens Plessey Radar Ltd
Scott Wilson Railways	Securicor Pony Express Ltd	Siemens Power Generation Ltd
Scottish Automatic Printing Co Ltd	Securicor Radiocomms Ltd	Silcock Express Ltd
Scottish Aviation Ltd	Securicor Recruitment Services Ltd	Silverlink Train Services
Scottish Mutual Assurance Plc	Securicor Rentmasters Ltd	Simplimatic Engineering Ltd
Scottish Oils Ltd	Securicor Security Services Ltd	Sir Isaac Pitman Ltd
Scotts Engineering Co Ltd	Securicor Telecoms Ltd	Slough Newspaper Printers Ltd
Scotts Shipbuilding Co Ltd	Securicor Trakbak Ltd	Smith & Son (Langley) Mill Ltd
Scrimgeour Vickers (Asset Management) Ltd	Securicor Vehicle Express Ltd	Smith Flour Mills Ltd
Scrimgeour Vickers Securities Ltd	Security Services Plc	Smiths Bros (Walsall) Ltd
Scrimgeour Vickers Services Ltd	SEG (Warehouse & Distribution) Ltd	Smiths Dock Ltd
Scrimgeour Vickers Traders Ltd	Selection Trust Ltd	Snapon Tools Ltd
SCSL Ltd	Seltrust Engineering Ltd	SNM Cars Ltd
Sea Hotels Ltd	SEMA Group UK	Society for Worldwide Interbank Financial Telecommunications
SEACO	Senews Ltd	Sound & Light Ltd
Sealand Petroleum Co Ltd	SERCO	Sound of Merseyside Ltd
Sealed Motor Construction Co Ltd	Sewells International Ltd	South & West Wales Newspapers Ltd
Seccombe Marshall & Campion Plc	Shanks & Co Ltd	South Eastern Train Co
Securicor (Shetland & Orkney Islands) Ltd	Shanks Holdings Ltd	South Kent Newspapers Ltd
Securicor (Ulster) Ltd	Shell Marketing Ltd	South Wales Guardian Co Ltd
Securicor 3 Net Ltd	Shell Mex & BP Gases Ltd	South Wales Newspapers Ltd
Securicor Alarms Ltd	Shell Mex & BP Ltd	South West Infrastructure Maintenance Co Ltd
Securicor Car Service Ltd	Shell Mex & BP Scotland Ltd	South West Trains
Securicor Cellular Services Ltd	Sherbourne Press Ltd	South West Wales Newspapers Ltd
Securicor CIT Ltd	Sherwin Woodwork Ltd	Southdown Building Society
Securicor Cleaning Ltd	Sidoli Taverns Ltd	Southdown Estate Agents Ltd
Securicor Communications Ltd	Siemens Electrocom Ltd	Southdown Estates Ltd
Securicor Computer Services Ltd	Siemens Group Services Ltd	Southdown Mortgage Management Ltd
Securicor Custodial Services Ltd	Siemens Lighting Ltd	Southern & Western Press Ltd
Securicor Datatrak Ltd	Siemens Measurements Ltd	Southern Web Offset Ltd
Securicor Electronics Ltd	Siemens Network Systems Ltd	SP Group Facilities Ltd
Securicor Fuelserv Ltd	Siemens Nixdorf Information Systems	Spalding Free Press Printing & Publishing Co Ltd
Securicor Guarding Ltd	Siemens Plc	Special Beer Co Ltd, The
Securicor Hotels Ltd	Siemens Plessey Co Ltd	Special Trucks Ltd
Securicor Information Systems Ltd	Siemens Plessey Controls Ltd	
	Siemens Plessey Defence Systems Ltd	

All Employer Names		
Specialist Cars (SNM) Ltd	Swan Hunter Group Ltd	Target of Wolverhampton Ltd
Speciality Packaging UK Plc	Swan Hunter Shipbuilders Ltd	Target Trust Group Ltd
Spectrum Technologies Ltd	Swan International Motors	Target Trust Managers Ltd
Speedwing Training Ltd	Swan National Leasing Ltd	Tates Ltd
Spen Hill Properties Plc	Swan National Ltd	Taylors (Gloucester) Ltd
Sphere Books Ltd	Swan National Motors (Aberdeen) Ltd	Taysteel (Structural Engineers) Ltd
Springfield Mechanical Handling Ltd	Swan National Motors (Sale) Ltd	TBL Book Service Ltd
SSL	Swan National Motors (Salisbury) Ltd	TDL Group Ltd
St Clements Press Ltd	Swan National Motors Ltd	Technical Publication Management Services Ltd
Standbrook Publications Ltd	Swan National Rentals Ltd	Telegraph Events Ltd
Stardust & Camelot Holidays Ltd	Swindon Electronic Service Centre	Television Commercials Register Ltd, The
Stelrad Bathroom Products	Swirl Service Group	Tenant Motor Group Ltd
Stelrad Group Ltd	Syntex Corp	Terrys Group Ltd
Sterling Foundry Specialities Ltd	Syntex International General Management Assistance S A	Tesco Stores (Holdings) Ltd
Sterling International Technology Ltd	Syntex Pharmaceuticals International Ltd	Tesco Stores Ltd
Sterling Metals Ltd	Syntex Pharmaceuticals Ltd	Texales Ltd
Sterling-Winthrop Group Plc	T I New World Ltd	Texas Commerce Bank NA
Stoneleigh Developments Ltd	T I Vitreous Enamels Ltd	Textile Trade Publications Ltd
Strathclyde Training Ltd	T K M Credit Corp Ltd	TFC (Foods) Ltd
Strathleven Bonded Warehouses Ltd	T Pittas Ltd	TFM Radio Ltd
Streetlife Ltd	Tachbrook Enterprises Ltd	Thames Services (Felixstowe) Ltd
Subscription Services Ltd	Tandem Computers (Europe) Inc	Thames Television International Ltd
Suffolk Lawn Mowers Ltd	Tandem Computers Ltd	Thames Television Ltd
Sun Electric UK Ltd	Tanker Insurance Co Ltd, The	Thames Television Plc
Sunbeam Lamps & Lighting Ltd	Target Group Plc	Thames Trains
Sunderland Engineering Ltd	Target Investment Management Ltd	Thameslink Rail Ltd
Sunderland Forge & Engineering Co Ltd, The	Target Life Assurance Co Ltd	Thermit Welding (GB) Ltd
Sunderland Forge Ltd	Target Motors (Crawley) Ltd	Thomas Bushill & Sons Ltd
Sunderland Forge Services Ltd	Target Motors (SNM) Ltd	Thomas Cook Group Ltd, The
Sunderland Magnetic Ltd	Target of Crawley Ltd	Thomson Books Ltd
Sunderland Shipbuilders Ltd	Target of Eastbourne Ltd	Thomson Data Ltd
Sunderland Shipbuilding & Engineering Ltd	Target of Enfield Ltd	Thomson Directories Ltd
Sunhid Ltd	Target of Gloucester Ltd	Thomson Financial Networks Ltd
Sussex County Building Society	Target of Richmond Ltd	Thomson Information Services
Sussex Newspapers Ltd		Thomson Magazines Ltd
Sutherlands Foods Ltd		Thomson Nelson & Sons Ltd

All Employer Names		
Thomson Publications Ltd	Trustee Savings Banks Central Board, The	UCL Computer Factors Ltd
Thomson Yellow Pages Ltd	Trustees Savings Bank of Leicester & Nottingham	UDT Commercial Finance Ltd
Three Counties Creameries Ltd	TSB Bank Plc	UDT International Finance Ltd
Tibbett & Britten (Consumer Products) Ltd	TSB Bank Scotland Plc	UDV (Distilling) Ltd
Tibbett & Britten (Special Products) Ltd	TSB Computer Services (Wythenshawe) Ltd	UDV Distillers & Vintners (ER) Ltd
Tibbett & Britten Group Plc	TSB Computer Services Ltd	Ulster Pension Trustees Ltd
Tibbett & Britten International Ltd	TSB England & Wales Plc	Ungermann-Bass Ltd
Tibbett & Britten Ltd	TSB Factors Ltd	Unipart Group Ltd
Tied Management Ltd	TSB Financial Advisory Services (NI) Ltd	Unique Logistics Ltd
Town Crier Ltd	TSB Foundation for England & Wales	Unisys Ltd
TPS-Edgington Ltd	TSB Group Computer Services Ltd	Unit Trust Administration Ltd
Trade Development Bank	TSB Group Plc	Unit Trust Services Ltd
Trade Promotion Services (Contracts) Ltd	TSB Hill Group Plc	United Biscuits (UK) Ltd
Trade Promotion Services Ltd	TSB Hill Samuel Bank Holding Co Plc	United Closures & Plastics Plc
Trafalgar Newspapers Ltd	TSB Investment Management Ltd	United Distilleries & Vintners (ER) Ltd
Transcare Distribution	TSB Northern Ireland (Isle of Man) Ltd	United Distillers & Vintners (ER) Ltd
Transmark	TSB Northern Ireland Plc	United Distillers & Vintners (HP) Ltd
Transportation Consultants International Ltd	TSB Overseas Bank (I O M) Ltd	United Distillers UK Plc
Travel Bureau Ltd, The	TSB Scotland Plc	United Dominions (Car Plant) Ltd
Travel Places (International) Ltd	TSB Services (No 1) Ltd	United Dominions Trust (Car Plant) Ltd
Travelers Hill Samuel International Ltd	TSB Services Ltd	United Dominions Trust Ltd
Travellers Cheque Associates Ltd	TSB Trust Co Ltd	United Friendly Insurance Co Ltd
Travelscene Ltd	TSB Trustcard Ltd	United Friendly Insurance Plc
Trent Frozen Foods Ltd	Tucktonia Ltd	United Kent Newspapers Ltd
Trimguard (UK) Ltd	Turner & Newall Ltd	United Vintners & Distillers (ER) Ltd
Troman Bros Ltd	Turner Bros (Walsall) Ltd	Ushers Brewery Ltd
Trouw (UK) Ltd	Turner Bros (Warrington) Ltd	Utell International (UK) Ltd
Trucast Ltd	Tussauds Group Ltd	VAE Baileyfield
Truman Ltd	Tyne Shiprepair Group Ltd	Valkyrie Motor Holdings Ltd
Trustee Savings Bank Central Board	Tyneside Printers Ltd	Van Nostrand Reinhold Co Ltd
Trustee Savings Bank of Northern Ireland	U B (Ross Young's) Ltd	Varity Europe Ltd
Trustee Savings Bank Scotland	U B Frozen & Chilled Foods Ltd	Vauxhall Motors
Trustee Savings Banks (Holdings) Ltd	U B Networks Ltd	Vestric Ltd
	U T Holdings (UK) Ltd	Vickers Da Costa Ltd
		Vickers Offshore (Projects & Developments) Ltd

All Employer Names		
<p>Vickers Shipbuilding & Engineering Ltd</p> <p>Vickers Shipbuilding Group Ltd</p> <p>Viking Radio Ltd</p> <p>Vincent Sorge (Crickdale) Ltd</p> <p>Vincent Sorge (Wholesale) Ltd</p> <p>Vincent Sorge Ltd</p> <p>Virgin Megastores</p> <p>Vitreous Enamels Ltd</p> <p>VO Offshore Ltd</p> <p>Vosper Ltd</p> <p>Vosper Ship Repairers Ltd</p> <p>Vosper Thornycroft (Training) Ltd</p> <p>Vosper Thornycroft (UK) Ltd</p> <p>Vosper Thornycroft Industry Ltd</p> <p>VSEL Consortium Plc</p> <p>W & J Chatwin Ltd</p> <p>W A C Mountain Ltd</p> <p>W Green & Son Ltd</p> <p>W H Deane Ltd</p> <p>W M Crawford & Sons Ltd</p> <p>W M Gunstone</p> <p>W M McDonald & Sons Ltd</p> <p>W M Watson (Trentham) Ltd</p> <p>W Markes & Co Ltd</p> <p>W S Atkins</p> <p>Wadsworth Lifts Ltd</p> <p>Wadworth Becker Lifts Ltd</p> <p>WAGN</p> <p>Wagon Finance Ltd</p> <p>Wales & West Passenger Trains</p> <p>Walkers (Mansfield) Ltd</p> <p>Wallsend Boilers Ltd</p> <p>Wallsend Slipway Engineers Ltd</p> <p>Walter Holland & Sons</p> <p>Warner Holidays Ltd</p> <p>Warship Design Services Ltd</p>	<p>Warwick Castle Ltd</p> <p>Waterhouse & Co</p> <p>Watling Press Ltd</p> <p>Watling Publications Ltd</p> <p>Watney (Warehousemen) Ltd</p> <p>Watney Mann & Truman Holdings Plc</p> <p>Watney Mann & Truman Maltings Ltd</p> <p>Watney Mann National Sales Ltd</p> <p>Watney Truman Ltd</p> <p>Watson Bros (Airdrie) Ltd</p> <p>Watson Steel Ltd</p> <p>Watts Countrymade Foods Ltd</p> <p>Weatherall Green & Smith</p> <p>Welland Valley Newspapers Ltd</p> <p>Wellcase Ltd</p> <p>Wellcome Foundation Ltd, The</p> <p>Wellcome Foundations Ltd</p> <p>Wellcome Healthcare Ltd</p> <p>Wellcome Plc</p> <p>Wendy Restaurants (UK) Ltd</p> <p>Wescol (Europe) Ltd</p> <p>Wessex Guild Ltd, The</p> <p>Wessex Traincare</p> <p>West Coast Traincare</p> <p>West Coast Trains Ltd</p> <p>West Country Berni Ltd</p> <p>West Herts Typesetting Co Ltd</p> <p>West Norfolk & Kings Lynn Newspaper Co, The</p> <p>West Norfolk Newspapers Ltd</p> <p>West Suffolk Newspapers Ltd</p> <p>West Sussex Clinic Ltd</p> <p>West Yorkshire Broadcasting Plc</p> <p>Western Yachts Ltd</p> <p>Westinghouse Signals Ltd</p> <p>Westminster Leisure Ltd</p> <p>Westminster Press Ltd</p>	<p>Whitethorn Press Ltd, The</p> <p>Wigan Motor Co Ltd</p> <p>William Ellis (Etchingam) Ltd</p> <p>William Gunstone & Sons Ltd</p> <p>William Hill Organization Ltd</p> <p>William W Stevenson Ltd</p> <p>Williams Wadsworth Lifts Ltd</p> <p>Windpress Ltd</p> <p>Wisbech Broadcasting Co Ltd, The</p> <p>WM Computer Services Ltd</p> <p>Wokingham Plastics Ltd</p> <p>Wolsingham Steel Co Ltd</p> <p>Wood Mackenzie & Co Ltd</p> <p>Wood MacKenzie Ltd</p> <p>Woodston Newspaper Services Ltd</p> <p>Wool Testing Services International Ltd</p> <p>World Markets Co Plc, The</p> <p>Worley Engineering Ltd</p> <p>Worley International Engineering Group Ltd</p> <p>Wright Rain Ltd</p> <p>Wrights Biscuits Ltd</p> <p>Yarrow (Training) Ltd</p> <p>Yarrow Shipbuilders Ltd</p> <p>Yorkshire Regional Newspapers Ltd</p> <p>Young Paraffin Light & Mineral Oil Co Ltd</p> <p>Youngs Detergents Ltd</p> <p>Zeneca Ltd</p>

Annex B – Investor materials

Investor Occupation Form

[insert date]

Dear [insert investor's name]

YOUR FREE-STANDING AVC

Our records show that you took out a Free-standing Additional Voluntary Contribution (FSAVC) arrangement (policy number []) on [date].

[This policy was converted from a personal pension.]

Our Regulator has asked all firms to carry out a review of FSAVCs. This is to check that you were correctly advised when you took out your FSAVC and that you have not lost out in any way.

To do this we need to check who you worked for when you took out your FSAVC. Please answer the following questions in the space provided, and return this letter to us in the reply paid envelope provided. We have enclosed two copies of this letter so you can keep one copy for yourself.

Who did you work for when you took out your FSAVC?

Name of employer _____

Address _____

When did you start working for that employer?

Please give the month and year **19** .

We may have to contact you again about a possible review of your FSAVC. If we do, it is very important that you read the information we send you. If you have any other questions in the meantime, call us on .

Yours sincerely

Invitation letter

[insert date]

Dear [insert investor's name]

YOUR FREE-STANDING AVC: WERE YOU BADLY ADVISED?

This is important – please read it carefully. It is not a circular.

Our records show that you took out a Free-standing Additional Voluntary Contribution (FSAVC) arrangement (policy number [□ □ □ □ □ □]) on [□ □ □ □ □ □ date]. [This policy was converted from a personal pension.]

Our Regulator has asked all firms it regulates to offer investors like you the chance to have your case checked. This check will see if you were correctly advised to take out an FSAVC. If you were badly advised, and have lost out as a result, you may be entitled to compensation.

This applies to you even if you have now stopped your FSAVC or transferred it somewhere else.

If you *do* want your case checked, you must respond by completing the enclosed information request form as far as you can, and returning it in the envelope provided.

We also enclose a factsheet provided by the chief financial services regulator, the Financial Services Authority, explaining more about the review of FSAVCs and why it might apply to you. It may be helpful to read this first. You should keep both the factsheet and this letter for your records.

If you are still unsure what to do, call us on □ □ □ □ □ □.

Yours sincerely

First reminder letter

REMINDER

[insert date]

Dear [insert investor's name]

YOUR FREE-STANDING AVC: WERE YOU BADLY ADVISED?

This is important – please read it carefully. It is not a circular.

We wrote to you recently about the FSAVC you took out (policy number [□ □ □ □ □ □]) on [□ □ □ □ □ □ date].

We have not received a reply to that letter. If you have replied recently, please ignore this reminder. In case you have lost our previous letter and the forms that went with it, further copies are enclosed.

Our Regulator has asked all firms it regulates to offer investors like you the chance to have your case checked. This check will see if you were correctly advised to take out an FSAVC. If you were badly advised, and have lost out as a result, you may be entitled to compensation. **Please do consider the letter sent to you recently, and send back the information request form if you would like us to check your case.**

If you are still unsure what to do, call us on □ □ □ □ □ □.

We will only check your case if you ask us to. If you want your case checked you must complete the information request form as far as you can, and return it in the reply paid envelope provided.

Yours sincerely

Final reminder letter

REMINDER

[insert date]

Dear [insert investor's name]

YOUR FREE-STANDING AVC: WERE YOU BADLY ADVISED?

This is important – please read it carefully. It is not a circular.

We wrote to you recently about the FSAVC you took out (policy number [□ □ □ □ □ □]) on [□ □ □ □ □ □ date].

We have not received a reply to our letters. If you have replied recently, please ignore this reminder. In case you have lost our previous letters and the forms that went with them, further copies are enclosed.

We will only check your case if you ask us to. If you want your case checked you must complete the information request form, as far as you can, and return it in the reply paid envelope provided. If you do not reply we will assume that you do not want us to review your case.

If you are still unsure what to do, call us on □ □ □ □ □ □.

Yours sincerely

Information request form

REVIEWING YOUR FREE-STANDING AVC

This is important – please read it carefully. It is not a circular.

To have your case checked, please complete this form as far as you can AND sign it at the end.

Please answer the questions on this form by writing in details or ticking the right boxes. If you do not know the answers to some questions on this form, don't worry but please fill in as much as you can. You can write down any other information you think is important on a separate piece of paper and send it back with this form.

If you have any queries, please call us on .

IF YOU DO WANT YOUR CASE CHECKED, IT IS VITAL TO SIGN AND RETURN THIS FORM, EVEN IF YOU CANNOT PROVIDE ALL THE INFORMATION.

- 1 Our records tell us that your personal details are: *If any of this information is incorrect please correct it in the space beside it.*

Name _____
[Insert Investor's name]

Address _____
[Insert Investor's address]

Postcode _____
[Insert Investor's postcode]

Policy No(s)
[Insert Investor's policy no.]

Date of Birth
[Insert Investor's D.o.B.]

- 2 Now we need to know whether you are:

Married Single Divorced Widowed

- 3 According to our records, you were employed by *[Insert employer's name]* at the time you took out your FSAVC. When did you join that employer?

Please give the month and year **19** .

[Firms are required to replace question 3 with the following question if the investor's employer at time of sale is unknown]

3a Who did you work for when you took out your FSAVC?

Name of employer _____

Address _____

When did you start working for that employer?

Please give the month and year 19 .

4 Do you still work for that employer?

Yes No

If 'No' go to question 5. If 'Yes' go straight to question 7.

5 When did you stop working for them?

Please give the month and year 19 .

6 Please detail your employer(s) since leaving [*Insert employer's name, where known, or otherwise 'that employer'*]

Name of employer _____

Address _____

Dates of employment _____

Name of employer _____

Address _____

Dates of employment _____

Continue on a separate sheet if you wish

7 What was the name of your employer's pension scheme of which you were a member when you took out your FSAVC?

_____ OR, Don't know

When did you join the employer's pension scheme?

Please give the month and year 19 .

8 Did you pay AVCs into your employer's pension scheme as well as into your FSAVC?

Yes No

9 Have you paid FSAVCs to another provider?

Yes No

10 If yes, please give the name of that provider

[Insert the following question if this is being sent to an investor in the 'FSAVC converted from personal pension category']

10a Our records shows that before you took out your FSAVC, you took out a personal pension while working for *[Insert employer's name where readily available , or otherwise 'that employer']* Did you start that personal pension while you were waiting to join that employer's pension scheme?

Yes No Don't know

11 What is your total pay before tax or any other deductions? Please give the amount you earn now OR, if you no longer work for the employer you were with when you took out your FSAVC, please give the amount you were earning at the time you left that employer.

Please indicate if this is for a year, month or week.

Basic pay:

£ _____ per year month week

Is this exact or approximate ?

Overtime, bonus, other additions:

£ _____ per year month week

Is this exact or approximate ?

You should be able to find this information on a recent payslip/P60 (the statement provided by your employer each year which sets out your total earnings for the tax year) or, if you no longer work for the employer you were with when you took out your FSAVC, on a payslip/P60 from around the time you left that employer.

If you can find a payslip or P60 (either a recent one if you are still employed by the same employer or otherwise one from the time you left that employer), please return one (or ideally both) with this form.

Please sign below to indicate that you would like your case to be checked.

As part of this check we might need to ask your current employer or ex-employer(s) for some information about their pensions scheme(s). If you have another FSAVC or were advised by any one other than *[insert name of Product Provider]* we might need to refer to them about your case.

So that we can have your authority to do this, please sign your name in the box below.
We will only contact any of these people if it is necessary to check your FSAVC.

I would like my case to be checked. In addition I give my permission for you to contact my current employer, ex-employer(s), their pension scheme(s) or the company with which I have another FSAVC (if relevant) for information that you may need to check my case.

Signature _____ Name _____
(IN CAPITALS)

Date _____

It would also be useful to have your telephone number and the best time to contact you in case we have any queries about the information you have provided.

Telephone number: _____

Time: Between _____ and _____

If you *do* want your case to be checked it is vital to return this form – even if you cannot provide all the information requested

All information will be treated in the strictest confidence and will not be used for any other purpose than the review of your FSAVC. All documents supplied with this form will be copied and the originals returned to you.

May 2000



FSA Factsheet

Your Free-Standing AVC Were you badly advised?

This factsheet has been sent to you because:

- you have an FSAVC (Free-Standing Additional Voluntary Contribution) pension top up policy to boost your income during retirement; and
- the firm that sold you the FSAVC thinks you may have been wrongly advised and have lost out financially as a result.

It sets out:

- why the financial services regulators have asked firms to review their sales of FSAVCs;
- how you may have lost out;
- what to do if you want your case checked.

The Financial Services Authority – regulating financial services and protecting your rights

Why is there a review of FSAVCs?

FSAVCs are suitable investments for some people. But in some circumstances people may have been badly advised to invest in an FSAVC. These people may have lost out financially as a result. You might be one of them.

The Financial Services Authority (FSA) and the financial services regulators have launched a review of FSAVCs. The FSA is the independent body set up by government to regulate financial services and protect your rights.

In what circumstances may paying into an FSAVC, rather than an AVC, have been a bad idea?

All employers who run a pension scheme for their employees must also offer them the opportunity to make additional voluntary contributions (AVCs). These are sometimes called 'in-house' AVCs. Your employer normally takes these contributions from your pay.

An FSAVC (Free-Standing AVC) is a pension top-up arrangement you make with an investment firm. It is separate from your employer's pension scheme and you pay your contributions to the investment firm from your bank or building society account.

Which is better for you depends on your individual circumstances. But the regulators have identified two categories of investor for whom an FSAVC is likely to have been unsuitable:

- **those in a 'matched' scheme**
This is where your employer would have matched your contributions into an AVC, if you had bought one instead of an FSAVC; or
- **those in a subsidised scheme**
This is where your employer would have improved your pension benefits in some way if you had paid into the AVC, but you missed out on these improvements by paying into an FSAVC instead.

If you have an FSAVC and you are in one of the two categories above, you may have lost out. Make sure you get your case checked. Fill in and return the form you received with this factsheet. (If you need another copy, ask the firm that sold you your FSAVC.)

How long will it take to review cases?

The regulators have asked firms to review all cases by 30 June 2002. Your case is a priority, and will be dealt with first, if:

- you ask for a review (by returning the form you got with this factsheet); and you are either
- already drawing a pension from your FSAVC; or
- benefiting from a pension arrangement of another person, now dead, who had an FSAVC and who may have lost out because they were in one of the categories listed above.

What happens when my case has been checked?

If the check shows that:

- you have not suffered a loss; or
- the advice you were given was not the cause of your loss;

then the firm will write and tell you this, and that it will take no further action. If you are not happy with what the firm tells you, you have the right to appeal. The letter from the firm will explain how to do this.

If the firm decides you were wrongly advised, and you have suffered loss as a result, it will write and tell you this. You will be offered compensation, but probably not in cash. It is more likely to be a top-up of your FSAVC fund, so you'll have a larger pension when you retire.

How will I know if the firm's offer is fair?

The regulators have given firms guidelines to follow when they work out how to put things right. When you get the firm's letter explaining whether you were wrongly advised, make sure you read it carefully. If you disagree with how the firm has worked things out, you have the right to appeal. The letter from the firm will explain how to do this.

I'm not happy with my FSAVC – what can I do?

Don't just stop paying into your FSAVC. You may lose out financially if you do.

The FSA factsheet *AVCs and FSAVCs: Joining or re-joining your employer's AVC scheme* sets out some key questions you need to ask if you are thinking of doing this.

It is on our website under pensions at www.fsa.gov.uk/consumer/financial_faqs or phone the FSA Leafletline on 0800 917 3311 for a free copy.

How can I get more information?

If, after reading this factsheet, you are still unsure what to do, contact the firm that sold you your FSAVC.

You can also look at the pensions section on the FSA website at www.fsa.gov.uk/consumer/financial_faqs for more information.

Free copies of our publications are available from the FSA leafletline on 0800 917 3311 (freephone).

Titles you might find useful include:

- *FSA guide to boosting your occupational pension*
- *FSA guide to financial advice*

To get your FSAVC checked you must fill in the form the firm has sent you with this factsheet and return it to them. (If you have lost the form, ask the firm that sold you your FSAVC for another copy.)



The Financial Services Authority (FSA) is an independent body set up by government to regulate financial services and protect your rights.

Our Consumer Helpline can answer general queries about financial products and services, tell you if a firm or an adviser is authorised, and help you if you have a complaint and don't know who to contact.

We also produce a range of user-friendly factsheets and booklets available from our website, Leafletline and offices.

If, after reading this factsheet, you have further questions, please call us on 0845 606 1234 and we'll try to help, but remember that, as the regulator, we have to remain impartial. We can't recommend firms or advisers or tell you whether a particular investment is right for you.

FSA Consumer Helpline:
0845 606 1234
(calls charged at local rates)

FSA Leafletline:
0800 917 3311
(freephone)

To help us maintain and improve our service, we may record or monitor calls

FSA main switchboard:
020 7676 1000

FSA fax:
020 7676 9713

FSA website:
www.fsa.gov.uk/consumerhelp

FSA email:
consumerhelp@fsa.gov.uk

FSA
25 The North Colonnade
Canary Wharf
London E14 5HS



FSAVC1

Loss assessment calculation: worked examples

The following examples are given as an illustration of the method that firms may choose to adopt for loss assessment calculations. Firms are not bound to follow the method shown if an alternative method arrives at the same or not materially different answer.

Example 1: Matched AVC Scheme Case

Investor Details

Single male, date of birth 9 June 1958

Basic salary in 1998/99 tax year £15,000

The investor has remained with the same employer throughout. He stopped his FSAVCs and started contributing £100 per month to the in-house AVC arrangement on 1 February 2000. The investor is able to transfer his FSAVC fund into the in-house AVC arrangement.

FSAVC Details

Contributions of £100 per month made from 1 July 1994 to the 1 February 2000, all invested in managed fund units.

Charges consist of	5% bid/offer spread
	0.25% annual management charge deducted monthly
	Policy fee of £1.50 increasing annually in line with RPI
Unit allocations	60% in first 3 years, 100% thereafter

In-House AVC Details

If an investor pays AVCs of at least 2% of basic salary the employer will match these contributions up to 5% of basic salary. These terms remain available for current members of the occupational pension scheme.

A wide range of different funds is offered for investors in the in-house AVC arrangement, including a managed fund.

In-house AVC charges borne by the investor are 0.5%pa of the fund, deducted monthly.

Loss Assessment

The investor has not started to draw benefits from the FSAVC policy and so a prospective loss calculation is required.

The Calculation Date is 1 February 2000.

A managed fund is available in the in-house arrangement and therefore the appropriate benchmark index is the CAPs return.

The relevant period for loss assessment is 1 July 1994 to 1 February 2000.

Using the given salary figure and extrapolating at RPI + 2% over the relevant period gives the following:

Tax year	RPI over tax year	Salary
1994/1995	3.51%	12,309.29
1995/1996	2.71%	12,987.38
1996/1997	2.57%	13,599.32
1997/1998	3.47%	14,221.39
1998/1999	2.05%	15,000.00
1999/2000	n/a	15,607.84

The value of lost employer matching contributions (before allowance for charges) are calculated as follows:

Date	Actual investor contribution £pm	Annual salary £	Contribution as % of salary	Missed employer contributions £pm	AVC fund at start of month £	Benchmark index %	Fund at end of month £
7/94	100	12,309.29	9.75%	51.29	51.29	-0.44	51.06
8/94	100	12,309.29	9.75%	51.29	102.35	-0.44	101.90
9/94	100	12,309.29	9.75%	51.29	153.18	-0.44	152.50
10/94	100	12,309.29	9.75%	51.29	203.79	-0.44	202.89
11/94	100	12,309.29	9.75%	51.29	254.18	-0.44	253.05
12/94	100	12,309.29	9.75%	51.29	304.34	-0.44	302.99
1/95	100	12,309.29	9.75%	51.29	354.27	1.43	359.35
...
...
11/99	100	15,607.84	7.69%	65.03	5,659.11	1.60	5,749.72
12/99	100	15,607.84	7.69%	65.03	5,814.75	1.60	5,907.86
1/00	100	15,607.84	7.69%	65.03	5,972.89	0.49+	6,001.96

+ Bank base rate

Value of lost employer matching contributions is £6,001.96.

Date	Actual investor contribution £pm	Allocation percentage	B/O spread %	Allocated premium £	AVC fund at beg. of month £	Policy fee £	Benchmark index %	Fund growth £	Fund charge £	Fund at end of month £
7/94	100	60%	5.0	57.00	57.00	1.50	-0.44	-0.25	0.01	55.24
8/94	100	60%	5.0	57.00	112.24	1.50	-0.44	-0.49	0.02	110.23
9/94	100	60%	5.0	57.00	167.23	1.50	-0.44	-0.74	0.03	164.96
10/94	100	60%	5.0	57.00	221.96	1.50	-0.44	-0.98	0.05	219.43
11/94	100	60%	5.0	57.00	276.43	1.50	-0.44	-1.22	0.06	273.65
12/94	100	60%	5.0	57.00	330.65	1.50	-0.44	-1.46	0.07	327.63
1/95	100	60%	5.0	57.00	384.63	1.50	1.43	5.49	0.08	388.53
....
....
11/99	100	100%	5.0	95.00	6,793.45	1.66	1.60	108.75	1.44	6,899.10
12/99	100	100%	5.0	95.00	6,994.10	1.66	1.60	111.96	1.48	7,102.92
1/00	100	100%	5.0	95.00	7,197.92	1.66	0.49+	35.03	1.51	7,229.78

Value of FSAVC charges are calculated as follows:

FSAVC fund with no charges £10,476.68

FSAVC fund with charges £7,229.78

Value of FSAVC charges £3,246.90

Loss Assessment

The investor has not started to draw benefits from the FSAVC policy and so a prospective loss calculation is required.

The Calculation Date is 1 February 2000.

The in-house AVC arrangement provides employer subsidised benefits and the investor has no fund choice as such, the appropriate benchmark index is therefore the CAPs return.

The relevant period for loss assessment is 1 July 1994 to 1 February 2000.

The salary extrapolation is the same as in example 1.

The value of the investor's AVC contributions is calculated as follows:

Date	Salary £	Contribution £	Value of contribution at start of month £	Benchmark index %	Value of contribution at end of month £
7/94	12,309.29	20.52	20.52	-0.44	20.42
8/94	12,309.29	20.52	40.94	-0.44	40.76
9/94	12,309.29	20.52	61.27	-0.44	61.00
10/94	12,309.29	20.52	81.52	-0.44	81.16
11/94	12,309.29	20.52	101.67	-0.44	101.22
12/94	12,309.29	20.52	121.73	-0.44	121.19
1/95	12,309.29	20.52	141.71	1.43	143.74
....
....
11/99	15,607.84	26.01	2,263.64	1.60	2,299.89
12/99	15,607.84	26.01	2,325.90	1.60	2,363.14
1/00	15,607.84	26.01	2,389.16	0.49+	2,400.79

+ Bank base rate

Value of the investor's AVC contributions £2,400.79

Value of FSAVC charges are calculated as in example 1:

FSAVC fund with no charges	£10,476.64
FSAVC fund with charges	£7,229.78
Value of FSAVC charges	£3,246.90

Redress will be provided by reinstatement and so it is assumed that no allowance for future FSAVC charges is necessary.

Summary

Lost additional subsidised benefits (from Pension Review calculator)	£2,469.00
Value of additional contributions that investor would have made to the occupational pension scheme	- £2,400.82
Value of FSAVC charges	+ £3,246.90
Value of AVC charges	- £0
Prospective loss	£3,315.08

Scheme Information Notification Form



Scheme Information Notification Form

To be submitted within 5 business days of discovery with supporting evidence to:

FSAVC Review Team
 11th Floor
 The Financial Services Authority
 25 The North Colonnade
 Canary Wharf
 London E14 5HS

Name of Regulated Firm	
Regulated by	(and, if by PIA) MRN:
Name of occupational pension scheme	
Relevant employer/s	
Name of contact	Telephone number
Address	
This scheme appears to have: Matched contributions <input type="checkbox"/> Other subsidised benefits <input type="checkbox"/>	
Eligibility criteria	
Details	

Copies of all evidence must be attached to this form, e.g. scheme booklet, correspondence with scheme trustees or administrators etc. Please list the enclosures here (continue on a separate sheet if necessary):

1)	
2)	
3)	
4)	
5)	
6)	
Signed	Name
Position	Date

This form is also available on the FSA website at [<http://www.fsa.gov.uk/fsavc-review>]

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Website: <http://www.fsa.gov.uk>

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