

Who is Hartley Pensions Limited?

Hartley Pensions Limited ("**Hartley**") is a pension scheme operator regulated and authorised by the Financial Conduct Authority ("**FCA**") in relation to its administration of Self Invested Personal Pension Schemes ("**SIPPs**"), and by the Pensions Regulator ("**PR**") in relation to its administration of Small Self-Administered Schemes ("**SSASs**"). Hartley operates 16,666 SIPPs and 360 SASs. Hartley runs the operations of your SIPP/SSAS, but does not have custody of your assets, which are held by separate trustee entities.

What has happened to Hartley Pensions Limited?

As a result of serious operational and regulatory issues, the FCA imposed a number of requirements on Hartley. As a result, Hartley's director sought professional advice and concluded that Hartley was or was likely to become cash flow insolvent in the future. Subsequently, on 29 July 2022, the director appointed Peter Kubik and Brian Johnson of UHY Hacker Young LLP as joint administrators (the "**Joint Administrators**") of Hartley.

What has happened since Administration?

Since appointment, the Joint Administrators have attempted to market and sell the entire SIPP client book to a new operator who would be able to take over the operations from Hartley. Unfortunately, this process has not been successful and therefore the Joint Administrators will now transfer client SIPPs to new operators individually, unless one or more Nominated Operators (as defined below) is able to take on blocks of clients.

What next?

Before effecting individual transfers, the Joint Administrators are seeking interest from other pension scheme operators ("**Nominated Operators**") who would be able to facilitate block transfers of those clients willing and able to transfer to the new operators. This would save costs and facilitate transfers out more quickly and efficiently than individual transfers. The Joint Administrators will provide clients with further updates if this process develops.

In the event that the Joint Administrators are unable to identify any Nominated Operator(s) for any SIPPs, the Joint Administrators will transfer these SIPPs to new operators on an individual basis and an explanation of this is set out below.

How are individual SIPP transfers going to be carried out?

Hartley is now entering into an effective 'wind-down' phase in which the Joint Administrators need to plan how they will be able to transfer all SIPPs to a new SIPP operator. This may be to a Nominated Operator for block transfers or another SIPP operator selected by a customer.

Exit and administration charge

It is proposed that an 'exit and administration charge' will be applied to SIPP accounts. The details of the exit and administration charge - including its amount - are currently being finalised, and further details will be provided on this website as they become available. The 'exit and administration charge' will replace the annual management fees you are currently charged, so you will be charged a single fee in respect of the cost of continued administration of your SIPP, and to securely transfer your SIPP to a new operator.

The Joint Administrators will make an application to the Court in respect of the 'exit and administration charge'. The purpose of this application will be to confirm that the Joint Administrators have power to impose the charge (insofar as it is permitted within the existing terms and conditions of each of the SIPPs), and also to give the Joint Administrators the power to impose the charge (if the charge, or some part of it, is not permitted under the existing terms and conditions of each of the SIPPs). Further details of any such Court application will be provided on this website as they become available.

The process for agreeing the 'exit and administration charge' is being discussed with the FCA and Financial Services Compensation Scheme ("**FSCS**").

Hartley would be unable to cover the costs of the continued administration of the SIPPs, and administering the transfers out of over 16,666 SIPP clients, if there were no 'exit and administration charge' because this charge covers the increased trading costs from the administration. Accordingly, the Joint Administrators consider that the application of the 'exit and administration charge' is in the best interests of clients. If this is not done clients would potentially be exposed to significant scheme tax charges which the Joint Administrators wish to avoid.

Can I choose a new SIPP operator?

Yes. All clients are entitled to opt out of any proposed transfer of their SIPP to a Nominated Operator. Indeed, in the event that the Joint Administrators are not able to identify a Nominated Operator they will require each client to nominate their own preferred SIPP operator to transfer their SIPP to. However, should the Joint Administrators identify a Nominated Operator who is willing and able to on-board a client's SIPP, there may be an additional cost to any client who opts out of such a transfer.

How long will it take to transfer my SIPP to a new operator?

The Joint Administrators currently expect to commence the transfer out of client SIPPs from April 2023 onwards. Please note that it may take 12 months or longer from this date to effect all transfers out to new operators. This timescale may vary if the Joint Administrators are able to identify one or more Nominated Operator(s) as it is expected that a Nominated Operator would be able to on-board SIPPs more quickly than if each and every Hartley client were to be transferred individually.

What happens to my SIPP in the meantime?

The Joint Administrators will continue to administer your SIPP and provide all services it can subject to a) practical or legal limitations arising from Hartley being in administration and b) the restrictions agreed by Hartley with the FCA until your SIPP can be transferred to a new operator.

Automatic contributions such as rental income and dividends will continue to be received (and credited to your account in the usual manner). However, Hartley remains restricted from receiving new contributions and ongoing contributions.

As a reminder, please ensure any regular contributions to your pension remain suspended and you do not try to make any other contributions until further notice.

It is expected that these restrictions will remain in place until such a date that your pension is transferred to a new operator. However, if the restrictions are lifted prior to this we will notify you accordingly.

Are my SIPP assets secure?

All SIPP assets are currently held by various trustee entities, not Hartley. The Joint Administrators are currently cross-referencing Hartley's records to ensure that all client assets are securely held by the trustees. The Joint Administrators are not aware of any reason to suggest that client assets are not secure but have not yet concluded the process of cross-referencing client records. The Joint Administrators are reporting progress to the FCA and will update clients should there be any concerns with regard to the secure custody of client assets.

Will I get all the assets in my SIPP back?

As explained above, it is proposed that each client will be charged an 'exit and administration charge'. Each client's SIPP will be transferred to a new operator in full minus the 'exit and administration charge'. Note that all clients will be allowed to pay their 'exit and administration charge' in cash. All clients will receive a SIPP report detailing the value of the assets within their individual SIPP and the 'exit and administration charge' to be applied to their SIPP to cover the administrative cost of transferring their SIPP to a new operator. This client report will be issued prior to the commencement of SIPPs being transferred out from April 2023 onwards.

How will the 'exit and administration charge' be paid?

It is proposed that the 'exit and administration charge' be deducted from client assets so that their SIPP is transferred to a new operator minus the 'exit and administration charge'. Where a client does not hold cash or holds insufficient cash in their SIPP to cover the 'exit and administration charge', they will be offered the opportunity to pay the 'exit and administration charge' in cash in return for the transfer out of their SIPP to a new operator. If a client does not wish to pay the 'exit and administration charge' in cash in these circumstances, it will be charged to their assets which may be liquidated to the extent necessary to settle the 'exit and administration charge'.

What happens if I do not wish to transfer out?

If you opt out or do not give instructions to transfer out to a new SIPP operator, there will be no operator to administer your SIPP because Hartley is now entering into a wind-down, following which Hartley will ultimately be dissolved. Your assets would be left in a trust in such circumstances with no operator, which would breach the terms of your SIPP. Any clients considering this should take their own independent legal and tax advice as to the consequences.

What if I want to draw my pension before this is all complete?

Eligible clients (i.e. those who have reached their retirement age) are able to draw their pension at any time and the wind down plans do not affect this. However, any client drawing down a pension before they are eligible may suffer significant scheme tax charges. Should you wish to draw your pension we strongly suggest you take financial or tax advice.

Please note that clients who do drawdown and do not leave sufficient assets within their SIPP will still be required to pay the 'exit and administration charge' and may be required to pay Hartley's costs of recovery of the 'exit and administration charge'.

Will there be any tax charges to my SIPP?

Each client's tax position is different. Part of the reason behind the timescales involved in transferring all SIPPs to a new operator is that the Joint Administrators are taking advice to ensure that they minimise any form of tax scheme charges to client SIPPs, including liaising with HMRC. The Joint Administrators are not able to provide individuals with tax advice.

Can I claim compensation?

The Financial Services Compensation Scheme (FSCS) protects consumers when financial services firms fail. It is the compensation scheme for customers of UK authorised financial services firms. It has eligibility criteria in respect of the people and businesses who are covered by the scheme. The FSCS may compensate eligible clients up to £85,000 in respect of losses suffered as a consequence of a failure.

At present the FSCS has not yet agreed to compensate clients of Hartley and is not opening its online claims services to claims against Hartley. However, the Joint Administrators are working closely with the FSCS to understand whether there will be any protected FSCS claims arising as a result of customer losses suffered as a consequence of the 'exit and administration charge'. The FSCS will provide further updates on its website in due course.

Do I need to use a claims management company ("CMC")?

You should proceed with caution if you are approached by a claims management company ("CMC").

For the vast majority of clients, there is no benefit in involving a third party in making a claim or complaint or reclaiming your assets.

If you use a CMC, it is likely to seek a fee which may reduce what you get back.

If you are considering using a CMC to assist with the return of your assets or the transfer of your SIPP, we suggest that before you decide to proceed with this route you first discuss this with a FCA-regulated financial adviser. CMCs are unlikely to be able to advise on your pension arrangements or investments.

How do I complain?

If you want to make a complaint in the meantime please submit this to the following address:

FAO: The Administrators
Hartley Pensions Limited (in administration)
c/o UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London
E1W 1YW

Claims to FSCS and complaints to the Financial Ombudsman Service ("FOS")

The guidance in respect of complaints to the FSCS and FOS is set out on the Joint Administrators website through the following link: [Hartley Pensions Limited – in Administration | UHY Hacker Young \(uhy-uk.com\)](https://www.fscs.org.uk/making-a-claim/failed-firms/hartley-pensions/)

The FSCS will not yet be opening its online claims services to claims against Hartley. You can obtain further information about the FSCS on its website: <https://www.fscs.org.uk/making-a-claim/failed-firms/hartley-pensions/>

You do not need to take any action in respect of a complaint already referred to FOS. As previously advised the FOS and the FSCS are working closely with the FCA and the Joint Administrators to agree an appropriate course of action, including referral by FOS of complaints to the FSCS because the FOS cannot continue its complaints handling service without the Joint Administrators' consent. The FOS will contact you in due course regarding the next steps. The FSCS will also update its website with any news or important developments regarding its investigations.