



## LEGAL ALERT FOR: SIPP Providers

**TOPIC OF INTEREST:**  
SIPP Provider liability for  
investments available within  
the SIPP

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### Why is this alert being published?

- A judicial review decision was handed down on 20th May 2024 relating to a complaint made against a Sipp provider regarding a loss of pension fund monies. The Ombudsman had upheld the complaint and awarded compensation to the claimant. The judicial review of the decision was dismissed.

### Recommended Actions

- Providers should consider the existing assets within their Sipp book and identify those assets that may pose a higher risk from a due diligence perspective and consider appropriate action.
- Providers should consider their complaints handling process for complaints relating to asset suitability and inclusion in the Sipp.
- Providers should review the due diligence process for making future assets available in the Sipp.

### Options UK Personal Pensions LLP v Financial Ombudsman Service Limited [2024] EWCA Civ 541.

- The Financial Ombudsman Service upheld the complaint which was broadly that the Sipp provider – Options UK Personal Pensions LLP – had not carried out sufficient checks and due diligence on the investment and was therefore liable for the losses suffered by an individual to his pension fund savings. This was despite the provider not being involved in the investment decision and despite the disclaimers and risk warnings. The Court of Appeal upheld this position and judicial review was dismissed.

### Regulated Recent Regulatory Activity

- We anticipate further FOS decisions on this area and are aware of a similar decision in February 2024, where a Sipp provider was found to have failed to conduct adequate due diligence and was ordered to pay compensation.