"Regulatory scrutiny is changing the landscape of the SIPP industry. Consolidation will continue in reaction to the new capital adequacy rules, leading to a smaller and less diverse marketplace with fewer, larger providers and simpler, lower-cost SIPP products on the market.”
– Chryso Kolakkides, Senior Financial Services Analyst

This report looks at the following areas:

- The modular approach could be the key to success
- Reactions to pension reforms push income drawdown to the top

Self-Invested Personal Pensions (SIPPs) have traditionally been regarded as being for more affluent investors, allowing them to invest in a wide range of non-standard financial products. However, the popularity of early SIPPs, improved technology and the rise of self-directed investing has led to a number of basic, low-cost SIPPs entering the market which have broadened the product’s target audience to include mainstream investors. As a result, the SIPP market has grown impressively in 2013 and is expected to continue in 2014 and throughout the next five years.

Increased regulatory scrutiny is also changing the industry’s landscape with the new capital adequacy regulations coming into force in September 2016. By increasing the minimum capital requirement for SIPP firms, the regulator's ruling is already exerting increased pressure on the smaller companies. Over the course of 2014, there have been a number of acquisitions from stronger providers and consolidation is likely to continue.

In this report, Mintel examines consumers' attitudes towards SIPPs. It looks at the channels through which consumers purchase their SIPP, what investments consumers hold within their SIPP and their satisfaction with the range of investments it provides. This report also investigates investors' behaviour and intentions in terms of SIPP transfers and switching providers, as well as their plans at retirement following the announcement of the Budget pension reforms.
Self Invested Personal Pensions - SIPPs - UK - December 2014

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