



COURTNEY HAVERS LLP
Independent Financial Advisers

Our client services – Defined Benefit Pension Transfers.

Courtney Havers was founded in 1990 and we are Independent Financial Advisers, working for people who need genuine, comprehensive and unbiased advice to enable them to achieve their financial goals throughout their lifetime.

We recognise that as client's needs change, it is important that our clients continue to receive advice that reflects their changing circumstances, especially when it comes to retirement planning.

The low interest rate environment we have been experiencing in recent years has meant that transfer values being offered by Defined Benefit Pension Schemes have soared to record levels. This mainly reflects the fact that it is now costing Defined Benefit Schemes a lot more to meet the pension promises that they have. Irrespective of the transfer values being offered, in reality transferring a Defined Benefit Pension to a Defined Contribution (Personal Pension) pension is **not** the most suitable course of action for the vast majority of people. It is therefore important that you seek advice from a qualified and experienced Pension Transfer Specialist, which we are pleased to be able to offer to our clients.

Please note that we are unable to provide you with advice if your transfer value is below our minimum value which is £250,000.

Courtney Havers Defined Benefit Pension Transfer Service

Pension transfers are an area of advice that has come under increasing scrutiny by our regulator, the Financial Conduct Authority (FCA). We will always start our analysis on the basis that a transfer away from your existing Defined Benefit pension scheme is unlikely to be in your best interests.

As a consequence of regulatory intervention and a need to ensure suitable outcomes for our clients, the way in which we deliver our advice has changed significantly over the last few years to the extent that there are now 3 distinct parts to our service:

1. Triage.
2. Abridged Advice.
3. Full Pension Transfer Advice.

Triage.

The first part of our pension transfer service, which is provided to you at our expense. Our Triage service will start to get you thinking about how your Defined Benefit Pension Scheme benefits can contribute to your retirement income needs. Areas we ask you to explore include:

- What are the advantages and disadvantages of a Defined Benefit Pension Scheme?
- What are the advantages and disadvantages of a Defined Contribution Pension Scheme (Personal Pension)?
- What are your income needs likely to be in retirement?
- What level of income do you need to secure to ensure that your essential and lifestyle expenditure needs are met and how your Defined Benefit Pension can contribute to this.
- What other goals and plans you may have in retirement.
- Your attitude to transfer risk. This requires you to assess how comfortable you are with giving up guaranteed pension benefits and assuming the investment risk involved when transferring your pension away from the Defined Benefit scheme.
- The impact that the ongoing costs and charges involved with holding your pension within a Defined Contribution Pension scheme will have on the value of your pension fund over time, and what impact this may have on the pension funds ability to meet your retirement income needs throughout the rest of your life.

Upon completing the triage process, you will most likely have arrived at one of two decisions. Firstly, you could decide that giving up the guaranteed lifetime benefits that your Defined Benefit pension provides is not something you wish to do, or, you may still be uncertain as to whether keeping the scheme benefits is the right thing to do. If the second option then we would recommend considering the next stage of our Pension Transfer Service – **Abridged Advice.**

Abridged Advice.

The second step in the pension transfer advice process which the FCA introduced in September 2020 and require that we adopt.

There is a charge payable for the Abridged Advice Service of £1,250, which will be payable even if our advice is that a transfer of your Defined Benefit Pension is unsuitable.

We will need your agreement to paying this charge before we are able to commence work on this next stage of the pension transfer process.

Our Abridged Advice Service requires that we collect further information from you as follows:

- We will need you to complete a full client fact find which will provide us with details about your personal and financial situation.
- We will need you to complete a detailed budget planner. This will enable us to understand what your income and expenditure requirements will be in retirement, both at an essential level and what additional income is needed to support your lifestyle spending requirements.
- We need to identify whether you have any need for access to lump sum capital from your pension to meet your objectives.
- We need to understand what other sources of savings & investments you have, as well as other sources of income, both secure and flexible.
- Your attitude to taking on investment risk.
- Based upon your detailed income and expenditure needs, we will need an understanding of the level of losses in terms of the value of your pension fund you are able to withstand, were a transfer to take place, without these having a detrimental impact on your ability to cover your essential and discretionary expenditure requirements.
- Details of the level of benefits available from your existing Defined Benefit Scheme.
- We will meet with you once we have collated and analysed the above information to address any missing information requirements and also so we can fully understand your needs and objectives.

Once we have completed our initial assessment we will inform you of our findings.

Abridged Advice is only able to provide you with one of two possible outcomes:

- 1. A pension transfer would not be in your best interests.**
- 2. We have insufficient information for us to be able to conclude whether or not a pension transfer is in your best interests or not, without undertaking significant additional technical analysis.**

If the outcome of the Abridged Advice Service is that it is not in your best interest to transfer your Defined Benefit Pension Scheme, we will provide you with our formal recommendation in writing that we consider that a transfer is unsuitable for you, and provide you with our reasons why this is the case.

Should the outcome of the Abridged Advice Service be that we have insufficient information to be able to reach a conclusion as to the suitability of a transfer, but you still wish to fully understand your options, then we are able to offer you the 3rd part of our Defined Benefit Pension Transfer Service – **Full Pension Transfer Advice.**

Full Pension Transfer Advice.

There is a minimum charge payable for the Full Pension Transfer Advice service of £7,500.

We will deduct the £1,250 fee already paid by you under the Abridged Advice Service from our final fee.

As with the Abridged Advice Service, we will confirm what our fee for the Full Pension Transfer Service will be and obtain your agreement to paying this before we commence any billable work on this next stage of the pension transfer process.

Our fee will be payable even if upon completion of our full analysis we confirm that a transfer of your Defined Benefit Pension is unsuitable for you. Please make sure that you have the funds available to pay our fees before you agree that we may start work.

Our Full Pension Transfer Service will use the information already collected from you. In addition to this we will also as a minimum:

- Request full details of the scheme benefits, including the transfer value & scheme funding level.
- Assess the benefits likely to be paid by the scheme and options that may be available under the existing scheme and how these may meet your needs & objectives that we have already identified.
- Complete a comparison of the scheme benefits with potential benefits available via an alternative pension scheme.
- Undertake full research in regards to any other existing workplace pensions that you may have access to, which are able to accept a transfer from your Defined Benefit Scheme that may be a more suitable option to receive your pension benefits than any other alternative we may research and consider recommending.
- Complete a full cashflow analysis, to assess the ability of a transfer to be able to sustainably provide you with the level of income you have stated you will require in retirement. This will include stress testing to ascertain the impact that sudden market falls may have on the value of the transferred pension fund and its ability to be able to continue to provide you with the level of income you require.
- Assess the additional cost of securing an equivalent level of benefits from the transfer as would be payable by the existing scheme, so we can advise whether or not the transfer value offered represents good value.
- Identify if the level of investment returns required, after costs and charges, to meet your income needs is realistically achievable based upon your attitude to investment risk.
- Assess what other options exist to secure your essential and discretionary spending requirements using other savings and investments.

Upon completion of our full analysis, we will provide you with our full recommendations in writing.

If our advice confirms that a transfer is suitable for you, then we will give you the time you need to consider whether or not you wish to proceed with the transfer, and will ensure we are available to answer any further questions that you may have. If you decide to proceed, we will be happy to arrange the transfer on your behalf to our recommended alternative.

If we recommend that you retain your Defined Benefit Pension Transfer and you choose to ignore our advice and proceed with the transfer, please be aware that we will not be in a position to facilitate the transfer for you.

In this situation you are at liberty to seek advice from an alternative adviser who may provide you with a different recommendation. Please be aware that seeking advice from a different adviser will most likely require that you pay additional fees.

Our Charges.

Triage Service – The initial Triage Service is at our expense.

Abridged Advice Service – Our charge for this service is £1,250.

We'll only start work once you have agreed to proceed with this service and pay the associated charges to us.

We'll give you a copy of our client agreement which will set out the services we agree to provide and confirm how much this will cost.

Full Pension Transfer Advice Service – Our minimum charge for this service is £7,500.

We'll only start work once we have agreed our services and charges with you.

We'll give you a copy of our client agreement which will set out the services we agree to provide and confirm how much this will cost.

We will deduct the £1,250 charge you will have paid for the Abridged Advice Service from our final fee, should you wish to proceed with the Full Pension Transfer Advice Service.

Payment for services.

Initial charges

You can pay for our advised services by way of a fee. Regardless of whether you buy a product, you will pay us for our advice and services. In the event you proceed to our Full Pension Transfer Advice Service and our recommendation is that a transfer is suitable for you, you will have the option of requesting that the provider pays our fees from the transfer value upon receipt.

Service	Minimum Initial Charges
Triage Service	This service is provided at our cost.
Abridged Advice Service	The fee for this service is £1,250.
Full Pension Transfer Advice Service	<p>Our minimum fee for this service is - £7,500 (based on a minimum transfer value of £250,000).</p> <p>We operate a fee cap for the Full Pension Transfer Advice Service of £20,000. This cap is fixed for the service irrespective of the number of pension schemes we are asked to review at the time you engage us to provide this service.</p> <p>Any future work will incur a new set of fees and you will be required to start the review process with the Triage Service.</p> <p>We will deduct the £1,250 fee already paid for the Abridged Advice Service from the fee agreed for this service.</p>

Here's an example of our charges (Based upon a minimum Pension Transfer Value of £250,000):

- **Triage Service** - Available at our expense.
- **If you decide to proceed to the Abridged Advice Service** – A fee of £1,250 will be payable upon conclusion of this service.
- **If following the Abridge Advice Service you decide to proceed on to the Full Pension Transfer Service** – Our minimum fee of £7,500 will be payable upon conclusion of this service. We will deduct the £1,250 already paid for the Abridged Advice Service from the £7,500 fee, meaning that there will be a minimum balancing payment for you to pay of £7,500 - £1,250 = £6,250.