

SIPP & SSAS round up

AUTUMN 2025



Welcome to the latest edition of the TLT SIPP & SSAS round up. In this edition, we cover key SIPP and SSAS-related news, cases, and determinations that highlight recurrent issues (including transfer due diligence and investment matters), plus round up recent and expected developments. If you would like to discuss any item in further detail, please speak to a [key contact](#).

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Leeds Reforms

July's Mansion House speech unveiled a series of reforms aimed at enhancing the UK's financial services sector, collectively referred to as the Leeds Reforms.

Designed to bolster the UK's position as a leading global financial centre, improve consumer protection, and foster innovation within the industry, they include:

- **FCA** and **HMT** consultations on reforming the Senior Managers & Certification Regime with the aim of streamlining processes and reducing burdens on firms
- reforms to the Financial Ombudsman Service (FOS), **modernising the redress system**, to include a proposed long stop complaint referral date of 10 years, introduce changes to the test by which FOS determines cases, and introduce formal referral mechanisms to improve co-ordination and consistency, alongside other proposals. At the same time, FOS confirmed its **revised position** on interest applied to **compensation awards**, and in August, it launched a consultation on **changes to its case fees**.

Together with other recent reforms and consultations, these signal a change of direction by the regulators and highlight important considerations for SIPP and SSAS providers to be mindful of. See our **Insight** Financial Services Reforms - Takeaways for SIPP and SSAS providers for more. Our Financial Services Regulatory team are experts in this area and support clients with these developments.

Contact **Andrzej Wieckowski** if you would like to know more.

Financial Conduct Authority

- The FCA has consulted on 'targeted support' for pensions and retail investments, aimed at the gap between existing guidance-based services and more bespoke advice. The proposals look to enable firms to provide suggestions designed for groups of consumers with common characteristics, to help them make financial decisions on complex areas. The consultation also sets out the FCA's early thinking on simplified advice and clarifying the Advice Guidance Boundary. In September, the FCA published a **consultation paper** on additional changes to the FCA Handbook to ensure that the targeted support proposals work effectively with existing requirements. The FCA aims to finalise the regulatory framework and to publish a policy statement on targeted support in December, with a consultation paper on simplified advice to follow in January 2026.
- In line with its 2025-2030 strategy, the **FCA continues to embed Consumer Duty** into its supervisory approach. In an effort to support growth and competitiveness, the FCA is streamlining its regulatory requirements and helping firms with clearer guidance and simplified rules. **The regulators will focus on** sharing good and poor practices and supporting firms with proportionate application of the rules based on firm size and activities. In relation to pensions, the FCA has indicated that the targeted support regime is expected to go live in Q2 2026. It will also be looking at transparency of charges across the value chain in relation to unit-linked pensions and long term savings and how firms assess overall product value – with findings to be published before the end of the year. The **FCA has committed** to amend the Duty to remove disproportionate burdens from wholesale firms to achieve a proportionate approach to compliance – and set out specific steps to be taken throughout 2025 and 2026 to achieve this (including removing non-UK customers from the scope of the Duty).
- The FCA's review of **Life insurers' pension transfer processes** generally found that good practice exists. The review forms part of its work on ensuring consumers are empowered to make informed decisions about whether to transfer, and on making the transfer process more efficient, boosting trust, encouraging product innovation and ensuring consumers have the right information and support (this workstream also includes its work on the **Value for Money Framework** and Advice Guidance Boundary Review.)
- The **FCA's response to the Complaints Commissioner's Annual Report 2024/25** notes that it continues to see harm where firms holding client assets fail. This is particularly relevant for SIPP operators, where the absence of a dedicated Special Administration Regime (SAR) can delay the return of client assets and complicate the resolution process. The FCA has raised the question of whether a SAR or similar mechanism should be introduced to improve outcomes for SIPP consumers with the government.



Financial Ombudsman Service

A [recent update](#) from FOS notes a considerable drop in cases following the introduction of charges [for professional representatives](#) to bring cases. It notes that those cases that are referred are however more likely to be investigated and upheld, suggesting representatives are undertaking better due diligence on referrals to the service. (Its earlier [annual report](#) highlighted a 48% uphold rate for pensions complaints, with topics including administration, failures of due diligence, suitability of advice and delays).

In September, FOS also reminded people to [stay alert to potential scams](#), with savers offered tips on avoiding being persuaded to withdraw pensions early to invest in unregulated and high-risk schemes.

Financial Services Compensation Scheme

[FSCS Annual Report and Accounts 2024-25](#) showed that over the last 12 months, it paid more than £110m in compensation to customers who had received unsuitable investment, pension transfer and SIPP advice. Compensation was also driven by claims related to SIPP operator firm failures.

Tax

Tax charges scheme administrators and members of SIPP and SSAS pension schemes may become liable to pay

- Our Insight, [Tax in the Financial Services Sector 2025 - Tax charges for pension scheme trustees and providers](#), looks at the tax charges which scheme administrators and members of SIPP and SSAS pension schemes may become liable to pay, in particular in relation to investments by way of loans – and how unauthorised payments may be prevented.
- [HMRC have issued a statement](#) in parallel with the [FCA](#), warning that the consequences of taking a PCLS from a registered pension scheme and other payments which may be cancelled will not normally for tax purposes also follow to reverse the tax consequences of the action. Schemes should ensure that members are aware of this, and that appropriate arrangements are in place to mitigate adverse tax outcomes; [further clarification and guidance](#) has been given in HMRC's most recent newsletter. We have expertise in advising on the tax implications of payments from pension schemes including in relation to any disputes that may arise where HMRC assess tax liabilities.

Contact [Emma Bradley](#) if you would like to know more.



The Pensions Ombudsman

Our previous briefings have covered changes aimed at transforming TPO's service. It's latest current [Corporate Strategy](#), [Corporate Plan](#), [Annual Report and Accounts](#) and an October update [blog](#) highlight TPO's progress, and set out its vision for the organisation.

TPO delivered its largest ever number of complaint closures, up 14% on the first six months of 2025/26, on top of a 42% increase in case resolution achieved last year. The Annual Report notes TPO's increased operational efficiency through:

- the use of Expedited Determinations – achieving earlier case closures where there is a clear outcome (a case study examines a complaint on the tax treatment of drawdown income from a SIPP in this context);
- its new 'lead case' approach, where there is an industry or scheme issue that affects multiple members (the Report reviews the use of this approach in the case of a SSAS provider).

As it looks to reduce the number of complaints it receives and reduce its historical backlog, schemes should be aware that TPO continues to focus on schemes improving their internal dispute processes, so customers can benefit from earlier complaint resolution. TPO also plans to ask respondents for a formal response to applicants' complaints at an earlier stage. In addition, TPO flags that it provides guidance and information about its approach to key issues so that schemes can take steps to prevent such issues becoming complaints; SIPP and SSAS providers should ensure they are aware of these publications.

Please see our [March briefing](#) for recommended action in relation to TPO's 'lead case' approach.



The Pensions Regulator

- TPR has set out its **new approach to enforcement** in a consultation. The proposed strategy 'reflects an important shift' in how it regulates, introducing 'a more focused, agile, and outcomes-driven model'. This 'collaborative' approach aims to 'deliver real-world results', preventing harm, securing redress, and building saver confidence.
- It has also **announced** that it is 'to raise standards of trusteeship through a new strategy and to focus on improving investment governance practices so that all savers benefit from diversified investments'. TPR plans to work with industry 'to bring trusteeship into line with other professions and corporate governance standards', including improving the quality of scheme administration.
- TPR's latest '**DC Landscape**' report notes that only 13% of 'micro schemes' (ie, SSASs) are aware of the forthcoming 'guided retirement' duty, and that 'many... are currently not doing enough to prepare... leaving their members to navigate complex choices alone as they transition into retirement. Schemes that struggle to support savers with their retirement decisions should consider consolidation into schemes that can offer value for money.' It also found that while larger schemes generally provided support to members with their retirement decisions, a 'significant' proportion of micro and small schemes only provided statutory communications. Finally, the report notes the benefits for small and micro schemes of having a professional trustee, in terms of higher standards of governance and administration.
- TPR has also issued an industry alert regarding rising levels of **impersonation fraud**, involving unauthorised access to members' accounts using hacking and impersonation techniques. Trustees and administrators are warned to be vigilant and report any suspicions. See also our 'Keep on your radar' section below.



SIPP & SSAS Key Cases review

Debts can be enforceable against SIPP benefits

Century Property (Leeds) Ltd v Aldiss
Zubarev & Anor v Singh & Anor

In **Century Property (Leeds) Ltd v Aldiss**, the High Court ordered the enforcement of a judgment debt against the debtor's pension and lump sum benefits under a SIPP. In so doing, the Court applied the jurisdiction identified in **Blight v Brewster [2012]**. This contrasts with *Manolete Partners PLC v White* [2024] (**reviewed in our last briefing**), where the Court of Appeal held that such enforcement is not possible against occupational pension schemes including SSASs, due to the provisions of section 91 the Pensions Act 1995 (which do not apply to SIPP's).

Zubarev & Anor v Singh & Anor also recently confirmed that personal pensions could be the subject of third party debt orders (against providers, requiring them to pay a member's creditors). However, such an order should not be made in anticipation of a debt becoming due (unlike in the case of judgment debts).

Application of UK-Portugal double tax treaty to SIPP benefits

Masters v HMRC

In **Masters v HMRC**, SIPP withdrawals by a UK expatriate in Portugal were held to be exempt from UK tax under the UK-Portugal double tax treaty, saving around £1.5m.

The withdrawals were found to be 'paid in consideration of past employment', making them taxable only in Portugal. The FTT held that the funds did not become Mr Masters' property until he made withdrawals from the SIPP; the transfer from an occupational pension to the SIPP did not break the connection with the taxpayer's employment, particularly given his 30-plus year employment period, and the absence of any further SIPP contributions post-employment assisted. While this may sound welcome news to non-residents, any claim would, as ever, turn on its own facts.

Some key reminders on valuations of SIPP and SSAS assets

Morgan Lloyd v HMRC

The Upper Tribunal **dismissed in part Morgan Lloyd's appeal** against a FTT decision relating to scheme sanction charges (which in turn were assessed on unauthorised payments from a SSAS to its sponsoring employer, many being structured as loans secured by a charge over intellectual property (IP) assets).

The judgment reinforces the importance of accurate valuation of SIPP and SSAS assets. Professional trustees should separately apply 'commercial acumen' to test valuations including those commissioned from third party valuation specialists. Issues concerning the interpretation of the legal documents covered by the SSAS arrangement have been remitted back to the FTT. In addition, the case looked at time limits for applying for discharge of liabilities to the scheme sanction charge. The UT agreed with the FTT that the time limit ran from the end of the period

in which the transaction giving rise to the liability to the charge took place (and not the end of the year in which HMRC assessed the charge).

Appeal dismissed in relation to HMRC time limits for discovery assessments

Trachtenberg v HMRC

In *Trachtenberg v HMRC*, the FTT held that where a taxpayer made loans out of a SIPP to people who then loaned the monies back to him, those arrangements gave rise to an unauthorised payments tax charge, plus a surcharge under the Finance Act 2004. The loans were not on commercial terms and the taxpayer had knowingly given false statements in his returns, leading to a loss of income tax for HMRC. The FTT held that there was deliberate behaviour for the purpose of the discovery assessment provisions, which entitled HMRC to engage extended time limits for raising the assessments. The Upper Tribunal (Tax and Chancery Chamber) has now **dismissed the appellant's appeal**.

TPO sets out its position on trustees' due diligence obligations when considering a transfer right

THE ISSUE

TPO has [called attention to an important new Determination](#) – concerning a 2014 statutory transfer to a SSAS – that has potential implications for many transfer cases. It provides clarity on trustees' duties in respect of statutory transfers in the period from February 2013 until the Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021 came into force on 30 November 2021.

The member, Mr D, complained that the transferring trustee (the Trustee) failed to carry out sufficient due diligence to check for scam warning signs, and then to communicate the presence of those warning signs to him (here, for example, the receiving SSAS was newly registered with HMRC, and its sponsoring employer was dormant and registered at Mr D's home address). As a result, Mr D claimed he had lost valuable retirement benefits.

The Trustee maintained that it had complied with statutory requirements, provided the member with TPR's required warning literature including its 'Scorpion' leaflet, and received signed confirmations from the member acknowledging the risks and his understanding of the transfer.

The legal question for TPO was what the Trustee's duty of care at that time to Mr D was, including in respect of due diligence, when making the transfer?

THE OUTCOME

The complaint was not upheld. TPO examined the statutory requirements, regulatory obligations and understanding of trustees' duties of care at the time. He found there to be no general, common law or equitable duty that required a trustee to conduct the level of due diligence suggested by the member. In particular, it was not necessary for the Trustee to have complied with the due diligence checklist set out in TPR's 2013 action pack, 'Pensions liberation fraud: The predators stalking pension transfers' or the Scorpion leaflet. In addition, the Trustee had not voluntarily assumed a responsibility to investigate the receiving scheme, nor made any promise or implied representation to the member that it was conducting due diligence. The Trustee had fulfilled its statutory duties and acted in accordance with industry norms at that time, and Mr D had received appropriate warnings.

WHY IT MATTERS

The determination is of particular significance because it reflects a departure from previous TPO decisions, which had interpreted TPR's 2013 guidance to mark an increase in the obligations on transferring trustees. TPO also noted that this determination is likely to guide its approach 'in similar cases'.

The determination should provide some comfort and welcomed clarity, and may assist schemes with their handling of similar complaints relating to this period (only) – many of which still seem to surface. But as with all TPO determinations, of course, it turns on its facts, and so schemes should take advice on the specifics of any such cases that cross their desks.

Further Determinations setting out TPO's view of the position in respect of transfers made from personal pension schemes including SIPP (which are subject to the FCA perimeter, different regulatory burdens and can come under the jurisdiction of FOS as well as TPO) or where a non-statutory transfer is being considered will follow.

Although this determination relates to a transfer into a SSAS, it is a useful reminder to SSAS professional trustees and SIPP operators that they should always ensure that they are aware of the relevant standards at the time they are making transfers; that they understand the statutory requirements, any relevant guidance, and meet good industry practice standards, staying up to date with any regulatory or Ombudsman publications, and reviewing their own practice against any new relevant determinations. It is also a good reminder to keep detailed records of all stages of transfer correspondence, including any warnings and documents a member is referred to. Transfer packs should be checked to ensure they are complete and reviewed thoroughly.

No maladministration where SIPP operator complied with FCA's guidance on non-standard investments

THE ISSUE

TPO has dismissed two complaints ([CAS-58612-P1X1](#) and [CAS-57893-P0C6](#)) brought by separate members against a SIPP provider (the Provider), concerning the level of due diligence undertaken on non-standard, high-risk, investments.

When the members set up their SIPPs, they each signed application forms, supplemental deeds (agreeing to meet the Provider's fees) and declarations accepting sole responsibility for their investment decisions and agreeing not to hold the Provider liable for any losses. The key features documents emphasised that the Provider could not provide advice on the suitability of investments. The members signed declarations that they were high-net-worth or sophisticated investors, then instructed the Provider to proceed with their respective investments.

One invested in start-up unquoted energy sector companies, and the other in overseas listed buildings through special purpose vehicles. In each case, the Provider conducted due diligence on the investment companies and associated entities. While the investments initially appeared to perform well, the complainants eventually lost most of their investment.

THE OUTCOME

Provider as trustee: The complaints were not upheld. TPO found that the SIPPs were member-directed arrangements where investments were implemented on an 'execution-only' basis. The documentation signed by the complainants confirmed that they understood the complex investment risks and had received financial advice, made it clear that the Provider could only act on the members' directions, and agreed that the Provider would not be liable for any investment advice, decisions or loss. The Provider's actions in its role as joint trustee therefore did not amount to maladministration.

Provider as operator: TPO also found that the Provider's actions in its separate role as the SIPP operator did not amount to maladministration. It had conducted 'adequate and reasonable' due diligence, in line with relevant FCA guidance at the time (including the 2014 SIPP operator 'Dear CEO Letter', which required it to establish the nature of investments, ensure they were genuine, secure, legally enforceable, able to be independently valued and not 'impaired'.)

TPO noted that although the FCA rules with which SIPP operators must comply impose wide obligations, including acting in the best interests of clients, this must be balanced against the general principle of personal responsibility for decisions; this is particularly the case for SIPPs 'which by their very nature are self-invested, implying a greater degree of personal responsibility'. While there were minor shortcomings in the Provider's communications (a failure to inform the member proactively and promptly about a default in the investments), the consequences of this maladministration did not meet the threshold to make a distress and inconvenience award.

WHY IT MATTERS

These determinations make clear just how vital the documenting of agreement between SIPP provider / operator and member is, among other things in identifying the extent of respective duties. SIPP operators should take advice to ensure their own documentation is comprehensive and clear.

However, operators should also note that the FCA is clear that even 'execution only' SIPPs owe members duties regarding the underlying investments; SIPP operators must therefore ensure that they are fully aware of, and operating in line with, these expectations. As SIPP issues, these complaints could also have been taken by FOS, where the result may have been different. Please see our [March briefing](#) for a study into FOS' remit and approach, with important takeaways for SIPP operators.

These determinations contrast with the TPO's determination in Rowanmoor (and subsequent related determinations) in the SSAS space. Here, as is common with a SIPP, the documentation made it clear that investments were directed by the member and implemented on an 'execution-only' basis, and several of the statutory investment duties on trustees of SSASs that are referred to in Rowanmoor do not apply to trustees of SIPPs as personal pension schemes.

Looking ahead

Key developments to look out for over the next quarter

- The Autumn Budget is due on 26 November. We will update you on any SIPP and SSAS-relevant announcements.
- Economic Crime and Corporate Transparency Act 2023 requirements may apply to SIPPs and SSASs, including for example registered office and contact detail requirements and new director identity verification requirements from 18 November 2025. See TLT's [resources](#) for more.
- From 6 April 2026, all scheme administrators of registered pension schemes must be resident in the UK. Where SSAS member trustees are appointed as the scheme administrators, you should ensure they understand that they will need to be and remain UK resident. HMRC gives [guidance](#) on the actions any non-UK scheme administrators should take.
- [HMRC's Newsletters](#) have reminded administrators that scheme returns must be submitted via its 'Managing pension schemes service', with a different return applying for SIPPs.
- Inheritance Tax: The industry looks forward to seeing finalised primary legislation on the changes to [Inheritance Tax on Pensions](#) (to which TLT has responded) following the November Budget. Draft regulations and HMRC guidance on the proposed information sharing obligations on scheme administrators are expected 'in due course'. Speak to us for actions you should be taking in light of the forthcoming changes, to ensure your scheme documentation is appropriate and SIPP and SSAS clients are aware of the changes and prepared.



Keep on your radar

- Pension Dashboards: Schemes **must ensure they are prepared** for connection, with robust governance in place to manage risks and ensure data quality. (SSASs are not yet caught but may be brought into scope in the future.) See our **Insight** for recommendations for schemes on addressing the data protection and cyber security risks presented by connection to dashboards.
- General Code: Schemes should be well underway in their progress towards General Code compliance. Our **Insight** summarises the key considerations for SSAS trustees and SIPP operators.
- Cyber-attacks and scams continue to grow in complexity and spread, and all SIPP and SSAS providers should ensure they are prepared for the challenge. Speak to us for advice.

Recent and forthcoming from TLT's SIPP & SSAS and Pensions Team

- TLT's 2025 SIPP & SSAS Festival featured a variety of sessions, including on fraud and financial crime in pensions and financial services, appealing HMRC assessments, and Tech and AI in SIPP & SSAS. Ask us to watch sessions again
- Watch out for an invitation to TLT's 2026 SIPP & SSAS Festival
- Catch us at the AMPS Annual Conference at IET Savoy Place, London on 4 November 2025
- For more information on our SIPP & SSAS experience and relevant insights, visit our **[SIPP & SSAS Hub](#)**



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