

Consumer Duty – Product Information for the LV= SIPP (Flexible Transitions Account)

Including target market, fair value, and customer vulnerability statements

Product Type

Individual Personal Pension/Self-Invested Personal Pension.

Product Description

The LV= SIPP is a pension plan that is designed to allow members to control how their pension fund is invested and to provide flexibility at retirement. The plan is also designed to allow members to take pension benefits directly from their plan, using drawdown.

Investing solely in LV= Core Funds or LV='s Smoothed Managed Funds offers access to a low cost personal pension, designed for people with moderate to high transfer values or single contributions to start up their plan.

The plan can receive transfers from Defined Benefit schemes where appropriate financial advice has been given.

Product Objective

To enable the policyholder, a third party on their behalf, and/or their employer, to make regular and lump sum contributions for capital growth, or to receive a transfer payment from another registered pension scheme, to build up a fund for retirement planning. The fund can be accessed from age 55 onwards to provide a tax-free lump sum alongside annuity purchase and/or withdrawals directly from the investment in the form of drawdown pension.

Product Holding Time

The Plan has no fixed term, but when starting the Plan we would expect a client to invest for at least five years and ideally longer. The fund cannot normally be accessed to provide retirement benefits before the minimum age of 55 (the government is changing this to age 57 from 6 April 2028).

Product Features

- Can accept transfers from other UK Registered Pension Schemes or Recognised Overseas Pension Schemes (ROPS).
- In-specie transfers (but not in-specie contributions) and drawdown transfers are allowable (including beneficiary drawdown).
- Ability to accept single and regular contributions from members, employers and third parties on a one off basis and via direct debit on a regular basis.
- A choice of over 200 LV= Core Funds to invest in a low cost pension including a range of ESG funds.
- A range of LV= Smoothed Managed Funds which offer smoothed returns and an optional capital guarantee (the latest guarantee options are available on request).
- Access to the LV= Fixed Term investment that can provide a guaranteed income, guaranteed maturity value or both at the end of a fixed period of time.
- Access to the LV= panel of 8 discretionary fund managers. Other DFMs may also be used.
- Tax free cash can be taken once the member's retirement age has been reached. The member has the option of crystallising some or all of their plan at a time. The tax free cash can be paid in equal instalments over a fixed 12 month period using our Monthly Cash Policy.

More detailed information, which includes the product investment limits and basis, as well as a description of costs and charges, can be found in our Product Profile document.

Eligibility Criteria

- The plan is available to any 'relevant UK individual' up to and including age 85 (86 next birthday).
- The plan can accept transfers in from other UK Registered Pension Schemes or Recognised Overseas Pension Schemes (ROPS), if the member is currently resident in the UK.
- The plan can accept transfers for people who are resident overseas (anywhere but the USA), provided they are either already in drawdown or are going to immediately crystallise the whole fund into drawdown. They will not be able to make any contributions to their plan. The plan can't hold uncrystallised funds for overseas residents.
- Members of the LV Personal Pension Scheme who move overseas must notify us when they leave the UK.
- The plan can accept transfers from Defined Benefit schemes as long as appropriate financial advice has been given.

Distribution strategy

To ensure your client receives a product that is right for them we believe the Plan should be sold on an advised basis via FCA authorised intermediaries, whether this be face to face or over the phone. It's important to regularly review your client's circumstances and needs to make sure their investment is appropriate.

We don't accept applications from direct customers.

Our pricing is consistent across all our channels of distribution. Firms that sell the Plan must have current terms of business agreement in place with LV=. These can range from restricted (tied, multi-tied and whole of market) and independent advisers.

Target market

This plan is primarily targeted at individuals approaching retirement wishing to either consolidate and/or take benefits from their Plan. They are likely to be financially aware and wish to utilise the various investment and benefit options available under the plan.

The product is not designed to be sold heavily in the regular premium market where a stakeholder pension may be a more appropriate option.



We believe that the Plan is:

suitable for individuals who

- Have had financial advice and want to consolidate their existing pensions into one product.
- Have at least £30,000 to transfer or contribute to a new pension as an initial lump sum. Alternatively pay £250 monthly into the plan, or £3,000 if paying yearly.
- Want to setup a pension that gives them flexibility over where their money is invested and the ability to change this over time within the same plan.
- Want a pension that gives them access to a range of 'smoothed' funds and understand that although they won't suffer from the full effects of any downturns in the market, they won't benefit from the full upside of any market rises as well.
- Wants access to a range of over 200 competitively priced insured funds to invest their money in and may be interested in ESG funds.
- Want the option of using the services of a Discretionary Fund Manager to manage their investments or user wider self-investment options.
- Want the ability to access their pension benefits using income drawdown either now or in the future and want the payments to be made to a UK bank account in £ sterling.
- Want a pension that provides a wide range of death benefits to assist with Inheritance Tax planning.
- Have taken advice and are looking to transfer a Defined Benefit pension into a Defined Contribution plan.

unsuitable for individuals who

- Want to setup a pension without the use of a financial adviser or on an execution only basis.
- Are resident outside the UK and want to transfer pension plans which aren't already fully crystallised.
- or will immediately fully crystallise upon transfer to LV=.
- Are resident outside the UK and wish to make contributions to their pension with LV=.
- Are a United States (U.S.) person for the purpose of the Foreign Account Tax Compliance Act (FATCA).
- Want to pay less than £250 per month or £3,000 a year into their plan without first transferring /contributing at least £30,000.
- Are in serious ill health and have a life expectancy of less than two years.
- Want to consolidate their existing pensions and then use all of the funds to immediately purchase a lifetime annuity.

The LV=SIPP allows stock market related investments which can rise and fall in value, so your client isn't certain to make a profit and may get back less than they invested.

For the LV= Smoothed Pension, smoothing can be suspended at our discretion. This may be in exceptional conditions or if the underlying price was 80% or less of the averaged price. If smoothing was suspended the funds will be valued using the underlying price or the gradual averaged price.

If your client invests in LV= Smoothed Managed Funds as an investment choice and buys a guarantee on the fund, then decides to cash in or switch fund option, before or after the end of the guarantee term, they will lose the benefit of the guarantee.

Providing Fair Value

We conduct an annual review of the product following principles set out in our fair value framework. These principles help to assess that our customers are getting fair value during the key touchpoints with LV= over the lifetime of the Plan. They take account of the charges paid by your client, the distribution channel through which the product is sold and a review of product performance and service.

Our key fair value assessments areas reviewed annually are:

Assessment Area - Product Features

Assessment Criteria

- Needs of target market
- Competitor comparison
- Product terms

What this means

- We assess the benefits and limitations to ensure it continues to meet the needs, characteristics and objectives of our target market including any vulnerable customers.
- We regularly compare product features with those of our competitors to ensure we offer flexibility to your clients throughout the lifetime of their Plan.
- We assess the relationship between the overall price the customer pays and the quality of the product and service provided.
- We conduct customer surveys and assess results as part of our on-going product governance. As part of this, we gather feedback from customers about their use and experience to ensure it continues to meet customer needs and provide good outcomes.

Assessment Area - Services

Assessment Criteria

- Quality of service delivered
- Customer satisfaction
- Intermediary feedback

What this means

- We assess the quality of service we provide to you and your clients using a variety of tools (including complaints MI) and take action where needed to ensure good outcomes for our customers, including vulnerable customers.
- Our servicing processes are assessed to identify where we can make efficiencies and streamline processes making us easy to do business with.
- Customer satisfaction is monitored monthly, with post-sales suitability surveys completed on new business annually. Adviser feedback is also collected. Feedback used as appropriate to deliver communication that is engaging and easy to understand.
- Ensuring our servicing teams are appropriately trained and able to recognise and support vulnerable customers through training policy, practices and established processes.

Assessment Area - Pricing

Assessment Criteria

- Overall costs/pricing
- Profit margins
- Competitor Comparison

What this means

- Our pricing is monitored regularly to ensure we remain competitive and in line with our Fair Value Framework. These principles include assessments that a) profits are not excessive for the product b) the rate of return a customer might expect to receive is realistic, providing value for money and c) we take account of the overall cost compared to the price and quality of the product and service provided.
- Our charging structure is clear and transparent with no hidden costs. Plan literature clearly explains how charges are taken with appropriate illustrations clearly setting out the charges your client will pay at outset. No discretionary charges are applied.

Assessment Area - Distribution

Assessment Criteria

- Impact of distribution strategy on value delivered to the customer.

What this means

- Our distribution strategy remains appropriate for our target market with no areas identified that would negatively impact your clients, including clients who may be vulnerable.
- We consider the charges we facilitate to ensure they are not set at a level that would mean the product is unlikely to achieve its objectives and provide fair value.

The LV= SIPP was most recently assessed for fair value in June 2026. Our assessment confirms:

- The Plan remains consistent with the needs of the identified target market.
- The Plan provides fair value to customers, including vulnerable customers.
- The intended distribution strategy remains appropriate.

There may be additional factors that influence the fair value of the product within the distribution chain, these include any other fees charged to the client not by LV=.

Customer Vulnerability

At LV= we consider the needs of all our customers, including those with vulnerabilities, across all aspects of product development and throughout the life of a customer's policy in line with the FCA Vulnerable Customer Guidance.

A vulnerable customer is someone who, due to their personal circumstance, is especially susceptible to detriment, particularly where a firm is not acting with appropriate levels of care.

The main drivers of customer vulnerability are:

Vulnerability Characteristic	Why
Health	A customer may find themselves with a condition or illness that affects their ability to complete day-to-day tasks, both mentally and physically. When we suffer from ill health, it can greatly reduce our capabilities. For customers who have long-term health conditions, are living with pain, are battling addiction or undergoing treatment, everyday tasks become a greater challenge.
Life Events	Throughout a person's life, they will experience different life events. Some may result in things becoming more difficult or complicated. Examples of life events that may put a customer in a position of vulnerability include bereavement, redundancy or a relationship breakdown. Other events include taking on care responsibilities or being a victim of crime or involvement in an accident.
Resilience	A customer may have a low ability to withstand financial or emotional shocks. Such shocks can occur from ill health or challenging life events. For example, someone on a low income, with little savings, may be less resilient to the financial shock of a life event. Without support, their situation can quickly worsen, leading to debt and stress.
Capability	A customer may have low knowledge of financial matters, low confidence in managing and making decisions about their investment or have little digital skills. This could make accessing the product features difficult, as they may be unfamiliar with how to get information or find it difficult to understand.
Capacity in financial difficulty	What is the customer's ability to absorb falls in the value of their investment. If any loss of capital would have a materially detrimental effect on their standard of living or investment composure, this should be taken into account when assessing the risk that they are able to take when investing in the bond.

Customer vulnerabilities are expected to change over the life time of our products due of the long-term nature of them but also over the shorter term in relation to life events that can create unexpected vulnerabilities.

How we strive to achieve good outcomes for our vulnerable customers

To help achieve good outcomes for all our customers, including those with vulnerabilities we:

- Have a customer focussed culture giving you and our customers confidence that we treat each individual fairly as a priority, and that all LV= colleagues will act with integrity and have the competence to do so.
- Focus on how we can support all customers with a vulnerability through training, policy, sharing knowledge and experience.
- Have a dedicated support structure that our customer facing teams can draw on in order to support vulnerable customers in conversations for example, Vulnerable Customer Champions across the business and an appropriate internal forum to identify areas of continuous improvement.
- Provide customer communications that are accessible, clear, fair and not misleading. We aim to keep customers informed throughout their relationship with us, making it easy for all to engage with us, to help them make informed decisions.
- Understand the needs of our target and existing customer base and design fair, transparent and accessible propositions, which we regularly review so that customers can be confident they will perform as expected and deliver value.
- Monitor the quality of the service we deliver on an ongoing basis (including complaints data) and are accountable for any action taken if there is any impact on customer outcomes.
- Help you support your clients who are more vulnerable with the aid of our Vulnerable Customer Guide for Advisers.

If you'd like us to send you this document or any future correspondence in another format, such as Braille or large print, please just let us know.

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