

Investor protection – what you should know

This guide explains how your investments are protected at Aegon. It reflects our current offering and may not cover products or investments that were previously available.

It also sets out the levels of cover that are generally available through the Financial Services Compensation Scheme (FSCS).

If your personal circumstances mean you need any additional support, or if you'd like a large print, Braille or audio CD version of this document, please visit aegon.co.uk/support/additional-support or contact us on 0345 680 1234 (Aegon Retirement Choices and One Retirement) or 0345 604 4001 (Aegon Platform).

Telephone lines are open Monday to Friday 8.30am to 5.30pm. Call charges will vary.

Things to know

This guide applies to investments with Aegon Retirement Choices, Aegon Platform and One Retirement. Each of these are a service, owned by Aegon UK, that lets investors and/or their financial adviser buy, sell, and hold investments all in one place.

If you're unsure of the type of protection that applies to you, consider speaking to your financial adviser. If you don't have one, you can visit [MoneyHelper](#).

You can find out more about our services in the guides below.

[Aegon Platform guide](#)

[Aegon Retirement Choices](#)

[One Retirement](#)

The protection you have

We manage your investments in line with the Financial Conduct Authority (FCA) rules that ban the misuse of clients' money.

As with any FCA regulated investment in the UK, while it's very unlikely that providers will become insolvent or stop trading and have

insufficient funds to meet their claims, we can't provide a 100% guarantee that your money is fully protected.

What protection do the FSCS provide?

The FSCS is an independent organisation set up under the Financial Services and Markets Act 2000. It's funded by levies it receives from the authorised firms that it covers.

It's a protection scheme that pays compensation to eligible claimants where a UK authorised firm, or the UK branch of an European Economic Area (EEA) authorised firm, is unable, or likely to be unable to pay claims against it. Being able to make a successful claim depends on certain things, such as the type of investment you hold. You can find out more about your eligibility from your adviser, or at fscs.org.uk

Overseas funds recognised under the Overseas Fund Regime (OFR) may not be covered by FSCS. This means that if the fund fails, UK investors may not be able to claim compensation from the FSCS.

What we mean by default

When a company becomes insolvent, for example, enters liquidation or administration. It means the FSCS is satisfied a firm is unable, or is likely to be unable to pay claims for compensation of financial loss made against it – allowing customers of that firm to claim for compensation.

The level of compensation depends on what part of the FSCS protection scheme is relevant to the product you hold.

Insurance

The FSCS provides cover for long-term policies such as life assurance and pension policies for 100% of the value of the claim without limit.

Investments

The FSCS will cover up to and including £85,000 for investments in UK funds, such as unit trusts and open-ended investment companies (OEICs). Overseas funds recognised under the Overseas Fund Regime (OFR) may not be covered by the FSCS.

Deposit (money paid into a bank or building society account)

The FSCS will cover deposits at banks for up to £85,000 for each eligible person for each banking group.

Protection available to Aegon products

Here you can read about the cover available for the different products we have.

Aegon Self-invested Personal Pension (SIPP)

The Aegon SIPP is an insurance contract provided by Scottish Equitable plc. It's available through Aegon Retirement Choices, One Retirement and Aegon Platform.

Scottish Equitable plc is authorised by the Prudential Regulation Authority (PRA) and regulated by the PRA and FCA. The FSCS will, in general, protect private individuals who invest in the SIPP.

The underlying investments held in the SIPP will determine the level of FSCS protection. For example:

Money held in the cash facility

Money in the cash facility is held in our SIPP bank account provided by HSBC. The account is in the name of the trustees of the Aegon SIPP on behalf of SIPP investors.

What is a cash facility?

The cash facility allows you to hold money in your product. This money can be used to invest into funds, to pay charges or paid out to your bank account.

If Scottish Equitable plc default, the trustees hold the money and this means that it's protected from Scottish Equitable plc's creditors.

If HSBC default, the money is protected under the deposit part of the FSCS.

The trustees can claim up to £85,000 on behalf of each SIPP investor.

It's important to note that if you have other bank deposits with HSBC, the FSCS will combine these with the amount held in your cash facility.

Only one FSCS deposit limit is available to offset against your combined holding with HSBC. So, except in limited circumstances, the maximum amount that you could claim for would be £85,000.

Insured funds

An insured fund is a type of fund issued by an insurance company which allows you to combine your money along with other policyholders.

We offer two different types of insured funds though our SIPP – in-house funds managed by Aegon and those investing in a fund offered by an external fund manager, also known as insured funds with an external fund link (EFL).

Aegon's insured funds generally have Aegon, WS Aegon or Scottish Equitable in the name. You can see the funds you're invested in on your statement, or on your Aegon online account – if you have access.

In-house insured funds

If Scottish Equitable plc default, then the trustees of our SIPP can claim compensation on behalf of each SIPP investor under the insurance contract part of the FSCS scheme. This provides cover for 100% of the total value of the claim without limit.

Insured funds with external fund links

There are two categories of insured funds with external fund links. We look at each category separately below.

- **Category 1 – investment into another provider's unit-linked funds:**

If Scottish Equitable plc defaults, then the insurance contract part of the FSCS will cover the claim for 100% of the value without limit. This includes the value of any external fund links. If the other provider defaults, there can be no claim under FSCS rules. This is because the FSCS rules don't allow claims in these circumstances.

If you'd like more information about this type of fund, read our [**Our unit-linked funds guide**](#).

- **Category 2 – investment into another provider's collectives:**

If Scottish Equitable plc defaults, then the insurance contract part of the FSCS will cover the claim for 100% of the value without limit. If the provider of the collective investment defaults, there can be no claim under FSCS rules.

Instead, collective investments benefit from a different form of protection if the provider defaults. Assets are held by an appointed depositary (a third-party institution that safeguards a fund's assets). They're held separately from the fund manager's own assets – keeping them safe should the fund manager default. Well-defined FCA rules require collectives to ring-fence assets and have robust controls in place to make sure that the interests of investors are protected.

The only time that a claim under the FSCS will be relevant is in the event of the fund manager acting dishonestly, fraudulently or negligently. Any claim will be under the investment business category of the FSCS that currently has a limit of £85,000.

What are assets?

Asset is a term that's used to describe an item which is owned and has value. There are four main types of investment assets:

Equities - also known as company shares which mean you're buying part ownership of that company. Returns come from a mixture of dividends and capital growth if the company is successful.

Bonds - loans or securities which can be issued by governments, companies, or local authorities to raise money. They entitle the holder to regular interest and repayment when the loan matures.

Commercial property - such as offices, retail, and industrial property, or shares in property companies. Returns come from a mix of rental income and, hopefully, rising property values.

Cash - such as deposit accounts which offer interest payments.

What is a collective?

Collectives, sometimes known as mutual funds, is a broad term for investment funds that pool lots of investors' money together to invest on their behalf. It includes unit trusts, open-ended investment companies (OEICs) or investment trusts. They can invest in lots of things, like company shares, property or government bonds from all over the world.

You can find out more about the types of investments at [MoneyHelper](#).

Aegon ISA and General Investment Account (GIA) - Aegon Retirement Choices and Aegon Platform only

Aegon Investment Solutions Limited (AISL) provide our ISA and GIA products through Aegon Retirement Choices. Cofunds Limited provide these products for the Aegon Platform.

AISL and Cofunds Limited are authorised by the FCA. The FSCS will, in general, protect private individuals who invest in the ISA and GIA.

The underlying investments held in the ISA and/or GIA will determine the level of FSCS protection. For example:

Money held in the cash facility

If you have money in your cash facility, this is held in our bank account that HSBC provides. The account is in the name a nominee companies on behalf of the investor (you).

If AISL or Cofunds Limited default, claims can be made for up to £85,000 on behalf of each investor.

It's important to note that where you have other bank deposits with HSBC, the FSCS will combine these with the amount held in your cash facility. Only one FSCS deposit limit of £85,000 will be available to offset against your combined holding with HSBC.

Money held in collectives

Collective investments benefit from a different form of protection if the provider defaults. Assets are held by an appointed depository (a third-party institution that safeguards a fund's assets). They're held separately from the fund manager's own assets - keeping them safe should the fund manager default. Well-defined FCA rules require collectives to ring-fence assets and have robust controls in place to make sure that the interests of investors are protected.

The only time that a claim under the FSCS will be relevant is in the event of the fund manager acting dishonestly, fraudulently or negligently. Any claim will be under the investment business category of the FSCS that currently has a limit of £85,000.

What is a general investment account (GIA)?

A GIA is a general purpose investment account that lets you make additional investments if you've maximised your tax-efficient investment allowances. We automatically set up a GIA that works alongside your SIPP or ISA.

Canada Life International Assurance Ireland (CLIAI) International Portfolio Bond

Canada Life provides the international bond product, and they can let you know what protections apply.

This is just an overview of the protection you have, if you'd like more information please contact your financial adviser or visit the [FSCS website](#).

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