



MES Pensions

Due diligence information

Regulation

MES Financial Services Limited ("MES") is a privately owned limited company registered in England, UK, company number 11063232. The company is authorised and regulated by the Financial Conduct Authority, the UK's Financial Services watchdog, and our FCA reference number is 805568. Our FCA permissions include (but are not limited to):

- Establishing and operating a personal pension scheme
- Arranging safeguarding and administration of assets

We provide our services from the UK, to clients and advisers located around the world.

Structure

MES operates its SIPP under a Master Trust arrangement, with MES Pension Trustees Limited as the sole Trustee of the pension scheme. All assets purchased by the SIPP are legally owned by MES Pension Trustees Limited. Holding client assets in the name of MES Pension Trustees Limited means that they are legally ring-fenced and distinct from the corporate assets of MES Financial Services Limited and therefore unavailable to settle the liabilities of MES Financial Services Limited should it fail.

Whilst authorised to control client money, MES is not authorised to hold such funds on its own account. On the MES Platform, all client money is held by an independent third party custodian and is ring-fenced and segregated from our own assets in accordance with the FCA's client money rules. As we do not hold client money, in the very unlikely event that the MES business fails, any creditors of MES would have no legal right to your money and we cannot use any of this money to cover MES obligations. We have appointed Third Platform Services Limited ("TPS") to provide safe custody and administration of assets held on the Platform. TPS are a member of the London Stock Exchange and CREST, with sub-custody agreements in place with Bank of New York Mellon and Aegon. Cash is held in client money accounts with Tier 1 banks such as Bank of Scotland, Santander and Barclays.

Investor Protection

Along with the protocols detailed above, clients are covered by the UK's Financial Services Compensation Scheme (FSCS). The FSCS is in place to compensate consumers if an authorised financial services provider cannot meet claims against it. This will generally be because a firm has stopped trading and has insufficient assets to meet claims, or is insolvent. If you require more information on the FSCS you can visit their website at www.fscs.org.uk

Capital Adequacy

As an FCA regulated and authorised business, we must hold an appropriate level of capital to be allowed to continue to operate as a SIPP administrator. 'Capital Adequacy' requirements apply to all SIPP operators from 1 September 2016. We are pleased to confirm that we currently hold capital significantly in excess of the regulatory requirement. This excess capital allows for a variance in asset values. The business believes this further underlines its strong financial position and indicates it is poised for future growth.

A significant element of the requirements is for regulatory capital to be linked to the proportion of members holding "non-standard" assets – i.e. those typically carrying a higher degree of "risk". Due to our robust due diligence approach, we have no exposure to such assets which significantly reduces the risk to the company of future compensation claims for failed non-standard investments and this in turn helps reduce the amount of capital we are required to hold.

Systems

The technology system powering the MES Platform is used to administer over £50bn of client assets. The system is hosted in a private cloud in a top-tier UK-based data centre, protected by 24-hour CCTV, security guards and robust physical and virtual access control procedures. The system has 24/7 active monitoring, dual-firewalls from different vendors and an Intrusion Prevention System. Disaster Recovery is provided via a continuous replication method to a geographically separate data centre.