

Retail Investments

Product Sales Data (PSD) Glossary

Advised/non-advised sales	<p>An advised sale occurs when an adviser of a regulated firm gives a personal recommendation to the customer after assessing the customer's needs and circumstances. This is specific and individual advice to the customer and is not generic.</p> <p>A non-advised sale occurs when no personal recommendation is made to the customer. The customer may receive generic information on the product to enable them to make an informed decision about whether it meets their own needs and circumstances. Non-advised sales include 'execution only' and 'direct offer transactions'.</p>
AVC	<p>Additional Voluntary Contributions.</p> <p>Contributions over and above a member's normal contributions, if any, which the member elects to pay to an occupational pension scheme to secure additional benefits.</p> <p>Pension premiums are reported gross.</p>
Distribution Bond	<p>A single premium investment policy. The funds are invested in equities and gilts and an income is paid each year to the policyholder, dependent on the performance of the investments.</p> <p>If over 50% of the fund allocation relates to the distribution fund then the product is reported as a distribution bond. If less than a 50% allocation is made, the product is reported as a unit-linked bond.</p>
Endowment Savings Plan	<p>An endowment plan with a fixed-term, with benefits paid on death within the term or on maturity.</p>
Executive Pension	<p>An occupational pension scheme, where each premium paid is identifiable to an individual employee and where an employer has discretion about whether a pension arrangement is made for a particular employee and the level of contribution or target benefit under the policy.</p> <p>Each individual policy is reported as a separate case.</p> <p>Pension premiums are reported gross.</p>
FSAVC	<p>Free-standing Additional Voluntary Contribution</p> <p>A particular type of registered personal pension scheme set up to take additional contributions outside an occupational pension scheme.</p> <p>Rebate-only pension business is not reported.</p>
Group Personal Pension	<p>A personal pension scheme, which is available to employees of the same employer or of employers within a group.</p> <p>Phased retirement should include transfer plans that permit staggered annuities to subsequently be purchased.</p> <p>Deferred transfer plans are excluded.</p> <p>Each individual policy is reported as a separate case.</p>

Group Money Purchase	An occupational pension scheme, which provides money-purchase benefits available to employees of the same employer, or of employers within a group.
Guaranteed Income/Growth/ Investment Bond	Income and growth bonds, including guaranteed income and guaranteed equity bonds, which have guarantees and pay a percentage of the movement of one or more index.
Income drawdown/Income withdrawal	<p>An income:</p> <ol style="list-style-type: none"> As defined in paragraph 7 of Schedule 28 to the Finance Act 2004) in relation to a member of a pension scheme, amounts (other than an annuity) which the member is entitled to be paid from the member's drawdown pension fund (as defined in paragraph 8 of that Schedule) in respect of an arrangement; or payments made under interim arrangements in accordance with section 28A of the Pension Schemes Act 1993; <p>in respect of an election to make income withdrawals, a reference to a retail client, an investor or a policyholder includes, after that person's death, his surviving spouse, his surviving civil partner or anyone who is, at that time, his dependant, or both.</p> <p>This includes transfer plans that allow income from a pension plan before an annuity is purchased.</p>
Individual Pension Transfer	<p>A transaction resulting from a decision made, with or without advice from a firm, by a customer who is an individual, to transfer deferred benefits from:</p> <ol style="list-style-type: none"> an occupational pension scheme; or an individual pension contract providing fixed or guaranteed benefits that replaced similar benefits under a defined benefits pension scheme <p>to a stakeholder pension scheme or to a personal pension scheme (including a self-invested personal pension scheme) or to any deferred annuity policy (including a pension buy-out contract) where the eventual benefits depend in whole or in part on investment performance in the period up to the intended retirement date.</p>
Investment Trust	A company listed in the UK or another EEA State, which has approval from HM Revenue and Customs (or would have if it was resident and listed in the UK). Investments are made in shares of the quoted company and the price of the shares is determined by the demand.
ISA	<p>Individual Savings Account.</p> <p>An account that is a scheme of investment satisfying the conditions prescribed in the Individual Savings Account Regulations 1998 (SI 1998/1870).</p> <p>Cash and insurance ISAs are not reported in PSD.</p>
Life/Pension Annuity	<p>An arrangement by which a life company pays someone a regular income, usually for life, in return for a lump sum premium.</p> <p>This would include:</p> <ul style="list-style-type: none"> • deferred and immediate annuities; • compulsory purchase annuities; • home income plans; and • all other types of life annuities.
Long-term Care Insurance Contract	A long-term insurance contract, where the benefits are designed to help pay for long-term care needs. These can be pre-funded or for immediate care.

Mortgage Endowment	Any regular premium low-cost endowments plus unitised with-profit endowments.
Pension Opt-out	<p>A transaction resulting from a decision made, with or without advice from a firm, by a customer who is an individual, to:</p> <ol style="list-style-type: none"> opt-out of an occupational pension scheme of which they are a current member; or decline to become a member of an occupational pension scheme that they are eligible to join or that they will become eligible to join at the end of a waiting period <p>in favour of a stakeholder pension scheme or a personal pension scheme (including a self-invested personal pension scheme).</p>
Personal Pension	A scheme of investment designed for saving for retirement that is a registered pension scheme, other than an occupational pension scheme, set up in accordance with HM Revenue and Customs regulations.
Provider/non-provider	<p>A firm is categorised as a provider when it manufactures retail investment products regardless of whether the same firm sells them directly to the customer or not. Provider firms could also sell products that were not originally created by them. All sales made by a provider firm are considered provider sales.</p> <p>A firm is categorised as a non-provider firm when it does not manufacture retail investment products, but it sells products created by provider firms.</p>
SCARP	<p>Structured Capital-At-Risk Product.</p> <p>A product, other than a derivative, which provides an agreed level of income or growth over a specified investment period where:</p> <ol style="list-style-type: none"> the customer is exposed to a range of outcomes in respect of the return of initial capital invested; the return of initial capital invested at the end of the investment period is linked by a pre-set formula to the performance of an index or other factor; and if the performance is within certain thresholds, the capital is fully repaid. If it is outside these thresholds the customer could lose some or all of the initial capital invested.
SIPP	<p>Self-Invested Personal Pension.</p> <p>An arrangement that forms all or part of a personal pension scheme, which gives the member the power to direct how some or all of the member's contributions are invested.</p>
SSAS	<p>Small Self-Administered Scheme</p> <p>An occupational pension scheme of a kind described in article 4(4) and 4(5) of the Financial Services and Markets Act 2000 (Carrying on Regulated Activities by Way of Business) Order 2001 (SI 2001/1177). Pension premiums are reported gross.</p> <p>SSAS business is not reported if an administration-only service is provided.</p> <p>Each individual policy is reported as a separate case.</p>

Section 32 Buy-Out/Group Section 32 Buy-Out	A policy or contract bought from an insurance company, using funds from an approved retirement benefits scheme, or from 6 April 2006 funds from a registered pension scheme. It will provide an annuity to the member at some time in the future. It is therefore always a deferred annuity contract when purchased. A deferred annuity contract stands apart from the pension scheme from which it arose.
Stakeholder Pension	A registered personal pension scheme that is established in accordance with Part I of the Welfare Reform and Pensions Act 1999 and the Stakeholder Pension Schemes Regulations 2000(S.I. 2000/1403)3.
Trustee Investment Bond	A lump sum investment vehicle designed for use by pension scheme trustees. Includes SSAS Trustee Investment Bonds and SIPP Trustee Investment Bonds
Unit-linked Bond	A contract where the premium buys, or is deemed to buy investment units in a selected fund. The value of the policyholder's fund is linked to the value of the units (see definition relating to distribution bonds).
Unit Trust Scheme/OEIC	An open-ended investment (either a Unit Trust or an Open Ended Investment Company) authorised by the FCA in which investors purchase units or shares, the value of which represent their interests in underlying assets.
With-profit Bond	Includes all single premium policies where a lump sum is paid into a with-profits fund made up of investments such as company shares, fixed interest securities, commercial property and money. Unitised with-profit bonds are reported under this category.