

05 April 2016

Mr Ian Mcinnes
Clavel 322
Col Palo Alto
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Dear Mr Mcinnes

PENSION PLAN NUMBER N80803X

Thank you for contacting us. This letter confirms the outcome of the recent conversations you've had with us about taking benefits from your pension policy.

Your policy value as at 04 April 2016 is **£4,453.41**. Please note this value is not guaranteed.

YOUR OBJECTIVE AND CHOSEN COURSE OF ACTION



Full Encashment Option Selected

Having considered your options, you've decided to take your entire pension as a 'small pot' cash lump sum.



Identity Verification

We don't have all the documents needed to release your pension benefits, please see 'Identity Verification' section for further details.



Next Steps – Your Cash Sum

Once we receive all outstanding documents, we'll process your request and send the cash sum to you.



Please ensure you read the rest of this letter and understand it. This is a record of our conversation and highlights important information we discussed. You should keep it in a safe place.



Key points about 'small pot' full encashment

I explained that by taking your pension benefits in this way, 25% is tax free and the remainder will be taxed at 20%. You could have a further tax liability at tax year end if you're already a higher rate tax-payer or become one through taking the small pot.

Please remember that by accessing your pension savings this way, once you have spent your money you may only have state pension and benefits to support you in your retirement.



SPECIAL FEATURES

I highlighted that your existing policy has the following special feature(s).

Special Features No special features or conditions apply to your existing policy.

**Closing Your
Existing Pension
Policy** Your policy will end.



KEY RISKS

It is important you understand the risks of taking your pension benefits. We covered the key risks with you on the call. Here is a reminder of the risks and considerations we discussed and some others you need to be aware of.

Have you taken financial advice?

If not, you can still seek financial advice, which will provide you with recommendations based on your personal circumstances. A charge usually applies for advice.

Have you made provisions for your dependants?

It's important to consider any dependants you have when making decisions about your pension savings and the financial impact it will have on them when you die.

Have you thought about medical conditions that may enhance your income?

Medical conditions can impact the income you may receive. It may mean you could have received a higher income from your pension savings if you chose an annuity to provide a guaranteed income.

Have you considered the effect of inflation on your income?

The effect of inflation means the cost of goods and services will go up over time, so your money from your pension savings will buy you less in the future.

Have you considered how long you will require an income to last?

You should carefully consider how long you need your income to last and remember that you will need to plan your retirement spending accordingly. The length of time you'll require an income for is often underestimated.

Have you considered charges for your new product?

You need to consider any charges that may apply to any new products you are thinking about buying from your pension savings. These may be higher than the charges applying to your existing pension.

Have you thought about scams?

There's a chance that fraudsters will try to target people like you with access to sums of money. If you're approached about a new investment opportunity, we strongly recommend that you discuss it with a financial adviser first. Never be pressured into making a quick decision about investments. Before you sign anything, call The Pensions Advisory Service on 0300 123 1047. To learn more about scams and fraud tactics visit www.pension-scams.com.

Have you considered how this affects any means-tested benefits?

It's important to consider the impact on any means-tested benefits you may be receiving. These may stop or reduce if you access your pension savings. If you think this may apply to you, you should speak to your local Benefits Office to understand the impact on your own circumstances.

Are you aware any creditors could have a claim over your pension once you take it?

Pension savings have a level of protection if you're made insolvent or bankrupt. If you take savings from your pension, you'll lose this protection on the amount you take and any creditors (people you owe money to) may be able to claim all or part of this sum.



IDENTITY VERIFICATION

We are required by law to verify the identity of our customers. As I explained during our conversation, I wasn't able to confirm your identity through the credit reference agency we normally use. If you have not already done so, please send us two types of evidence as explained below:

One certified current document from the following evidencing your name:

- Signed Passport; current National identity card; Photo-card Driving Licence

A second certified recent document evidencing your address such as:

- National Identity Card (if not used to verify name); Driving Licence (if not used to verify name); Utility or Rates bill dated in last 3 months (mobile telephone bills and credit card statements are not acceptable); Bank Account Statements dated in last 3 months – provided these are not internet generated statements

Please note, one document can't cover both types of evidence.

As well as verifying your identity and address we also need evidence of your age. Our regulators allow us to accept a passport to verify both your identity and age. If you can't provide a passport then we need you to provide your birth certificate (and your marriage certificate if you are married).

How To Get Your Documents Certified

You will need to take this letter and your documentation to any of the following and arrange for the certified copies to be returned to us:

- Employee of a UK registered bank or other UK registered and regulated financial institution
- Lawyer/Attorney or Notary Public (either UK based or in the country of residence of the customer)
- Certified or Chartered Accountant (either UK based or in the country of residence of the customer)
- Financial Adviser or Broker regulated in the customer's country of residence by the country's primary financial regulator



KEY POINTS FROM OUR CONVERSATION

We made it clear that we have not provided you with advice.

We have provided you with information and you have decided on the best course of action for your circumstances.

We made you aware of the options available to you under the new flexible pension regime:



Leave it for now.

If you don't need to take your pension savings yet, you can leave it for now, keep it invested and make a decision when you're ready to retire, but make sure if you do this you won't lose any valuable guarantees.



Flexible access to your pension savings.

You can take a part of your total pension savings whenever you like and leave the rest invested. Normally, up to 25% of your pension savings can be taken as a tax free lump sum. The remainder will be taxed.



A tax free cash lump sum and a guaranteed income for life – an annuity.

Normally, up to 25% of your pension savings can be taken as a tax free cash lump sum. The remainder is then used to provide an income for life (your annuity), which will be taxed.



Take it all as cash.

In addition to the 25% tax free cash lump sum, you can take your remaining pension savings as cash, although you will have to pay tax on this.

We made it clear you don't have to use us for your retirement solutions just because you have a policy with us.

We also made it clear shopping around was an essential part of making the right choice.

IN ADDITION WE HIGHLIGHTED THE FOLLOWING KEY POINTS



We advised you of the tax we would deduct at source from any payments. It is your responsibility to contact your local tax office or HM Revenue & Customs to ensure that you have paid the correct amount of tax on any amounts you have taken from your pension.



We recommend you visit Pension Wise, the government backed independent service at www.pensionwise.gov.uk. This service can provide you with face to face or telephone based independent guidance on your retirement. It's a good idea to visit the site or give them a call to ensure you are aware of all your options.



WE MENTIONED A NUMBER OF USEFUL WEBSITES AND I'VE INCLUDED LINKS TO THESE BELOW:

www.scottishwidows.co.uk/retirement-planning

www.gov.uk/calculate-state-pension

www.hmrc.gov.uk/manuals/eimanual/eim74000.htm



WHAT HAPPENS NEXT?

We'll process your request and send the cash sum to you shortly.

If you have any questions please call us on 0345 835 6644. We are open Monday to Friday 8am–6pm and Saturday 9am–12.30pm.

Yours sincerely,

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Zakier Mahomed
Retirement Consultant



DECLARATIONS

To ensure you have access to your money as quickly as possible we no longer require you to sign anything. I read out the legal declarations on the phone and you accepted these and instructed me to proceed with this option.

You don't need to sign or return anything, but please take time to read this fully and contact us as soon as you can if there's anything you don't agree with or accept.

Full Encashment – Small Pot

I want to take my entire pension as a cash lump sum.

I understand that tax will be payable at 20% on the difference between the value of the cash payment and the available tax-free cash sum. I understand that I could be paying more or less tax initially. To ensure that I am paying the right amount of tax it will be my responsibility to contact my local tax office or HM Revenue and Customs.

I promise to accept responsibility in respect of any claims, losses and expenses that Lloyds Banking Group may incur as a result of any incorrect information that I have provided for this application or of any failure on my part to comply with any aspect of the application.

I have confirmed that I have not taken payments under the small personal pension lump sum rules on more than two previous occasions.

I am solely responsible for any additional tax charges or any penalties which arise if the information I have provided is incorrect or if I have failed to comply with any aspect of this application as we discussed on the call.