

WILL BREXIT AFFECT ME?

The UK left the European Union on 31 January 2020. Since this date the UK have been operating within a 'transition period' which is scheduled to run until 31 December 2020. During this period the UK has continued to adhere to European rules and there has been no impact to the products and services we provide.

As the Brexit negotiations progress it may impact the products or services we provide, therefore these Q&As include information to answer some of the questions you may have. However, we recommend you speak to your financial adviser before you make any decisions about your investments.

1. **What is Brexit?**
2. **What is the European Union (EU)?**
3. **What is the European Economic Area (EEA)?**
4. **What is the transition period?**
5. **Has a deal been agreed between the UK government and the EU?**
6. **What if the UK and EU don't agree a deal (trade agreement) by the end of December 2020?**
7. **Will you contact me if there is an impact on my plan/policy?**
8. **I live in the UK; will you continue to provide the same service after Brexit?**
9. **I live overseas but outside the EEA/EU/Switzerland (worldwide); will Brexit impact the service you provide?**
10. **If I live in an EEA country or Switzerland – will you continue to take my direct debit payments / pay me my income, etc?**
11. **I live in the EEA or Switzerland and my bank/building society has contacted me to inform that they are closing my UK account – what options do I have?**
12. **Will the protection I currently receive from the Financial Services Compensation Scheme (FSCS) be maintained after Brexit?**
13. **Could Brexit impact the value of my plan/policy?**
14. **Should I change how I have invested?**
15. **I'm worried that the value of my plan/policy will reduce due to Brexit; can I cash it in early?**
16. **Is Phoenix Group strong enough to deal with the potential falling stock market?**
17. **What would happen if Phoenix Group were to become insolvent?**
18. **Could the UK leaving the EU increase the risk of people being scammed out of their savings?**
19. **Can you provide me with financial advice?**
20. **Are Phoenix still regulated now the UK has left the EU?**

1. What is Brexit?

Brexit is a word that is used as a way of saying the United Kingdom has left the European Union - merging the words 'Britain' and 'exit' to get **Brexit**.

2. What is the European Union (EU)?

The European Union - often known as the EU - is a partnership involving 28 European countries and began after World War Two with the idea that countries which trade together are more likely to avoid going to war with each other.

The EU has since grown to include what is called a 'single market' which allows goods and people to move around freely within the member countries.

3. What is the European Economic Area (EEA)?

The EEA includes all the countries in the EU plus Iceland, Liechtenstein and Norway.

4. What is the transition period?

The transition period is the time that has been agreed for the UK and EU to negotiate how they will operate together. The transition period started on 31 January 2020 and is scheduled to run until 31 December 2020.

5. Has a deal been agreed between the UK government and the EU?

Not at this stage. It's our understanding that negotiations between the UK government and EU continue to take place. While this is an evolving situation and the regulatory positions in each EEA country are subject to change, we are monitoring the position and considering a range of actions in order to support our customers.

6. What if the UK and EU don't agree a deal (trade agreement) by the end of December 2020?

If a trade agreement isn't finalised by the end of December 2020, the UK government can ask the EU for an extension to allow more time. If the EU chooses to not grant an extension period, the UK would effectively leave the EU without a trade agreement.

We aim to continue servicing your policy in line with your policy terms and conditions and will therefore continue to monitor the ongoing government negotiations.

7. Will you contact me if there is an impact on my plan/policy?

Yes, if there is a direct impact we will contact you.

8. I live in the UK; will you continue to provide the same service after Brexit?

Yes, we will continue to provide the same service in the same way. Brexit will not impact the terms and conditions you agreed to.

9. I live overseas but outside the EEA/EU/Switzerland (worldwide); will Brexit impact the service you provide?

If you live outside of the EEA/EU/Switzerland Brexit will not impact the terms and conditions you agreed to or the service we provide.

10. If I live in an EEA country or Switzerland – will you continue to take my direct debit payments / pay my income, etc?

We aim to continue taking direct debits and paying any income in the usual way. If this position changes we will let you know.

Please be aware that some UK banks are closing the accounts of some people living in the EEA or Switzerland. This would require the impacted people to make other arrangements so direct debit payments can continue and for any income payments to be made. Where banks do close accounts they should be contacting their account holders to provide them with help and assistance. If you are concerned about this we recommend you contact your bank as soon as possible to avoid any disruptions.

You can find further guidance online by visiting the 'UK Finance' website at: www.ukfinance.org.uk/consumer-guide-retail-banking-european-union-after-brexit

11. I live in the EEA or Switzerland and my bank/building society has contacted me to inform that they are closing my UK account – what options do I have?

Your current banking provider should be able to help you consider the options available but some of the options include:

- **Open another UK bank account** with a banking group that will allow you to have a UK account whilst living in the EEA or Switzerland – this may be the easiest option for you.
- **Open a local bank in the country you live.** It's important however to note that this may impact your tax status and you could receive additional charges.
- **Cheque payments** – We may be able to pay you by cheque. This may not be as quick as making payments directly into your account and our cheque payments will be made in GBP Sterling so you may receive additional exchange rate charges. When receiving cheques in the post you should also be aware of any potential scams.
- We would recommend that you seek financial advice or tax guidance where appropriate.

12. Will the protection I currently receive from the Financial Services Compensation Scheme (FSCS) be maintained after Brexit?

For a full account of what protection you may have please see the Financial Services Compensation Scheme website at: www.fscs.org.uk

13. Could Brexit impact the value of my plan/policy?

Brexit could impact the stock markets. The value of your investment is not guaranteed and can go up and down depending on investment performance. The unit prices generally change in line with changes in market conditions.

The value of your units are directly linked to the underlying investment held by your selected fund and therefore with the market in which they are invested. This means that if markets fall the value of your plan/policy may also fall. Your fund switch options remain unchanged.

14. Should I change how I have invested?

When you took out your plan/policy you may have invested based on your attitude to risk at the time. It could be you were prepared to accept a bit more risk for potentially higher returns on your investment. If you're some way off retiring you may still be comfortable with this approach. However, if you're approaching your selected retirement date you may want to switch your investments into funds that pose lower risks to your investment. The opposite could be true if you're short of where you want to be at retirement, and you might be prepared to increase the risk for potentially higher rewards.

In the end, everyone's personal circumstances are different which will affect their attitude to risk. An event like Brexit really highlights how important it is to regularly review your investments and make decisions based on your attitude to risk at that particular time.

Before you consider whether to change your investment fund choices it's important to know where you currently stand. If you have a Phoenix Wealth Pension Funds only pension you can find out where you're invested and how it's performing using our free 'online services' on our website www.phoenixwealth.co.uk.

Once you've identified whether you're on track to receive the income you want in retirement you might want to adjust your investment choices to suit your personal goals. If this is the case, it's important to discuss your investment options with your financial adviser. They'll be able to confirm whether it's the right thing to do for your personal circumstances.

If you don't have a financial adviser we've listed reasons why you might benefit from using one and how to find one local to you at www.phoenixwealth.co.uk/getting-financial-advice. You can also visit www.unbiased.co.uk for details of advisers near you.

15. I'm worried that the value of my plan/policy will reduce due to Brexit. Can I cash it in early?

If you have a Phoenix Wealth pension:

You can take money from your pension at any time from your 55th birthday onwards. It may be possible to do this earlier if you become very ill or if something called a 'protected pension age' is applicable to you – your financial adviser will be able to clarify. You do not have to stop working to take money out.

We have included more information in our **Pension benefit guide** which you can download from our website at www.phoenixwealth.co.uk.

If you have a Phoenix Wealth Investment Bond:

You can cash in all or just some of the policies that make up your Bond at any time. If you partly cash in policies, you must leave a balance of £5,000 – apart from in certain cases as explained in your **Key features of the Investment Bond**. If you withdraw more than 5% of the amount you originally invested, you could face a tax charge – this is explained in your **Key features of the Investment Bond** which you can download from our website at www.phoenixwealth.co.uk.

There is no guarantee that you will get back what you put in. The amount you receive if you cash in your Bond will depend on the value of your Bond at that time. If you have put your Bond within a trust there may be some restrictions and additional tax considerations.

If you are considering withdrawing your money we recommend you speak to your financial adviser.

If you don't have a financial adviser we've listed reasons why you might benefit from using one and how to find one local to you at www.phoenixwealth.co.uk/getting-financial-advice. You can also visit www.unbiased.co.uk for details of advisers local to you.

16. Is Phoenix Group strong enough to deal with the potential falling stock market?

Phoenix Group remains strong and the assets available to meet our liabilities are in excess of the level required by our regulators, the Prudential Regulation Authority and Financial Conduct Authority.

17. What would happen if Phoenix Group were to become insolvent?

Phoenix Group remains strong and the assets available to meet our liabilities are in excess of the level required by our regulators, the Prudential Regulation Authority and Financial Conduct Authority. It is vital to us that our companies remain solvent so the solvency position of Phoenix is regularly monitored, by us and our regulators, to make sure that the likelihood of Phoenix becoming insolvent is very remote.

In the remote event that we get into financial difficulty, our regulators would have been made fully aware and further action under their guidance would be taken.

For a full account of your rights if an insurance company becomes insolvent please see the Financial Services Compensation Scheme website which is www.fscs.org.uk. This site will tell you how you could put in a claim in the event of an insurer becoming insolvent.

18. Could the UK leaving the EU increase the risk of people being scammed out of their savings?

Scammers always look for opportunities to convince people to fall for their fraudulent schemes. As Brexit may cause some uncertainty and confusion, it's possible that scammers will use it as an opportunity to prey on people.

Please be cautious if contacted by UK or overseas callers pretending to be from firms claiming that transferring your pension will give you a better income. The aim of these calls may be to gather your personal information for fraudulent use or an attempt to scam you out of your life savings.

Cold calling is now a criminal offence so if you are unexpectedly contacted regarding a pension transfer or offering a policy review then you should be extremely cautious.

Please see our website for information on scams – the address is:
www.phoenixwealth.co.uk/Planning-your-pension-income/Avoiding-pension-scams

19. Can you provide me with financial advice?

We can provide you with information about your policy however, we're not authorised to provide financial advice.

20. Are Phoenix still regulated now the UK has left the EU?

Yes. We're regulated by the Prudential Regulation Authority and Financial Conduct Authority.