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## **Resolution chooses Scottish Friendly**

Scottish Friendly has secured another significant partnership with a major household name.

The Glasgow-based friendly society has joined forces with Phoenix Customer Care Limited – part of the Resolution group – to create a distribution deal which gives Phoenix customers access to an exclusive tax-free investment from Scottish Friendly.

In September, Scottish Friendly struck a similar sized deal to offer its own Tax Exempt Savings Plan to some 2.3m Royal London customers.

This latest offering is a Tax-Friendly Bond, which is a tax-free plan designed by both organisations specifically for Phoenix customers. It guarantees that investors will receive at least their premiums back at the end of the ten year term.

Neil Lovatt, sales and marketing director at Scottish Friendly said:

“This partnership is a major development in our distribution strategy as it’s the first time we’ve worked with a third party on product design and customer targeting. The result is an attractive product which we believe will appeal to many people.

“The first mailing targets nearly 250,000 carefully selected Phoenix customers, and more are planned in the coming months. We expect deals such as this to account for around 50% of our new tax-exempt savings plan business in 2008.”

Aimed at modest savers, investors can save £15, £20 or £25 per month, with the benefit of potential tax free growth over ten years.

Gail Baillie, head of business development at Phoenix added: "By teaming up with Scottish Friendly our customers can look forward to an opportunity for tax free growth on savings with the security of a guarantee at the end of their ten year term, as well as Scottish Friendly’s proven investment expertise.

“This is part of a series of initiatives Phoenix is conducting within the Resolution group to bring innovative financial services products to our customers.”

### **Media Enquiries**

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### **Notes to Editors**

Returns from friendly society savings plans are tax-free. Members invest up to £25 a month (or £270 a year) for at least ten years. Under current legislation, investments grow free of capital gains and income tax throughout the term and proceeds can be paid tax-free at any point after ten years. More information is available from the Association of Friendly Societies’ website – [www.afs.org.uk](http://www.afs.org.uk). **This unique level of tax efficiency and access is impossible to find outside of an ISA allowance.** Past performance is not a guide to future performance.

Since September, Scottish Friendly’s core Tax Exempt Savings Plan – the Scottish Bond - has been promoted to 2.3 million Royal London ‘direct’ customers. This deal is estimated to deliver a 20 per cent increase in core product sales in 2008.

Scottish Friendly has secured several other partnership deals over the last two years with organisations such as Scottish Building Society, Chorley Building Society, Forces Financial and the Association of British Credit Unions.