

14 November 2014

Private Pensions Policy and Analysis
Department for Work and Pensions
1st Floor, Caxton House
6-12 Tothill Street
London
SW1H 9NA

Dear Sirs,

Response to Consultation on Better workplace pensions: Putting savers' interests first.

I have pleasure in enclosing TISA's response to this important Consultation.

About TISA

TISA is a not-for-profit membership association operating within the financial services industry.

TISA's membership comprises over 145 member firms involved in the supply and distribution of savings and investment products and services. These members represent many different sectors of the financial services industry, including banks, stockbrokers, asset managers, insurance companies, fund managers, distributors, building societies, investment managers, third party administrators, consultants and advisers, software providers, financial advisers and pension providers.

Having a legacy of focusing predominantly within the tax incentivised products area, TISA has in recent years moved into the broader savings and investment world, extending our status of 'trusted advisor' to the authorities over a much greater remit. This has been welcomed by our members and the authorities as a natural progression.

TISA has a highly successful track record in working cooperatively with government, regulators, HMT, DWP and HMRC to improve the performance of the industry and the outcomes for consumers. Policy and regulation continues to be the major focus for our members with regard to corporate responsibility.

TISA and its members' remit is evolving into a clearer focus on pro-active consultation in the regulatory world in order to influence policy and associated regulation before its creation, rather than reacting to issue policy directives. This will help to ensure a more considered policy creation from the authorities.

What makes TISA unique is that we cover the entire industry, incorporating cross sector policy, industry and technical expertise. Whilst we maintain a solid partnership with government, the regulators and wider industry, we remain independent and develop neutral views and opinions. This impartiality is reflected in our ability to drive development projects which improves industry performance and puts us in the unique position of being able to constantly challenge the status quo to bring about material improvement. At the forefront in all of our recommendations and actions is to consider national and consumer outcomes.

Summary of response

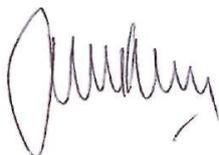
TISA welcomes the introduction of minimum governance standards together with improving transparency of costs and charges for all money purchase workplace pension schemes. We are concerned however, that with the FCA consulting separately in respect of workplace personal pension schemes there is a danger of inconsistency and potential confusion with the requirements for occupational money purchase schemes. We believe that the only way to achieve greater transparency of charges (that are consistent and comparable across all types of schemes) is through the implementation of a single disclosure regime across all workplace pensions. It is reassuring to see that the work currently underway at European level to improve transparency (through IORP II, MiFiD and PRIIPs) is being considered to ensure that the totality of the requirements work effectively together.

In terms of the charge cap, TISA remains fundamentally opposed to the concept of a charge cap and remain strongly of the view that alternative ways should be explored to introduce increased competition and improved outcomes for savers. We feel it's better to rely upon independent trustees exercising their fiduciary duties than the imposition of a charge cap, particularly where transactional costs are excluded from the cap. There are many industries outside of financial services where the market is healthy and competitive with the end consumer getting good value for money without that market being artificially controlled by a charge cap. We also feel that the regulations should explicitly state the sanctions or other penalties that trustees may face where the charge cap is breached.

TISA would welcome the opportunity to discuss this important consultation with you further.

If you have any questions on this response, or more generally, please let me or my colleague Jeremy Lee know.

Yours faithfully,



Jeffrey Mushens
Technical Director