Welcome

Welcome to Issue 16 of Engage, TISA's regular newsletter. We hope you enjoy the latest issue and welcome your feedback – feel free to contact us with your views at engagement@tisa.uk.com

TISA becomes The Investing and Saving Alliance

In June we announced that our Chairman Clive Shelton was to step down on completion of his term of office having seen through the change in name from the Tax Incentivised Savings Association to The Investing and Saving Alliance. Deputy Chairman Tony Stenning has become Interim Chairman while a permanent successor is appointed.

The TISA rebrand and name change marks the culmination of an extensive review process and consultation, with both external stakeholders and TISA members, designed to ensure the organisation continues to reflect its evolving role focusing on the financial wellbeing of consumers. The consultation process revealed a significant majority of members felt the previous name no longer fully reflected the range and scope of TISA’s work.

Over the last few years, TISA has significantly broadened its areas of focus to develop strategic policy on critical issues including financial guidance, vulnerable customers, children's financial education and retirement savings. Alongside this, TISA has introduced digital transformation initiatives aimed at delivering a Digital ID and Open Savings & Investment, whilst continuing to provide technical support and help in the interpretation and implementation of new regulation such as MiFID II, CASS and SM&CR. All TISA activity is geared towards providing tangible outcomes that benefit consumers, the industry and that create greater financial well-being for the nation.

David Dalton-Brown, TISA Chief Executive Officer said:

“Our new name and visual identity will be a fitting legacy to the enthusiastic support and counsel Clive has given to TISA, particularly as our Chairman. During his tenure TISA’s range of interest areas has expanded to now encompass a range of additional projects designed with the consumer in mind. Our digital projects in particular are leading the way to deliver benefits to consumers and industry alike. At the same time, we are maintaining our commitment to the technical expertise and support that our members rely on us for.

“We believe that changing our name to The Investing and Saving Alliance enables us to better showcase our commitment and credentials around improving the financial wellbeing of UK consumers, while retaining the acronym by which we are known. This should help us better meet the challenges that lie ahead both for UK consumers and the financial services industry.”

The change to TISA’s underlying name was formally approved by members in June 2019 and forms part of a wider rebrand exercise, including a new website and visual identity.

Recent highlights – top 6

1. Our new name – The Investing and Saving Alliance – revised mission to focus on consumer financial wellbeing and new branding are emphasising our unique role within the financial services sector
2. Membership passes 200 to hit new record high*
3. The Open Savings & Investments project is cementing TISA’s position as a leading developer of digital solutions that empower consumer financial wellbeing and support the digitalisation of financial services
4. Our MiFID II solution has achieved ISO accreditation for the open standards underpinning the downstream reporting of Costs & Charges and Target Market Data for the EMT (template for MiFID II Target Market and Costs & Charges). We continue to set industry standards with updates to our essential MiFID II guides on Costs & Charges, Target Market Reporting, Product Governance, Appropriateness and the MiFID II Feedback Template
5. We continue to establish recognised industry good practice with guides covering Powers of Attorney (PoA) administration, combating pension scams, how to assist Vulnerable Customers (Dyslexia, Vulnerable Customers & Financial Crime and Hearing Loss)
6. We enhanced our media and public affairs profile with coverage of our strategic policy and technical work and submitted 20 consultation responses in 2018/19 on issues including the Retirement Outcomes Review, Investment Platforms Market Study, Pensions Dashboard, Senior Managers & Certification Regime and Children in Care & Financial Education.

* 208 members as at 30 June 2019
New TISA vulnerable customers help-sheet addresses hearing loss

TISA has published the next in a series of Vulnerable Customers help-sheets on how firms can meet the needs of people living with hearing loss.

Published in association with the charity Action on Hearing Loss, the help-sheet provides a list of practical tips for administration staff to employ, designed to improve the experience of customers with hearing loss, whatever the level of severity. The help-sheet also contains recommendations for firms, including ensuring that where there is a face-to-face interaction with a customer a hearing loop is system is installed and working properly.

Figures show that one in six people across the population has an element of hearing loss and that this is set to grow to one in five over the course of the next 25 years.

Carol Knight, TISA Chief Operations Officer and Vulnerable Customers working group lead said:

"There is much that we can do to build a better understanding within financial services of the needs of those with vulnerabilities. The current FCA consultation on the fair treatment of vulnerable customers indicates that this is a key area for the regulator. We believe that protecting the vulnerable should sit at the heart of a firm’s operation and are pleased to be working with organisations like Action on Hearing Loss to raise awareness and provide support. Ultimately we hope to establish standards of good practice that can be adopted across the industry."

Milton Rae, Field Sales Executive (National) for Action on Hearing Loss added:

"It's great to see TISA taking a lead here. Hearing loss can lead to misunderstanding, frustration by not being able to access services and leave those living with it feeling undervalued. Firms can make a real difference just by following the simple tips highlighted in the help-sheet and I have been very encouraged by the response of TISA and its members."

TISA's Vulnerable Customers working group aims to raise awareness amongst financial services firms of the needs of vulnerable people, and the regulatory requirements.

Additional help-sheets aimed at helping the financial services industry better assist Vulnerable Customers are also available – Dyslexia and Vulnerable Customers & Financial Crime – which you will find online here.

Elsewhere TISA was pleased to see the launch of the much-anticipated FCA’s Guidance consultation: Guidance for firms on the fair treatment of vulnerable customers and will be considering it carefully with members in our working group.

Stephen Gay, Policy Team Manager at TISA, commented:

"TISA members are working together with charitable organisations and technology providers to build a better understanding of the needs of vulnerable people, and to develop solutions that support good and consistent practice.

"We note that the FCA’s consultation has a particular focus on protecting vulnerable people and treating them fairly. It’s long been our view that protecting vulnerable consumers is something that should sit at the heart of what firms are doing both strategically and operationally. Ultimately we should all be working to ensure the benefits of financial services are available to all in society whatever their personal circumstances."

Financial education in the spotlight

Early July saw a light being shone on a topic which has been of paramount importance to TISA for some time now – the provision of financial education for children.

We were delighted to be exhibitors at Money and Pensions Service (MAPS) Financial Education Conference on 3rd July, where our relationship management team was on hand to speak with the many visitors to our stand about all the important work TISA is currently doing with the aim of encouraging the necessary authorities to add financial education to the curriculum for primary school children.

Our COO Carol Knight also participated in an afternoon panel session at the Conference, providing an overview of TISA’s work in this area including:

- How an evaluation of the KickStart Money initiative has provided compelling evidence that the financial education of children at primary school age is critical to developing healthy attitudes towards savings and spending that can be carried into teenage and adult years
- Our work on the Child Trust Fund (CTF) – how we are helping to tackle ‘gone aways’ and how the scheme can be used as a starting point for financial education
- The risks around the move towards electronic money
- The role of financial services in this work.

MyBnk – who provide the fantastic financial education sessions on behalf of KickStart Money – were featured on the BBC showcasing how their sessions work and explaining why financial education should be made compulsory on the primary school curriculum. Head to MyBnk’s YouTube channel to watch the coverage.

Linking the upcoming maturing CTFs – which begin maturing from September 2020 – we have just begun working with MyBnk on including CTFs as part of their education sessions. This will raise more awareness of their existence, give them something tangible to work with as all children will have them and encourage the child to think about what they could do with the proceeds.

Our Financial Education Council is now taking on the task of identifying other ways in which our industry can help children learn how money works – if you are not already part of this Council, but want to play a central role in deciding how we can best move forward, please get in touch at engagement@tisa.uk.com
Digital Projects Update

**Digital ID**

Our Digital ID project continues to progress, with the next version of the Prototype developed and ready to be tested. The Standards remain out for consultation, and Request for Proposals prepared and issued to gather costs and capabilities from the industry.

We held a Digital ID member event on 13th June 2019 where over 80 delegates heard from our Digital Innovation Director Harry Weber-Brown about the key drivers and expected benefits, project vision and key learnings from phase 1. Harry went on to provide an overview of future phases and the building blocks required – cost of on-boarding, consumer marketing/forecasting, business model validation and pricing assumptions, costs and revenues, standards and trust framework.

In terms of next steps, TISA is looking to validate the Service Proposition, Governance approach and Commercial Model with the TISA membership through industry open sessions or breakout groups with members. We would also like members to take the standards into their AML Compliance/on-boarding teams to assess if the standards meet their onboarding requirements which can be followed up with individual calls and/or a survey.

**OSI**

Example use cases have been compiled for APIs and we are starting to create mock-ups of those that can be used for consumer testing and marketing.

The technical standards for Data sets, API Standards and Technical Trust frameworks have been agreed on by the working group. The first stage of API data mapping has been completed and the project is now looking to map this into YAML format.

An initial draft of the both the Business model (costs and benefits) and Future Governance model has been completed and passed to the OSI Steering Committee, who have reviewed and provided their comments.

We held an open industry event in July where 85 delegates learned more about this key project, including the Phase 1 achievements, participation and industry involvement to date alongside the Phase 2 delivery plan, vision and scope and technical approach.

**MiFID II**

Activity on the MiFID II Project throughout the summer has centred around agreeing the Stage 2 objectives, discussing and beginning to define the scope for Governance, and RFIs.

RFIs were subsequently issued to 13 interested suppliers for a robust, industry wide technical solution. We received of a number of quality responses which has given us confidence that a technical solution can be delivered cost effectively by summer 2020. The project is now developing an RFP for issue in the autumn.

We are still looking to welcome additional members to the project – if you would like to find out more about the project, and how you can get involved, please do get in touch with us at engagement@tisa.uk.com

In other TISA MiFID II related work, our Costs & Charges guide was reviewed to ensure that disclosures references were brought up to date. Our MiFID II Costs & Charges Briefing on 4th September 2019 saw over 30 delegates hear from Technical Policy Director Jeffrey Mushens on some of the common issues in applying the Directive including the cumulative effect of charges on returns, ex ante and ex post reporting, calculating transaction costs (methodology and dilution levy), best endeavours policy, what happens when the fund manager is outside the EEA, property funds and ESMA call for evidence.

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**TISA launches ESG Group**

Across Europe (UK, EU and Switzerland) there is an increasing focus on sustainable investment. This is reflected in the development of regulatory requirements for disclosure of firm’s and funds ESG (Environment, Social & Governance) position.

This is becoming an increasingly important criteria for many clients when deciding on an investment firm/investment manager as investors want to understand the impact of their investing.

Many firms now ensure they have ESG screening or process incorporated alongside the usual financial assessments in their investment policy. This can include climate change, environmental footprint, working conditions/health and safety and Board/Executive oversight to ensure fair pay and tax levels alongside diversity and appropriateness.

What is now defined as ESG can cover:

- **Environment** – impacts in terms of sustainability, for example in terms of climate.
- **Social** – the people in the company and beyond such as employee treatment, pay, benefits and perks, including the impact on employees in a company’s supply chain.
- **Governance** – how a business is run and if the corporate incentives align to business success.

TISA has launched the ESG Executive Committee to develop greater understanding of this significant emerging concept, engage with regulators – and the Social Impact of Investing Taskforce – and look to implement plans and industry guidance for ESG (Environment, Social and Governance).

Over 70 delegates attended our inaugural ESG Conference on 24th September, where our expert speakers considered:

- How do we best help investors wanting to invest sustainably?
- How can platforms and advisors best meet compliance obligations to represent to their customers where their money is being invested?
- How do asset managers demonstrate stewardship credentials – what does good look like?
- How do funds score themselves and how can they be meaningfully compared – building a taxonomy for benchmarking
- Prudence and risk in lending – how is your business ensuring appropriate capital and managing risks?
- How are firms like yours innovating in this area?

Jeffrey Mushens, our Technical Policy Director, is leading on this work at TISA. If you would like more information, or to get involved, please get in touch with us at engagement@tisa.uk.com
TISA responds to FCA Call for Input to evaluation of RDR and FAMR

In its submission to the FCA’s Call for Input, TISA pointed out the need for the review to address the lack of definition for financial guidance, but also that the review should consider ways that the combination of MAPS and regulated financial services firms can collectively enhance consumers access to financial guidance and make guidance services more relevant to consumer needs without this constituting advice. The current rules are ambiguous, plus limits the degree of personalisation that firms can offer, despite the detriment that this is causing consumers.

Whilst strongly advocating the benefits of financial advice, TISA sees financial guidance as being the free of charge service that will help the mass market make informed decisions.

Charles McCready, TISA Strategic Policy Director, said: “The advice market provides good access and quality services for fee-paying customers, and with few exceptions, suitable advisory outcomes. The provision of free guidance however suffers from a lack of definition and inhibits the breadth and depth of services that might otherwise be available and beneficial to consumers. We would like to see access to financial guidance for the majority of consumers being made a primary focus for the FCA and that these services provide sufficient support and relevancy to consumers that they can then make an informed financial decision.”

Drawing on the views of its members from across multiple sectors, TISA has identified that while the regulated financial services industry has the capacity and willingness to provide free financial guidance, it is prevented from providing more relevant support to the consumer because anything that constitutes personalisation is regulated advice and requires a fee to be charged. This means that the thousands of branch, call and customer support staff are currently restricted in helping customers make better decisions.

TISA also advocates co-operation between MAPS and regulated financial services firms as a foundation block for the mass market delivery of financial guidance. This will require a consistent definition of guidance and standards that apply to both the public and private services. TISA believes that MAPS is best equipped to take responsibility for defining a financial guidance framework in collaboration with the FCA, making this available to be adopted by regulated financial services firms, using the same terminology and tools, delivered by staff with the same qualifications and accreditations, resulting in consistent consumer outcomes.

Charles McCready added: “We believe that chronic under-saving is threatening the financial wellbeing of millions of households, is a major cause of social dysfunction and instability and presents a long-term risk to the economy. People fail to save for various reasons, but a significant factor is a lack of confidence and understanding about managing their money. This is a situation that demands reform now and the longer it takes to make the required changes to regulation and build the appropriate supporting infrastructure and services for consumers, the greater the detriment to the general public. This evaluation of RDR and FAMR is therefore crucial in delivering solutions that will bring real benefits for the general public and not just those that receive financial advice.”

TISA’s submission contains five key recommendations:

1. FCA to develop a clear definition and associated regulations for financial guidance and which enables a degree of personalisation without this constituting advice
2. MAPS to develop a guidance framework that sets out customer journeys that help consumers navigate the key options that will satisfy their financial objectives, involving a degree of personalisation to make the guidance relevant to their situation and facilitate the consumer making an informed decision
3. Regulated organisations are permitted to adopt the MAPS guidance framework and offer the guidance framework directly to their own customers
4. MAPS to work with regulated financial services firms to develop a governance structure that will facilitate a robust engagement with industry and which covers all key interactions between MAPS and industry
5. MAPS Board and Executive team to have engagement with financial services on their strategic agenda both in creating the new strategy for the new entity plus as BAU in ongoing operations.

Reaction to the FCA’s Retirement Outcomes Review final rules and guidance

The final policy statement relating to the Retirement Outcomes Review was released on 30th July detailing the final set of FCA remedies, aimed at providing primarily non-advised consumers with some additional protections when entering the decumulation phase. To read the full document please click here.

We broadly welcome the proposals and believe they will provide consumers with a level of guidance and support when considering a decumulation investment strategy.

We are pleased to see that some of the recommendations included within our response have been considered and included in the final set of rules. In particular, we do not believe the number of solutions for each Investment Pathway objective should be restricted to a single solution and we welcome the change in the policy statement, which gives providers the option to design multiple solutions under the umbrella of the main objective enabling a pathway to be presented which is more aligned to a consumer’s personal circumstances.

Additionally, we do not think a consumer needs to be presented with the Investment Pathway options for a second time. This complicates the process, is unlikely to be effective and extends the timeline which is likely to create negative consumer perceptions. We are therefore pleased to see this additional step in the process now removed.

The implementation timescales, however, do look challenging considering the work involved and we would have preferred to have seen this moved back until April 2021, rather than keep the proposed August 2020 date.

It will be interesting to see the impact these new rules will have following implementation and will stay closely aligned to the outcomes from the review the FCA intend to make one year from implementation.

This, of course, forms just one aspect of the various changes that are in motion within the Retirement landscape at present. Our forthcoming inaugural Annual Retirement Conference in winter 2020 will be covering a number of topical areas with expert speakers sharing their insights. Further details will follow in the near future.
New guide aims to help P2P firms ensure their customers understand the risks before investing

TISA launched a P2P Appropriateness Guide to help firms prepare for the implementation of new rules coming into effect later this year.

The guide aims to give P2P firms across the UK a better understanding of how to meet the requirements published by the FCA back in June, instructing firms to assess an investor’s knowledge and experience of P2P investments, in the absence of receiving financial advice.

The guide has been developed by an industry working group of TISA members, made up of a number of P2P and crowdfunding firms including RateSetter and Goji.

Jeffrey Mushens, TISA’s Technical Policy Director said: “These tests are set to place a significant burden on P2P platforms. Though the FCA has provided some useful guidance around how to develop the tests, ultimately it will be the responsibility of each platform to devise their own method of assessment in line with their business model. “To ensure firms are properly equipped ahead of December, we have developed a guide with our members that puts the test into context, sets out example questions and aims to encourage industry good practice and common standards. This follows the model we pioneered to help firms meet their MiFID II appropriateness requirements providing much-needed clarity ahead of the introduction of new regulation.”

Mario Lupori, CIO of RateSetter and Chair of TISA’s Working Group added: “The rules and the test are not new. They already exist for many mainstream investments and the FCA is bringing peer-to-peer into that fold. The Investing and Saving Alliance is experienced with these rules so it’s been great for the peer-to-peer sector to have their support. We feel these rules will be healthy for the sector and positive for customers.”

The working group liaised with the FCA during the development of the guide. The P2P Appropriateness guide can be found online here.

ISA 20 Year Anniversary Event

On 17th July TISA welcomed over 50 delegates to celebrate the ISA product reaching its 20 year milestone.

Our guests heard from the TISA Technical Team, alongside Matthew Kernshaw (Head of Mortgage Lending and Help to Buy, HM Treasury), Jake Wombwell-Povey (Founder, Goji), and Jackie Spencer (Pensions & Retirement Manager, MAPS). Matthew Dransfield (Commercial and Marketing Director, Criterion) and David Moffat (Chief Client Officer, Funds, SS&C) provided an overview of STAR.

Lastly our panel session gazed into the future to predict what the next 20 years may hold for the ISA product. Our stargazers included Michael Royce (Senior Policy & Propositions Manager (Savings), MAPS), Cara Whitehouse (CMO, Boring Money), Phil Warner (Head of Technical, Hargreaves Lansdown) and Mario Lupori (Chief Investments Officer, RateSetter).

CASS Guides get a refresh

Our Client Assets Technical Committee have been busy bees these last few months, reviewing and updating TISA’s essential CASS guides to bring these up to date. The updates include:

- DVP Fund Manager’s Exemption
- Cheque Receipts
- Oversight & Due Diligence of Third Parties
- Breach Management & Reporting.

The updates are close to being completed and will be available later in 2019. Head to our dedicated CASS resource webpage to view the original guide, look out for the refreshed copy later in the year.

Our 5th Annual TISA Client Assets Conference takes place on Monday 7th October 2019 – an event that those of you involved in client assets can’t afford to miss, secure your place here.

TISA CEO chats to Citywire

Our CEO David Dalton-Brown met with Citywire’s Lawrence Lever recently to chat about how disruptions over the last 20 years brought about positive changes for the consumer and challenges for the industry, and what platforms will have to do in order to remain relevant to future financial services consumers. You can watch their conversation here.

TISA launches new website

Our new website was launched in July, a major upgrade on the previous version and designed to make a significant improvement to the user experience.

We have developed the website with TISA members at the forefront of our thinking, with enhancements including: easier navigation, a brand-new search function, increased security and a more responsive design that is optimised for multiple devices.

Our website users can also view the latest TISA news and Tweets, as well as sign-up to receive our highly valued technical bulletins and updates in the areas that will compliment your work.

Start enjoying your TISA member resources today

TISA members can still access member-only content and resources as well as claiming the preferential member rate for TISA Events and Training through our website.

To unlock your free online member benefits, simply register online at www.tisa.uk.com. If you need any website support, please email our friendly team at website@tisa.uk.com.

We really value feedback from our members, so please do tell us what you think by emailing engagement@tisa.uk.com.
Annual Conference – meet your speakers

Financial wellbeing will be centre stage at TISA's 2019 Annual Conference on 3rd December 2019, bringing together over 300 representatives from across the financial services industry to examine the key factors in delivering a financially inclusive society.

Our line-up of leading speakers will assess the political priorities; investigate the growing influence of digitalisation; explore the importance of financial education and guidance; analyse the future economic landscape and consider the role of industry to give delegates an invaluable insight into the business-critical issue of how to best meet the financial needs of customers in 2020 and beyond. An update on the latest developments in TISA's work on regulatory implementation and technical/infrastructure improvements will also be given in a supplementary morning session (TISA Information Zone) that is open to all conference attendees.

Our impressive speaker line-up includes:

Louise Cooper, Conference Chair. A respected contributor on business economics and finance, Louise regularly presents the BBC's Wake Up To Money and Money Box Live. Other speakers include:

David Dalton-Brown, Chief Executive Officer, TISA
Martin Edwards, Managing Director, Identity Services, Post Office
Martin Gilbert, Vice Chairman, Standard Life Aberdeen and Chairman, Aberdeen Standard Investments
Ceri Godwin, Director of Growth and Advisory, Santander
Jill Jackson, Managing Director, The Big Exchange
Jon Roughley, Director of Enterprise Strategy, Experian
Jonathan Reynolds MP, Shadow City Minister
Caroline Siarkiewicz, Acting Chief Executive, Money and Pensions Service
Brian Smith, Solutions Architect, SS&C
Senior representative, HSBC
Jeffrey Mushens, Technical Policy Director, TISA
Harry Weber-Brown, Digital Innovation Director, TISA

Places are going fast, find out more online.

Upcoming Events

5th Annual TISA CASS Conference 2019
Monday 7th October 2019

TISA AGM & Discussion Forum
Wednesday 23rd October 2019

SM&CR Forum: 1 Month to Implementation
Tuesday 5th November 2019

Market Abuse Briefing
Wednesday 13th November 2019

CASS Forum Edinburgh
Wednesday 13th November 2019

Open Finance Conference
Monday 18th November 2019

Annual Conference: Financial Wellbeing for All
Tuesday 3rd December 2019

Financial Crime Briefing
Wednesday 4th December 2019

Brexit Conference
Thursday 23rd January 2020

Vulnerable Customers Conference
Thursday 6th February 2020

Coming Soon!

Find out more about our Event & Training programme at https://www.tisa.uk.com/events-training/

Contact us

Should you have comments or questions about any of the topics covered in this issue, please contact engagement@tisa.uk.com

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Financial wellbeing for all