



Annual Review 2018/19

Overview

TISA's ambition is to improve the financial wellbeing of UK consumers by bringing the financial services savings industry together to promote collective engagement, to deliver solutions and to champion innovation for the benefit of people, our industry and the nation.

Contents

- 1 Highlights
- 2 Chairman's overview
- 4 Chief Executive's review
- 6 Engagement: Year in review
- 8 Strategic Policy progress
- 10 Cash and Investments Policy Council
- 11 Children's Financial Education Policy Council
- 12 Consumer Engagement Policy Council
- 14 Digital Innovation Policy Council
- 16 Retirement Policy Council
- 18 Technical year in review
- 22 TISA membership list

We do this by focusing on good consumer outcomes and harnessing the power of our broad industry membership base to deliver practical solutions, new digital infrastructure and by devising innovative, evidence-based strategic proposals for government, policy makers and regulators. This holistic approach to address the major consumer issues uniquely positions TISA to deliver independent insight, promote innovation and facilitate good practice.

TISA's rapidly growing membership is representative of all sectors of the financial services industry. We have over 200 member firms involved in the supply and distribution of savings, investment products and associated services, including the UK's major investment managers, retail banks, online platforms, insurance companies, pension providers, distributors, building societies, wealth managers, third party administrators, Fintech businesses, financial consultants, financial advisers, industry infrastructure providers and stockbrokers.

TISA will unveil Vision 2025 – our strategic policy roadmap towards delivering a material impact in enhancing consumers' financial wellbeing at our Annual Conference in December 2019. Our current strategic policy focus includes making financial guidance more widely available; financial education for young people; retirement savings and addressing consumer engagement, particularly for the vulnerable.

Complementing our development of consumer policy and thought leadership, TISA has become a major industry delivery organisation for consumer focused, digital industry infrastructure initiatives (TeX/STAR, Digital ID, MiFID II and Open Savings & Investment). This reflects TISA's commitment to open standards and independent governance.

TISA is also recognised for the support it provides to members on a range of operational and technical issues targeted at improving infrastructure and processes, establishing standards of good practice and the interpretation and implementation of new rules and regulations. This work currently includes MiFID II, CASS, SM&CR and addressing cybercrime.

Overview

2018/19 highlights

TISA changed name to The Investing and Saving Alliance,

revised our mission to focus on consumer financial wellbeing and introduced new branding to emphasise our unique role within the financial services sector

We added additional expertise to TISA's executive team

to support our broadening role, resource our future growth and ensure the successful delivery of our Development Plan

Our new Open Savings & Investment project cemented TISA's position as a leading developer of digital solutions

that empower consumer financial wellbeing and support the digitalisation of financial services

Members benefited from an enhanced scope of strategic and technical policy work as

we added new Vulnerable Customers, Cybercrime, Taxation and ESG committees

Our project to deliver a MiFID II solution 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)

Our guides are establishing recognised industry good practice

covering Powers of Attorney (PoA) administration, combating pension scams, how to assist Vulnerable Customers (Dyslexia, Vulnerable Customers, Hearing Loss and Financial Crime)

Consumers benefitted from the publication of consumer information

providing guidance on ISAs (General Guide, Flexible and Help to Buy) and Child Trust Funds FAQs

TISA continues 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

Our growing membership passed 200 firms, to hit new record highs*

*208 members as at 30th June 2019

We enhanced our media and public affairs profile

with coverage of our strategic policy and technical work and submitted 20 consultation responses on issues including the Retirement Outcomes Review, Investment Platforms Market Study, Pensions Dashboard, Senior Managers & Certification Regime and Children in Care & Financial Education

Tony Stenning, Interim Chairman

Chairman's overview

The year marked a major milestone in our continuing evolution as we changed our name to The Investing and Saving Alliance from The Tax Incentivised Savings Association. Quite deliberately, this has enabled us to retain the TISA acronym by which we are mostly known. But, importantly, our new name is a better reflection of the range and scope of our activities.

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. Our digital transformation projects to develop a Digital Identity and Open Savings & Investment will put consumers in control of their data, encourage greater engagement with their money and motivate personal savings. At the same time, we have maintained our commitment to providing our members with market leading support on the interpretation and implementation of UK and EU regulation, addressing key business issues, like financial crime, and making our technical expertise available on ISAs and retirement savings.

TISA has a unique role, bringing our members together to champion consumer financial wellbeing in everything we do. This is increasingly recognised within the industry and TISA membership continues to grow, passing the 200 member firms mark during the year.



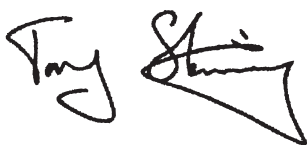
On behalf of the Board I thank all of our members, old and new, for your support, involvement and commitment.

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I must also pay tribute to Clive Shelton who stood down as Chairman in June 2019 having completed his term of office. Clive has been involved with the organisation since shortly after its inception in 1991, initially serving on the Advisory Council and subsequently the Board, becoming Deputy Chairman in 2000. Over his three-year tenure as Chairman Clive saw through a significant period of development for TISA.

My thanks too, go to the TISA Executive and staff whose untiring work provides members with an extensive range of services and support and is enabling TISA to deliver on behalf of consumers and the industry.

We face uncertain economic times, but TISA now has a clear role and purpose, and is in excellent shape to better meet the challenges to consumer financial wellbeing and to the industry that we see ahead.



Tony Stenning
Interim Chairman



members and continues to grow

*208 members as at 30th June 2019



David Dalton-Brown, Chief Executive Officer

Chief Executive's review

The past 12 months have been exceptionally busy and successful as we delivered against our development plan, made significant progress on our long-term projects and commenced new policy initiatives.



Importantly, following an extensive review and consultation process and with the overwhelming support of members, we have changed TISA's underlying name to The Investing and Saving Alliance. We are already reaping the benefits of being able to more clearly articulate who we are, particularly to parliamentarians and policy makers.

Aligned to our name change we have refreshed TISA's mission so that we have a clear focus on improving financial wellbeing for all, introduced new branding and carried out a major upgrade to the TISA website. Behind the scenes, a new CRM system is enabling us to make significant improvements to how we engage with members and deliver more value to your membership.

We have also introduced a resource model to our policy development and infrastructure work – appointing specialist project managers for the duration of a project. In addition to driving the work forward this is also allowing members interested in that area to become more actively involved, helping to shape the outcomes and contribute their expertise to the policy initiatives. We know that members highly value having this direct involvement.

We'll be adding further resource to our events and training in 2019/20 to provide members with a comprehensive programme of conferences, forums and briefings on the key topical and regulatory issues of the day, alongside our acclaimed technical and practical workshop training. Our Annual Conference remains our flagship event and last year it was great to welcome Amber Rudd in her first public speaking engagement following her appointment as Work and Pensions Secretary, the City Minister John Glen and the IEA's director general Mark Littlewood. The 2019 conference in December will be equally high profile – our website has the latest **programme details**.



47 million

people in the UK do not access financial advice

Our strategic policy development, infrastructure improvement and technical support remain at the forefront and you can read more about this activity and the progress we are making in the Executive reports that follow in this Annual Review. There are, however, two overriding themes that have dominated the past year and will continue to do so – the digitalisation of financial services and the need to make financial guidance available to the estimated 47 million people in the UK who, for whatever reason, do not access financial advice.

TISA’s digital transformation projects to develop a Digital ID for consumers of financial services products and to create the standards, structure and governance model for Open Savings & Investment are pivotal for consumers, providers and new fintech. We are also actively engaging with the Pensions Dashboard Industry Delivery Group to make our experience and expertise available.

The UK is moving inexorably towards Open Finance, with the consumer firmly in control of their data. This will create benefits and challenges for firms as current business models are disrupted – TISA will continue to support members to meet the needs of consumers.

Greater access to and control of personal savings and investments is also placing the onus on the consumer to make informed decisions about their finances. We are extremely concerned that while regulations are clear about what constitutes advice, the boundaries with guidance remain ambiguous. This is detrimental to good consumer outcomes. TISA is working hard with government policy makers, regulators and the Money and Pensions Service (MaPS) to find a solution that will enable meaningful guidance to be made available by the industry, MaPS and crucially as part of a pensions dashboard.

Both these themes will be integral to Vision 2025 – our strategic policy roadmap towards delivering a material impact in enhancing consumers’ financial wellbeing – which will be unveiled later in 2019.

TISA’s proven ability to bring politicians, regulators and the industry together and deliver practical policies and solutions in the consumer interest is needed more than ever. Our development plan will ensure that we continue to deliver over the next 12 months and beyond.

I look forward in anticipation to your continued support.



Importantly, following an extensive review and consultation process and with the overwhelming support of members, we have changed TISA’s underlying name to The Investing and Saving Alliance.

Ruth Moore, Director of Engagement

Engagement: Year in review

With members at the forefront of our thinking, we have made significant and exciting enhancements to TISA's profile and presence over the last 12 months, during which defining milestones have been reached.

62

public and in-house training workshops delivered

31

events delivered

1,000's

of attendees



Incorporating TISA's engagement functions – Member Relations, PR & Communications, Marketing and Events & Training – the Engagement Team was established to broaden and deepen our connection with members; to amplify TISA's vital policy and project work in the media and with key stakeholders across the industry, including regulators and policymakers; and to develop and enhance our highly valued programme of Events and Training.

Addressing the themes of gender, diversity, inclusion and vulnerability, TISA's Annual Conference proved a highlight of 2018. Attended by over 300 senior industry executives and influencers, it was our biggest conference yet and showcased standout speakers, including Amber Rudd MP in her first public engagement as Secretary of State for Work and Pensions, as well as the Economic Secretary to the Treasury John Glen MP, who shared his appreciation of those firms which committed to building a more inclusive and diverse financial services sector by signing the Women In Finance Charter – and highlighting that there remains more work to do.

Our wider programme of Events and Training also saw substantial growth over the last 12 months, as we delivered 31 events and 62 public and in-house training workshops to thousands of attendees. Almost double the number of participants benefitted from TISA Training, compared to the previous year.

This was also the year in which we passed a key marker in terms of size, as TISA membership grew to over 200 firms from across the full spectrum of the investment and savings industry – further enhancing TISA's status as the cross-sector body that is uniquely positioned to deliver wide-reaching and highly impactful initiatives that will ultimately benefit the consumer.

The change of TISA's name to The Investing & Saving Alliance was formally approved in June 2019 after a thorough consultation process with our members, who voted overwhelmingly for this change. It was widely agreed that our new name better reflects our growing scope of work, while enabling us to retain the TISA acronym by which we are known.

Our rebrand has provided us with the ongoing opportunity to further enhance our presence and mission throughout the coming 2019-2020 financial year. In July 2019 we launched our new website, which reflects the rebrand and features clearer navigation to access member resources and improved functionality throughout. We will also continue to engage with stakeholders around Vision 2025, which will be launched at this year's Annual Conference, on 3rd December 2019 – this year's theme mirrors our Financial Wellbeing For All mission statement – we hope you will be able to join us.



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Charles McCready, Strategic Policy Director

Strategic Policy progress

TISA continues to make positive strides in helping the industry develop progressive, financial propositions for consumers that deliver upon our ambition of enhancing financial wellbeing for everyone. All of our strategy work seeks to deliver tangible and measurable benefits to consumers and to raise the tide of financial resilience in the UK.

This year marked the 20th anniversary of the ISA with 249 million accounts opened during the period and a staggering £600 billion saved as at April 2018. We continue to actively engage with government on how to enhance the attractiveness of the Lifetime ISA (LISA) as well as improvements on how consumers can save through the range of other ISA tax wrappers.

It is essential that people learn about the benefits of saving from an early age and it is particularly pleasing to see the progress that the KickStart Money initiative is making. As you will read later, the programme has now been delivered to nearly 12,000 primary school children. TISA is also actively engaged in the programme to reunite children with 'lost' Child Trust Funds (CTFs) and in developing the options that best encourage young people to continue to save, as the first CTFs mature in 2020.

Our work on financial guidance continues to make good ground and we are working with some of the industry's best and brightest who have collectively helped us to engage with the FCA, MaPS, HMT and the DWP to promote greater clarity on the boundary between guidance and advice with a view to extending access and guidance propositions to consumers that are not receiving advice. The imminent introduction of pension dashboards will further necessitate the need to find a guidance solution that works for industry, MaPS and the FCA and provide another catalyst to address this opportunity to enhance consumer financial wellbeing. In our wider consumer engagement activities, we are helping firms to understand how to better identify and support vulnerable customers, plus we have established a project looking at how to encourage younger working age groups to embrace the savings habit.



20th
anniversary
of the ISA

249
million
accounts
opened

£600
billion saved

Our work on Digital ID continues at pace and the project is becoming increasingly recognised as a serious contender to provide a solution that could help enable the transformation of how consumers digitally engage with their money and the industry.

Hot on the heels of Digital ID comes another transformational project, Open Savings and Investment, launched early in 2019, with the vision to create a common set of Open Standards for supporting APIs capable of interfacing with legacy systems and infrastructure. This will enable the financial services industry to release their data in a secure, standardised form between authorised organisations online and deliver a range of digitally enabled benefits to the consumer.

We are also working with a number of leading firms wrestling with the thorny issue of helping consumers better prepare for their retirement. This work builds on a number of earlier policy initiatives and seeks to view the challenges that consumers face in building a secure future through a new set of filters that embraces the consumer experience. By exploring the diverse set of factors that occur along the working life journey we are developing ideas in how to better secure financial wellbeing in later life. This has encouraged us not just to look at how much money people are putting into their pots but also considering how that money is invested both leading up to and in retirement.

Last but not least, we have begun working on Vision 2025 which will set out how all of our policy work knits together and our ambitions for working with industry to help create better financial wellbeing for all. This will also help us to better communicate to TISA members and government bodies how and where our policy work and projects are intended to have an impact, plus provide measures so that we can evaluate success along the flightpath of delivery. Our aim is to unveil Vision 2025 at the Annual Conference in December 2019.



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Nigel Banfield, Technical Policy Manager (Cash and investment Savings)

Cash and Investments Policy Council



Throughout the last year TISA has been engaging with members, HMRC and FCA on how the maturing CTF processes might look from September 2020.

The positions of chair and deputy chair of the Cash and Investments Policy Council was taken over by John Thompson (Lloyd's Banking group) and Philip Warner (Hargreaves Lansdown) with Rob Jameson (M&G) and Rob Ray (Coutts) retaining a focus on technical matters as a separate committee. This enables a clear division between policy and technical areas going forward.

2019 saw ISAs reach the 20-year landmark and TISA held a celebration event to mark this occasion. ISA simplification remains on the agenda and the council considers this its main priority. Success of the ISA brand and the newly introduced Innovative Finance ISA is leading the council to call for the investor to be allowed to invest in multiple ISAs in a given tax year, as long as they remain within the overall ISA limit.

The penalty withdrawal charge on the LISA remains another focus of the council. It is felt that this is both a prohibitor for investors and providers alike and that a neutral charge of

20% would be more palatable to both parties. Volumes of take up are below expectations and the number of firms offering LISA is still low. With the closure to new business of Help to Buy, late in 2019, the LISA will be the only product to attract a government bonus and TISA will be working hard with members to make it a successful replacement for first time buyers.

CTF rollover

Throughout the last year TISA has been engaging with members, HMRC and FCA on how the maturing CTF processes might look from September 2020. This has been a successful, collaborative, working group with positive input on all sides leading to the consultation being published in June 2019.

Following a formal response to the consultation, the next stage will be to work on communication, publicity and ensuring that all children, including the most vulnerable beneficiaries of CTFs are able to receive their maturity proceeds.



Ensuring the most vulnerable beneficiaries of CTFs are able to receive their maturity proceeds.

Carol Knight, Chief Operations Officer

Children's Financial Education Policy Council

KickStart Money continues to deliver outstanding results in providing financial education to primary school children in Key Stage 2.



Since the project started in April 2017, to end June 2019 KickStart Money's appointed delivery partner – MyBnk – has delivered 420 programmes, reaching 11,766 young people across the UK in 129 schools.

The programmes have been and are again being independently evaluated and they work. We can improve money habits – independent evaluation shows that 3 months after delivery of these sessions, 68% of those who wouldn't delay gratification before training, now do. 33% of pupils who did not make a savings plan now do. 87% of pupils now know that financial decisions have consequences.

Furthermore, MyBnk has actively supported the wider ambition of KickStart Money towards financial education for all

young people at primary school, hosting almost 20 MPs at school sessions (including the then Chancellor of the Exchequer Philip Hammond), creating and facilitating numerous press and television coverage, and sharing and leveraging our front-line experience of the wider sector and our networks.

We are on track to reach all targets set at the beginning of our relationship, including reaching 20,000 young people over the three years.

Additionally, we responded to a consultation on financial education for children in care published by the All Party Parliamentary Group on Financial Education for Young People. We were particularly gratified to find that in their final report, the APPG picked up many of our stated views, strongly supporting the inclusion of financial education in the Primary Curriculum and also recommended including it in the Ofsted Framework.

Our Financial Education Policy Council was invited to have an exhibition space, alongside KickStart Money, at the first Financial Education Conference for 10 years, co-hosted by the Department of Education, HMT and the Money and Pensions Service. TISA's COO, Carol Knight, was one of the panellists and had the opportunity to talk about the

role and responsibility financial services companies have in supporting delivery of financial education to children. We also had the opportunity to promote the concept of using the Child Trust Fund as a focus for financial education, which in turn may help us to achieve wider awareness of the scheme and encourage children who have one of these accounts to trace it and engage with it before the accounts mature.

Taking all the information gathered from the above activities and the organisations we have worked with; the council is now preparing to identify specific objectives to develop over the year ahead.

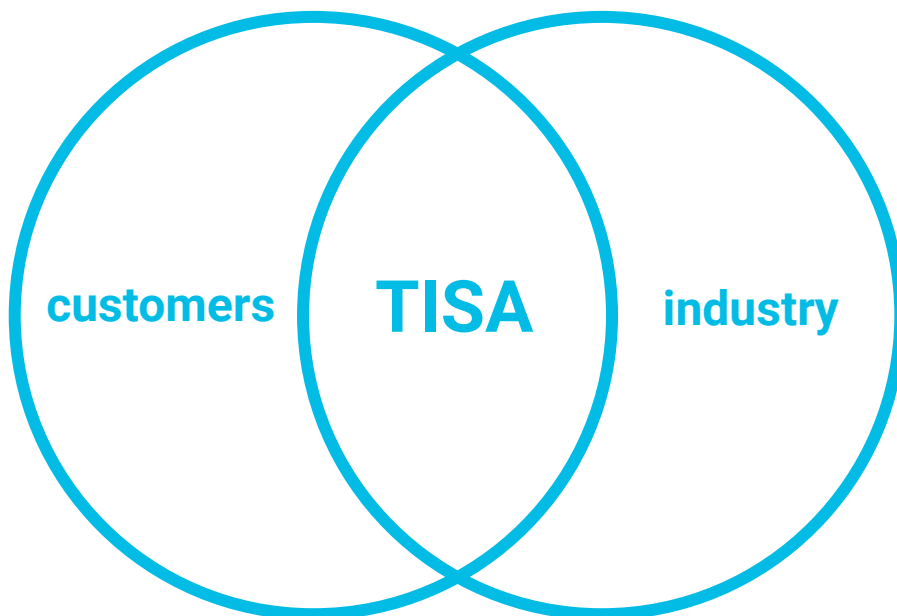
Gone Aways

With the first Child Trust Fund maturities due to take place in September 2020, reuniting children with their lost assets remains a priority of TISA. In January this year we were able to have a line inserted in the HMRC NINO letters that went to all children reaching 16 telling them to seek out their CTF. Several opportunities to publicise the issue have been taken up including Carol Knight being interviewed on Moneybox and the topic being raised at a recent MaPS conference for teachers. TISA and its members will continue to raise the profile wherever the opportunity presents itself.

Stephen Gay, Policy Manager

Consumer Engagement Policy Council

Our work to improve the way the industry engages with customers and responds to their needs continues to be driven by strategic issues that are crucial for a financially resilient society.



At a time when most people have little in the way of savings and are often just one adversity away from debt, our focus is not on the strong, those with assets, the well-informed or well-advised. Rather, TISA's attention is given to the problems of the more vulnerable in society, those who are marginalised or excluded, who strive to become the investors of the future. We are looking for ways that more people can participate in the mainstream financial world, more people can benefit from the services of our industry, and more can experience prosperity and financial peace of mind.

On that basis our work continues to focus on three strategic themes: financial guidance, vulnerable customers, and a savings culture. These are the areas where we think there is most to be gained from focused activity.

On financial guidance our work is to ensure that everyone in the UK can have access to free and meaningful financial guidance. We are looking forward to co-operating with the newly established public service MaPS so that the resources of the industry can be used to engage with customers on a personalised basis and to a common set of standards. To achieve this will require one vital first step – a regulatory definition of 'guidance' that all providers can work to and which will gain the confidence of the public. Our efforts are focused on bringing together

policymakers, regulators and the industry to agree a framework that will allow us to engage as helpfully as possible with consumers.

On vulnerability, we are following up on our highly successful conference last year by engaging with charitable organisations to release a series of **help-sheets** to assist financial firms in understanding the difficulties that different vulnerabilities may create and how they can be addressed. We are also developing, with Altus, a self-assessment tool for firms so that they can measure themselves against good practice and monitor their improvement over time.

On savings culture, we have a working group of young people from member firms working to develop a competition for teams of school and university age students. The challenge for entrants will be to develop marketing and policy solutions that will promote a savings culture, particularly amongst the younger cohort in society.

These are not issues that lend themselves to quick fixes; they are not easy and will require ongoing effort from one year to the next. However, we are encouraged by the enthusiasm of our members to tackle subjects that are vital to the health of our society, and to pursue solutions that will make a noticeable improvement to the wellbeing of ordinary people.



On financial guidance our work is to ensure that everyone in the UK can have access to free and meaningful financial guidance.

Harry Weber-Brown, Digital Innovation Director

Digital Innovation Policy Council

The Digital Identity for Consumers of Financial Services aims to be the prime means by which consumers securely identify themselves to UK financial services.

Over the course of 2018/19, the Digital ID project team has grown to 14 participating firms (including large banks, insurance companies and identity providers). The project team has successfully delivered and tested its first prototype, it has constructed a set of standards for industry, developed an outline of the trust framework and the proposed technical approach.

The TISA team has been actively engaging stakeholders including the Financial Action Task Force, the FCA, the Joint Money Laundering Steering Group, HMT and a range of government departments (including the Cabinet Office and DWP).

The next main areas of focus include aligning the standards with the Gov.UK Verify team standards to deliver interoperability between the schemes. The Project Team is developing a Proof of Concept to test the use and reuse of secure Digital Identities between the Financial Service Providers and Identity Providers through the development of the identity Hub and the connectors between participating firms. This will be tested with consumers.



This is an exciting time for TISA as plans to roll out other projects as part of its Digital Programme, building on the success of TeX, that will deliver benefits to both consumers and the industry.

The OSI project has delivered Phase 1 of the project



The Open Savings and Investment

The Open Savings & Investment (OSI) project was initiated in January 2019, with the vision to create a common set of Open Standards for supporting APIs (Application Programming Interfaces) capable of interfacing with legacy systems and infrastructure, together with the necessary supporting infrastructure and governance. This will enable the UK's investment managers, wealth managers, transfer agencies, platforms, distributors, Fintech providers to release their data in a secure, standardised form so that it can be shared more easily between authorised organisations online and deliver a range of digitally enabled benefits to the consumer.

The project has over 14 participating firms* and a range of stakeholders including the Investment Association, the Open Banking Implementation Entity, the FCA (as it supports their Open Finance strategy) and FDATA.

The project has delivered Phase 1 of the project, which includes establishing a clear initial and future scope for the project and the initial product development, creation of registry of existing, relevant standards that could support the development of OSI. The project team has defined the proposed industry-owned Governance Structure for managing the Open Standards and APIs together with their secure use by approved business entities. A business plan has been developed along with a road map for the delivery of the Open Standards, APIs, Directory and ongoing governance.

Phase 2 of the project will focus on the design the API data set, which will be built along the relevant directories. The Project Team will establish the data governance, management process and Risk Management Framework between authorised partners and the authentication procedures to enable consumer and financial organisations to securely identify themselves and use the APIs. A consumer facing prototype is being developed and will be developed to optimise the customer experience in using the services.

Updates of these Digital projects will be presented regularly to TISA members and participation is open to member firms wishing to be actively involved.

This is an exciting time for TISA as plans to roll out other projects as part of its Digital Programme, building on the success of TeX, that will deliver benefits to both consumers and the industry.

* We currently have a number of participants from across the financial services sector, including: ATOS, Bravura Solutions, Coutts/RBS, Fidelity, FNZ, GBST, Hargreaves Lansdown, Morningstar, Northern Trust, Pershing, Schroders and SS&C. Active stakeholders include: The FCA, Open Banking and The Investment Association.

Renny Biggins, Retirement Policy Manager

Retirement Policy Council

Despite the 2018 Budget being light on pensions for a second successive year, the world of retirement continues to dominate the headlines. Whilst the Pensions Bill has yet to be delivered, there remains a commitment to do so in 2019 and we wait with interest to see the content of the draft legislation.

From a legislative perspective, in the last year we have created working groups and responded to consultations relating to Collective Defined Contribution, revised wake-up packs and investment pathways. We have also reviewed the requirements surrounding the wake-up pack content defined in the subsequent policy statement and liaised with the FCA to provide members with further clarification on the requirements.

The Pensions Dashboard is one of the key initiatives currently ongoing. We held two key sessions chaired by TISA's CEO, which were well attended by our membership and constructed a comprehensive response to the consultation. This was reflected in the government response where five extracts from our paper were quoted throughout the document.

Two successful retirement seminars were held in December and May, covering a variety of topical subjects. The feedback received was positive and we continue to thank everyone involved in these events for their support.

We continue to play an active role in both the Pension Scams Industry Group (PSIG) and the Net Pay Anomaly action group, both of which address important retirement issues for the consumer.

Our retirement strategy work on how to secure better financial wellbeing in later life continues to move forward as the number of members involved increases. The main area of current focus is achieving better auto enrolment outcomes for individuals, with research centred around contribution levels and default funds. The default fund research undertaken to date has produced some interesting outputs and featured in a number of press articles, including the front page of Telegraph Money. We will continue to engage with members and other related groups as we refine our engagement paper and look to drive forward with proposals.

The TISA and KPMG Savings Index has helped us identify a wealth of data



The TISA and KPMG Savings Index has helped us identify a wealth of data relating to the financial health of GB households, which has been used when compiling content for TISA speaker slots, media releases and various strands of our strategic work. As the Index matures over time and new iterations are released with the latest market data, we can start to build up an accurate picture of what is happening and what the current trends are, enabling us to understand if government savings initiatives are working and to identify where saving shortfalls exist based on household segmentation. The Savings Index is available on a one and three-year licence basis.

In response to demand we restarted TISA's pensions training courses in the last year, currently there are three courses running – DC Death Benefits, a basic introduction to Pensions and Employer Auto-Enrolment duties, and a further pensions introductory course with a focus on SIPPs and transfers. Training courses are held in-house and can be tailored to individual firm requirements.

There will be no let-up in the next year. We look to maintain involvement with the Pensions Dashboard project and move our strategic work to the next phase, whilst staying close to all legislative and other changes, which will occur. Additionally, we move from a bi-annual retirement seminar to an annual retirement conference in winter 2020. Work is underway and further details will follow in the near future.

Please contact renny.biggin@tisa.uk.com if you would like a demonstration of the TISA and KPMG Savings Index or further details regarding our pensions training courses.



Our retirement strategy work on how to secure better financial wellbeing in later life continues to move forward as the number of members involved increases.

Jeffrey Mushens, Technical Policy Director

Technical year in review

The last year has seen TISA's Technical Policy work focus on four essential components to best offer support to our members and the wider industry.

These components are:

- 1 **Identifying, scoping and helping firms implement new regulatory initiatives from government and regulators**
- 2 **Developing industry best practice guides in response to industry needs and regulatory or government changes (across our SM&CR, Client Assets and MiFID II groups)**
- 3 **Provision of information and technical support (particularly our popular ISA Technical support)**
- 4 **Delivery of topical workshops and training courses.**

Highlights

We launched, in response to requests from members:

- Strategic Technical Policy Committee
- Environment, Social and Governance (ESG) Executive Committee
- MiFID II Costs & Charges Working Group
- MiFID II Product Governance Working Group
- P2P and Debt Based Securities Working Group on Appropriateness
- Financial Crime and AML group, which is co-ordinated with the work of the Joint Money Laundering Steering Group, of which TISA is represented on the Board
- CyberCrime Working Group
- Taxation Committee.

We continued with the work of:

- TISA MiFID II Project
- Client Assets Technical Committee
- SM&CR working groups
- Cash and Investment Savings Policy Council and Technical Committee
- TISA Upstream Distributor Working Group
- TISA P2P and Debt Based Securities Forum.

As reported on page 1 we also responded to Consultations, including Market Studies, issued and updated **key industry best practice guides**. We issued 46 Technical Bulletins as well as continuing to respond to technical queries with 1,652 raised and dealt with throughout the period in question.

Strategy Technical Policy Committee

This new committee was launched to provide overall supervision and challenge to the TISA technical policy work. It is comprised of senior business and operations staff and has recommended the development of good practice guides in Operational Resilience and Terms & Conditions.

ESG (Environment, Social and Governance)

The ESG (Environment, Social and Governance) Executive Committee was launched in April 2019 following an Open Meeting in March. It is working with a number of interested parties, and is looking at how ESG can be viewed through a customer lens, perhaps through the development of scorecards, to enable customers and their advisers to compare products on a consistent and objective basis.

As happened with the European MiFID Template (EMT), developed to enable firms to deliver ex post and ex ante reporting on a consistent and objective basis, the group is considering whether an objective underlying data standard for the collection and dissemination of ESG reporting can be enabled.

The group held a successful Conference in September for over 70 delegates, where customer scorecards, possible data standards, alongside practical implementation experience and policy statements from regulators and government enabled the industry to understand the latest position and debate the way forward.

MiFID II

When we wrote last year, we were in summer and working on the delivery of The TISA Upstream Distributor Reporting Guide and industry template, which we took to the European Securities and Markets Authority (ESMA) and FCA over the course of summer 2018.

This template has now been proposed, alongside other possible models, as a basis for a European Feedback Statement (EFT), by FinDatEx, the successor body to the European Working Group.

Over the last year we have focused on three aspects of MiFID II:

- Costs & Charges
- Product Governance
- The TISA MiFID II Project.

46

technical bulletins issued

Costs & Charges

The good practice guide – Approach to Implementation of MiFID II Costs & Charges Disclosures (available at the TISA website [here](#)) was updated (version 3) and published to coincide with our MiFID II Conference in February. It has become the de facto standard for MiFID II Costs & Charges disclosure.

The guide focuses on the practical implementation of Costs & Charges reporting for MiFID II firms, including templates for reporting to clients, covering pre-sale (so called ex ante) and post-sale (ex post).

The guide includes links to the European MiFID Template (EMT), a model for calculating the cumulative effect of charges and which charges to include (all) and where to report them.

The group has been reformed, in response to member requests, to tackle practical implementation issues, specifically in the areas of transaction costs methodologies, the treatment of property funds costs, performance calculations and where costs are not available. An updated version of the guide (version 4), including clarification about ex ante and ex post disclosures for wealth managers was published and is available to download on the TISA [website](#).

1,652

technical queries answered

Product Governance

The TISA Upstream Distributor Working Group finalised and published its good practice guide and associated template and was formally launched at the TISA MiFID II Conference in February. These are available on our [website](#). The group also included PIMFA and IA, and the guide is published jointly by PIMFA and TISA.

Its objectives were to determine manufacturers reporting requirements consistent with distributor capacity to enable distributors to meet their MiFID II reporting requirements in respect of Target Market sales. This is an important aspect of the Product Governance process.

We also reformed the Product Governance Working Group to update the existing guide (published jointly with IA in 2017) and tackle implementation issues around responding to Target Market Reporting, Product Life Cycle and other governance issues. The group expects to finish its work over the course of the summer 2019.

MiFID II Project

TISA's MiFID II Project is focused on enabling the development of industry solutions, including around governance, standards and solutions, to the challenges posed by MiFID II in sharing downstream data (e.g. the EMT) in a consistent manner. With literally thousands of manufacturers and many more distributors, a model for sharing data and messages in a consistent, machine readable and efficient manner (such as no rekeying, no need for interpretation) is needed by the industry as a whole.

A steering group of nine firms was formed to govern the project. In Stage 1, which finished in June 2018, it agreed standards for downstream, based on EMT v1, which has been adopted as an ISO standard and developed a standard for upstream reporting.

Stage 2 was launched in May 2019, following a successful Hackathon in December 2018, and is looking to develop a functional specification for a technical solution in parallel with a body to provide governance, including membership criteria, SLAs and standards. The aim is to deliver an RFP to the market in October 2019 and seek tenders for a technical solution. If firms are interested in taking part and supporting this work, please let us know.



Throughout the last year, TISA has continued to work with our members to prepare for implementation on 9th December 2019 through a series of working groups to discuss, debate and produce documentation on the grittier areas that our members and the wider industry are struggling with.

Client Assets/CASS

TISA held four of its hugely popular Client Asset seminars in both London and Edinburgh, in October 2018 and March 2019, focused on practical operational issues, including Governance and Oversight, particularly where firms outsource or offshore their work. This continues to be a source of focus in the industry along with FRC audits.

The Client Assets Technical Committee continued to update its existing range of **Best Practice Guides**. This covers Reconciliations, ISEM, Resolution Packs, the FRC CASS Audit Assurance Standard, Governance & Oversight and Mandates.

We have continued the practice of submitting – anonymised – questions from members to the committee as a whole on practical issues, which the members can debate and respond to. This is very popular.

Senior Managers and Certification Regime (SM&CR)

Senior Managers and Certification Regime (SM&CR) is arguably the biggest and most far-reaching regulatory change since FSMA.

Throughout the last year, TISA has continued to work with our members to prepare for implementation on 9th December 2019 through a series of working groups to discuss, debate and produce documentation on the grittier areas that our members and the wider industry are struggling with. Along with regular SM&CR Roundups and technical bulletins we have produced guidance and useful information for senior managers (including a reasonable steps guide), certified staff (including the obligations

on the individual through the employee lifecycle), conduct rules (including case studies), firms (including template project plan) and culture (including culture measurement toolkit). Head to our dedicated **SM&CR Resource Hub** for more information

Additionally, we have ran a number of events to focus on specific topics and provide expert views from industry practitioners and bring the new rules to life.

P2P and Debt Based Securities Forum

The P2P and Debt Based Securities Forum provides a focal point to enable those involved in the peer to peer lending sector to develop policy recommendations for regulators and legislators, address operational challenges and determine best practice. The group is currently focused on building an effective dialogue with the FCA, HMRC and HMT on key issues (authorisation, tax, SIPPs) and developing standardised terminology, operational technology, data governance principles and best practice.

The group launched a monthly IFISA statistics report, showing number of IFISA managers, and, for those reporting, subscriptions by value, customers and average values. The growth shown thus far is very encouraging.

The group responded pro-actively to the FCA Consultation CP19/12 and proposed the development of an industry standard guide to Appropriateness. A working group was formed, which discussed the proposed guide and approach with the FCA. The final version of the **Guide** was published in August 2019, in good time for the implementation of new rules for the sector in December 2019.

Financial Crime Working Group

This group is chaired by Adrian Barnett, Director, Ernst & Young LLP and Ciaran Askin, MLRO, Invesco Perpetual with membership from a range of TISA member firms. The group has become a trusted and valued source of technical information within the TISA community and beyond, developing an up-to-date picture of the financial crime landscape, establishing and **maintaining good practice documents** for relevant topics.

The group focuses on key themes for its work, chosen by the membership, and seeks to provide clarity, information and assistance in those areas. For example, the group has turned its attention to vulnerable customers and produced a guidance leaflet "Vulnerable Customers and Financial Crime" which aims to provide customer-facing colleagues with practical guidance on identifying and responding to signs that a vulnerable customer may be at risk of criminal activity. Our Consumer Engagement Policy Council has similarly produced helpful guidance leaflets on Dyslexia/ Dyscalculia and Hearing Loss, which you can **download from our website**. We have also produced a **good practice guide for AML involving Powers of Attorney** to provide an easy to follow resource with reference to appropriate regulations and industry guidance. We have also discussed and responded to HMT's

Consultation on the EU's Fifth Money Laundering Directive, and discussed the recent Law Commission report in recommendations for changes to the Suspicious Activity Reporting regime.

TISA also continues to be an active member of the Joint Money Laundering Steering Group. On behalf of, and approved by, HMT, the JMLSG produces definitive guidance for the financial services industry on managing financial crime risk.

CyberCrime Technical Committee

This committee was established in 2019, chaired by Clive Everett, Director Risk Management (Information Security and IT Risk) at DST Systems, with members from several firms including the big four consultancies and specialist CyberSecurity providers. CyberCrime is now one of the biggest risks facing any organisation of any size; it is an existential risk as the criminals become ever more organised, sophisticated and patient. The committee has focused on producing a guide to best practice in cybersecurity.

This is work-in-progress but it is building up to be what is probably the first comprehensive plain-English guide on the subject able to be used as a thorough checklist for any firm wishing to review its own security arrangements.

Tax Working Group

This group was also recently established in 2019, with a wide range of members. The group has a number of themes it wishes to consider, the most urgent of these being the complex VAT exemptions that apply within financial services, tax deductions on interest payments, non-resident capital gains tax, and SIPP taxation, with a view to producing practical guidance for members.

Technical training

TISA prides itself on providing our members and the wider financial services industry with training courses, from high level technical detail aimed at experienced staff to introductory overview courses for those who are new to the industry. What's more, many of TISA's training courses are now accredited by CISI for their CPD programme. Our technical training courses cover ISAs (Key Facts, Repairs/ Voids and ISA Additional Permitted Subscriptions), An Introduction to Pensions, DC Death Benefits, Complaints Handling and the newly introduced MiFID II/Costs and Charges. Training courses can also be provided in-house on request.

TISA membership list

As at 30th June 2019

A J Bell Securities Limited	Columbia Threadneedle	Genpact Open Wealth
Accenture	Computershare Investor Services Plc	Goji Holdings Limited
Actuare Limited	Coutts & Co	Halifax Investment Services Ltd
Aegon UK Plc	Coventry Building Society	Halifax Share Dealing Ltd
Al Rayan Bank Plc	Credit Suisse (UK) Ltd	Hampshire Trust Bank
Alliance Trust Savings Ltd	Criterion Tec Limited	Hansuke Consulting
Altus Limited	Cynergy Bank	Hargreaves Lansdown
Arbuthnot Latham & Co Limited	Danske Bank (Northern Bank Limited)	Hodge Bank
Artemis Investment Management	DB UK Bank Ltd	Hogan Lovells International LLP
Ascentric	Defaqto	HSBC Group
Atlas Computer Systems Limited	Dentons LLP	IG Markets Ltd
ATOS	Dolphin Financial (UK) Limited	Intelliflo Ltd
Aviva Plc	DST Financial Services International	Intelligent Money
B&CE	Duff & Phelps	Interactive Investor Trading
Baillie Gifford Ltd	Dunstan Thomas Holdings Ltd	Intrinsic Financial Services
Barclays Wealth	E&Y	Invesco Perpetual
Barratt & Cooke Ltd	easyMoney	Investec Asset Management Ltd
Beyond Encryption	EFG Harris Allday	Investec Bank
BlackRock Investment Management (UK) Ltd	Engage Insight Ltd	Investec Click & Invest
Blankstone Sington Ltd	Equiniti	Investec Wealth & Investment Limited
BMO Global Asset Management	ERGO Consulting	James Hay
BNY Mellon	ESF Capital	Janus Henderson
Bravura Solutions (UK) Ltd	Euroclear	JHC LLP
Brewin Dolphin Ltd	EValue Ltd	JM Finn & Co
Brooks Macdonald Asset Management Ltd	Experian	JP Morgan Asset Management
Brown Shipley & Co Ltd	FE fundinfo (UK) Ltd	Jupiter Unit Trust Managers Ltd
Calastone Ltd	Fidelity International	Killik & Co
Canaccord Genuity Wealth Management	FNZ UK Limited	KPMG
Canada Life Ltd	Folk2Folk	Legal & General Plc
Castle Trust Capital Management	Forester Life	Leigh Yeoland
Charles Stanley & Co Ltd	Fretrade Limited	Lending Works Limited
Close Brothers Asset Management	Fundscape	LexisNexis Risk Solutions
Clydesdale Bank Plc	Fundsmith LLP	LGT Vestra LLP
Colchester Global Investors Limited	Fusion Wealth Limited	Link Asset Services
	GBST Wealth Management Ltd	Lloyds Banking Group

M&G Ltd	Quilter Cheviot	SWIFT
Maitland Administration Services Ltd	Quilter plc	T. Rowe Price
Man Fund Management UK Limited	Radius Europe	Target Servicing Ltd
Margetts Fund Management Ltd	RateSetter	Technical Fund Marketing Ltd
Marks & Spencer Financial Services	Rathbone Bros Plc	Temenos UK
Mazars LLP	Raymond James Investment Services Limited	Tesco Bank
McInroy Wood	RBC Investor & Treasury Services	The Share Centre Ltd
MoneyThing Capital Limited	Redmayne Bentley LLP	The SimplyBiz Group Ltd
MoretoSIPPs	Royal Bank of Scotland	Thesis Asset Management Limited
Morningstar UK Ltd	Saltus Private Wealth	Thesis Unit Trust Management Limited
Multrees Investor Services	Sanlam UK Limited	Third Platform Services Limited
Nationwide Building Society	Santander ISA Managers	Tilney Asset Management
Natwest Bank Plc	Santander UK plc	Tilney Bestinvest
NedBank Private Wealth Limited	Saxo Capital Markets UK Limited	Triodos Bank NV
Northern Trust	Schroders Plc	Triplea Advisory Group
Norton Rose Fulbright LLP	Scottish Friendly Asset Managers Ltd	Tutman LLP
Nucleus Financial Group Ltd	Scottish Widows Investment Partnership	Vanguard Investments UK
Nutmeg Saving and Investment Ltd	Seccl Technology Limited	Virgin Money
NW Brown Investment Management Ltd	Secure Trust Bank plc	Walbrook Partners
Old Mutual Global Wealth	SEI Investments (Europe) Ltd	Walker Crips Investment Management Limited
One Savings Bank	Sesame Bankhall Group	Wealth at Work Limited
OneFamily	Seven Investment Management	Wealthify
Open Money Limited	Shawbrook Bank	Wealthtime Limited
Openfunds EV	Silverfinch	Welendus
Orbis Investment Advisory Ltd	Smarterly	Wells Fargo
Origo Services Ltd	Smith & Williamson Investment Services Ltd	Whitefoord LLP
Parmenion Capital Partners LLP	Sopra Steria	Willis Owen Limited
Pershing	Speirs & Jeffrey Ltd	Willis Towers Watson
Pinsent Masons LLP	SS&C	Winterflood Securities Limited
Platforum	St. James's Place Wealth Management	Woodford Investment Management
Praemium (UK) Ltd	Standard Life Aberdeen	Yorkshire Bank
Progressive Building Society	State Street	Zopa Limited
Prudential Group	Succession Advisory Services	Zurich Financial Services
PSigma Investment Management Limited		



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