



For immediate release

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In response to Aegon’s research that more people than ever will make use of pension freedoms this year, Renny Biggins, Retirement Policy Manager at TISA, said: “The spike in the number of people reaching the minimum pension age of 55, combined with the success of Automatic Enrolment and the economic fallout from COVID-19 is likely to result in a high number of individuals accessing their pension pot for the first time. But this should be done with caution and guidance, where possible.

“This is because, the way PAYE works means that a typical saver will be over-taxed on the first income flexibly accessed from their pension and will need to claim this back or wait for several months for it to be repaid automatically. The first quarter of 2020 alone saw in excess of £33 million tax reclaims paid by HMRC.

“Do not rush into anything. Taking benefits at this time means you are locking in losses from the Coronavirus outbreak, which has wiped an average of 15% from pension savings. We know that many will not seek or can afford independent advice and, whilst Pension Wise offers guidance, there are still thousands who will access their pots without any support or understanding of the potential impact of their actions.

“Many pension providers would like to provide guidance in this area but are restricted in making this relevant to the individual and the boundary between guidance and advice is not transparent. The guidance framework needs to be expanded upon so that all pension scheme members can access some form of personalised guidance support right the way through their pre and post retirement journey and not just at retirement. Currently, at TISA, we are working with our members and the FCA on amending current guidance policy to ensure more people are supported and make the most of their savings. At the end of the day, the more financially resilient people are, the stronger the economy.”

Ends

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Notes for Editors

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.



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.

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. These will form essential elements of - *Vision 2025* - TISA's strategic policy roadmap towards delivering a material impact in enhancing consumers' financial wellbeing.

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.

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