



**Annual Review 2019-20**

# The Investing and Saving Alliance (TISA) is a unique, rapidly growing membership organisation for UK financial services.

We do this by focusing the power of our broad industry membership base around the key issues to deliver practical solutions and devise innovative, evidence-based strategic proposals for government, policy makers and regulators that address major consumer issues.

TISA membership is representative of **all sectors of the financial services industry**. We have **225 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.

As consumers, the financial services industry and the economy react to and recover from the effects of the pandemic, the importance of the three key pillars of work that TISA prioritises has never been more apparent:

- **Strategic policy initiatives that influence policymakers** regarding the financial wellbeing of UK consumers & thereby enhancing the environment within which the industry operates in the key areas of **consumer guidance, retirement planning, later lifetime lending, vulnerable customers, financial education, savings and investments**.
- TISA is recognised for the **expert technical support provided to members** on a range of operational and regulatory issues targeted at improving infrastructure and processes, establishing standards of good practice and the interpretation and implementation of new rules and regulations covering **MiFID II, CASS, ESG/RSI, operational resilience, Cyber Risk, SM&CR** and a range of other areas.
- **Digital transformation initiatives** that are driving ground-breaking innovation and the development of industry infrastructure for greater operational effectiveness and revenue promoting opportunity for firms. TISA has become a major industry delivery organisation for consumer focused, digital industry infrastructure initiatives – TISAtch (a digital marketplace that brings together financial institutions and FinTechs for greater collaboration and innovation) and TURN (TISA Universal Reporting Network – a digital platform providing a secure data exchange for financial services using blockchain technology) – alongside projects Digital ID and Open Savings & Investment. This reflects TISA's commitment to open standards and independent governance.

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## 2019/20 highlights

- Due to our **game-changing digital work**, TISA was **invited to sit on the Financial Action Task Force's advisory group on Digital Identity**. TISA is working closely with government departments to align the TISA Digital ID scheme with Gov.UK Verify scheme and sits on the FCA's Open Finance Advisory Group, which is at the core of shaping this key policy.
- **Our digital ID project moved into the testing phase**, which includes developing and testing a "Proof of Concept" with consumers, developing an acquisition plan for consumers and developing a hub and testing with firms participating in the project.
- **Phase 1 of the Open Savings & Investment (OSI) project has now completed**, with outcomes including a detailed legal and governance framework, legal and technical definitions of how authorisation will work, the technical architecture needed to support the APIs and a prioritised set of APIs to be developed.
- Development of **TISAtech** – a digital marketplace that will bring together financial institutions and FinTechs for greater collaboration and innovation.
- **MiFID II industry best practice guides were developed and industry standards established** for regulatory reporting. This work is being taken forward by members to establish an industry solution – **TISA Universal Reporting Network (TURN)** – a digital platform providing a secure data exchange for financial services using blockchain technology.
- TISA's evidence-based report – "**Getting Retirement Right**" – **concluded that contribution levels of 12% are needed for Auto Enrolment** to provide suitable replacement income for the median income household and we have engaged with DWP on this basis.
- **Launch of the Vulnerability Radar** – a free online self-assessment tool for firms to test their full range of **vulnerable customer processes** against good industry practice. The tool was shared with the FCA prior to launch and over 100 member firms have undertaken self-assessments.
- **Participated in PRA/FCA Climate Risk Financial Forum**, ran a **hackathon on ESG customer reporting** in January and began work on developing the **industry guide for ESG**.
- TISA is championing extending **financial guidance** that firms can offer customers and has been facilitating **ongoing dialogue between member firms and the FCA, exploring how to deliver better consumer outcomes** and setting out the case for change. Guidance is now a top theme in the RDR/FAMR review.
- Launched the **Peer to Peer (P2P) industry appropriateness guide**.
- Our **Child Trust Fund (CTF) Rollover** working group worked with HMRC/HMT on the CTF rollover process, contributing to the final published regulations.
- **From the outset of the pandemic – TISA successfully engaged with the FCA, DWP and HMT** on the need to adjust regulation, develop new consumer centric policy and make temporary product changes that allow our members to continue to support consumers' financial wellbeing during the crisis.
- **Planning for the post-pandemic market** – TISA has initiated a range of new policy initiatives that will support our members and consumers in the "new normal" market, including operational resilience, implementation of digital signatures and changes to government position of tax relief.
- **Expansion of our training programme** to include wider range of **regulatory and practical workshops** and a successful move to online delivery amidst the pandemic.
- **1,152 technical enquiries** from our members answered and **91 technical bulletins** issued.

Tony Stenning, Chairman

## From the Chairman

**This has undoubtedly been a year of four quarters – our first three quarters being a story of continued growth and normal operation, whilst in the fourth quarter TISA had to significantly adapt our member services, policy development and projects to a fully remote model as the COVID-19 lockdown took effect.**

Throughout the lockdown we have successfully modified our delivery to ensure that we aligned our services to support members and their customers. We proactively engaged with regulators and government to seek easement and changes in regulation to allow our members to adapt their business models to continue to secure services for their customers that helped protect their financial wellbeing. Our policy work and our industry digital projects moved to full remote working and we maintained our productivity and progress.

As we emerge from the lockdown it has become clear that our major digital projects are in high demand as both consumers and our members adapt to the “new normal”, which will undoubtedly witness consumers and members alike further embrace higher levels of digital engagement, operations and propositions. This demand for higher levels of digital services has seen our work in this area being further advanced and this will be a key theme as we develop our project work post-lockdown.

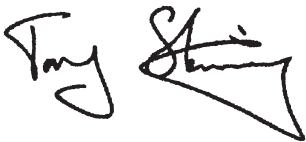


**Overall, we remain financially strong, with significant support from our members, as we adapt to the post-lockdown operating model.**

We have seen one change to our Board, with Gregg McClymont leaving in early 2020. New appointments are being advanced to increase the Board's expertise in line with TISA's expanding range of work.

Overall, we remain financially strong, with significant support from our members, as we adapt to the post-lockdown operating model.

I'd like to thank all of our members for your continued and growing support.



Tony Stenning  
**Chairman**



**As we emerge from the lockdown it has become clear that our major digital projects are in high demand.**



David Dalton-Brown, Chief Executive Officer

## Chief Executive's Review



In summary it has been a challenging but highly productive year where our members have embraced our approach and allowed us to further accelerate our development in securing UK consumers' financial wellbeing.

**While we had to adapt to the pandemic environment, this provided us with an opportunity to use our strong relationships with regulators and government to promote policy that supported our members in continuing to provide support for their clients and allowing consumers to protect their financial wellbeing as we enter a period of significant uncertainty.**



The importance of our key policy and digital project work has been recognised by our members and the industry as our membership base and support for our digital projects continues to grow. During the lockdown and subsequent period as we enter the “new normal”, our members have stressed the importance of ensuring that we accelerate work that supports the post COVID-19 operating environment.

Key areas include advancing our:

**Guidance Policy work** – to ensure the 40 million UK consumers who do not have access to advice are able to receive the support they need in managing their finances.

**Pension Policy work** – to ensure all elements of society are able to save for their future.

**Vulnerable Consumers** – our work in establishing an industry tool for sharing best practice for consumers has received very wide industry support, further advancing key policy work in this area.

**ESG/RSI** – this new area sees us working with our membership on the key standards required to assess and report on ESG/RSI investments – post-crisis this is an area of significant growth.

**Operational Resilience** – this area of our work is now expanding to understand and build on the lessons learned during the lockdown.

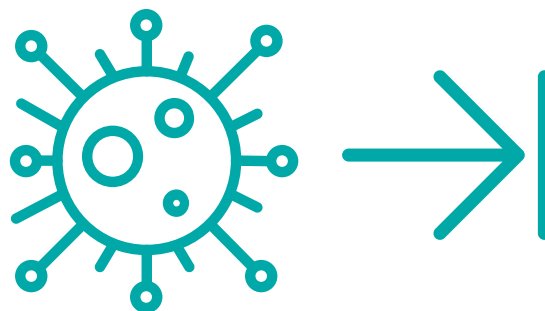
**Open Savings & Investment** – this project is now being accelerated with wider industry support and new support from leading FinTechs who provide the key infrastructure, APIs etc. which will form the key implementation platforms for Open Finance. Acceleration of this key project will allow our members to embrace further levels of digitisation of their propositions and operations as they adapt their business models to the “new normal”.

**Digital ID** – this key element of our digital roadmap has also been accelerated as the use of Digital IDs to support the digitisation of our members’ operations will become more important as the post-lockdown operating model becomes an industry reality.

**TISA Universal Reporting Network (TURN)** – building on our industry-leading open standards work, this new service will provide the automation of the generation/reporting of the MiFID European Reporting Template (EMT). TURN will be further developed to support ESG/RSI reporting and other areas of the industry reporting that would benefit from digital automation, offering additional support to lower our members’ operating costs as we emerge from lockdown.

**TISAtech** – this new industry service will allow our members to use the open standards developed by TISA to work with over 3,000 FinTechs in the development of digital solutions.

In summary it has been a challenging but highly productive year where our members have embraced our approach and allowed us to further accelerate our development in securing UK consumers’ financial wellbeing.



**Our members have stressed the importance of ensuring that we accelerate work that supports the post COVID-19 operating environment.**

Ruth Moore, Executive Director

## Engagement: Year in Review

**This year provided TISA with the opportunity to demonstrate high value to our members, further develop our profile in the market and to innovate and extend the support and services that we offer.**



**In 2019-20 TISA membership increased from 205 to 225 members, with a new member joining every month (13 brand new members from across different sectors)...**

### TISA membership

In 2019-20 TISA membership increased from 205 to 225 members, with a new member joining every month (13 brand new members from across different sectors) – plus new engagement with additional sub-brands of our multi-entity Platinum members.

In recognition of the challenge that COVID-19 has posed to many of our members, we have fixed TISA membership subscriptions from July 2020 to June 2021 at the previous year's rates and are instead meeting the resource requirements of TISA's comprehensive programme of work by attracting new members and extending the services we offer (including our programme of Events and Training and our new digital services).

### Member Survey Results

This year we introduced our first independently conducted Annual Member Survey. Members awarded TISA an above average Net Promoter Score (as benchmarked against the financial services industry) and we gained valuable insights into members' collective views and wishes, which will be carried through our planning and delivery for the coming year. You told us that the aspects of TISA membership that you most value are:

- TISA's relationships with government and regulatory bodies and our ability to influence government policy and interpretation of new regulations
- Participation in technical policy discussions and working groups to set industry standards of good practice on key issues
- Engagement with fellow members from across the whole of UK financial services and as a result, exposure to a broad range of cross-sector issues, opportunities to enhance your firms' profiles and making connections with peers/other TISA members



We were delighted that members rated TISA very highly on meeting member needs, communicating well and offering excellent value for money but took careful note that the area in which you would like to see us do more is in knowing our member firms more deeply. To address this over the coming year and beyond, we will be offering more “Exec-to-Exec” meetings and seeking to increase the number of contacts and touchpoints with member firms at all levels.

### Events and Training

The Annual Conference in December was, as usual, the highlight of our events programme, with 346 attendees (an increase of 9%) coming together to gain insight from a senior panel of speakers, including Baroness Altman CBE, Martin Gilbert, Patrick Thomson & Sir Steve Webb on themes ranging from political priorities, digitalisation, the future economic landscape and of course, how best to meet the future needs of consumers.

We pivoted quickly in April to reformat to online/virtual delivery of our Events and Training in response to the COVID-19 lockdown.

While the in-person Events we had scheduled from March onwards obviously couldn't take place in the planned format, we were nevertheless pleased to welcome over two thousand participants to TISA events in 2019-20 – an increase of 37%.

Having almost doubled the number of participants benefitting from TISA Training last year, in 2019-20 we maintained this despite the pandemic by introducing workshops on new topics into our Training portfolio so as to further meet members' personal and team development needs, delivering 62 workshops to hundreds of participants. Indeed, we delivered 22 online training workshops between March and June alone, having moved our training provision online.

We will continue to run TISA Events on a mainly virtual basis for the rest of 2020 and hope to be able to welcome attendees in person for events at which this is more conducive (such as our House of Commons lunches, networking events and some of our other conferences and forums) as soon as possible in 2021.

### Communications & PR

Throughout the height of the pandemic crisis and to ease the transition to the “new normal”, TISA provided additional support to members with our weekly COVID-19 update emails and webpage, housing all related resources. Running from March to July, these weekly COVID-19 update communications provided timely and focused updates on the changing environment, TISA's work to influence policymakers in relation to the crisis and technical and guidance on operational issues. We received very positive feedback from members as to the usefulness of these communications.

We carried out a refresh of the TISA website, including enhancements to the navigation to access information and resources, and restructured the Policy & Technical pages to consolidate all our groups, resources and relevant links for each policy area together. The website also features new pages to access TISA's technical support and new Delivery Entities for the new digital initiatives. Phase two of this work will see updates to the homepage and members' area of the website over the autumn/winter.

We also updated our logo (to the branding you see on these materials) as this will allow us flexibility to extend the brand using a family of “sub-brand” logos to identify the new digital initiatives that we announced recently, which are launching over the coming months.

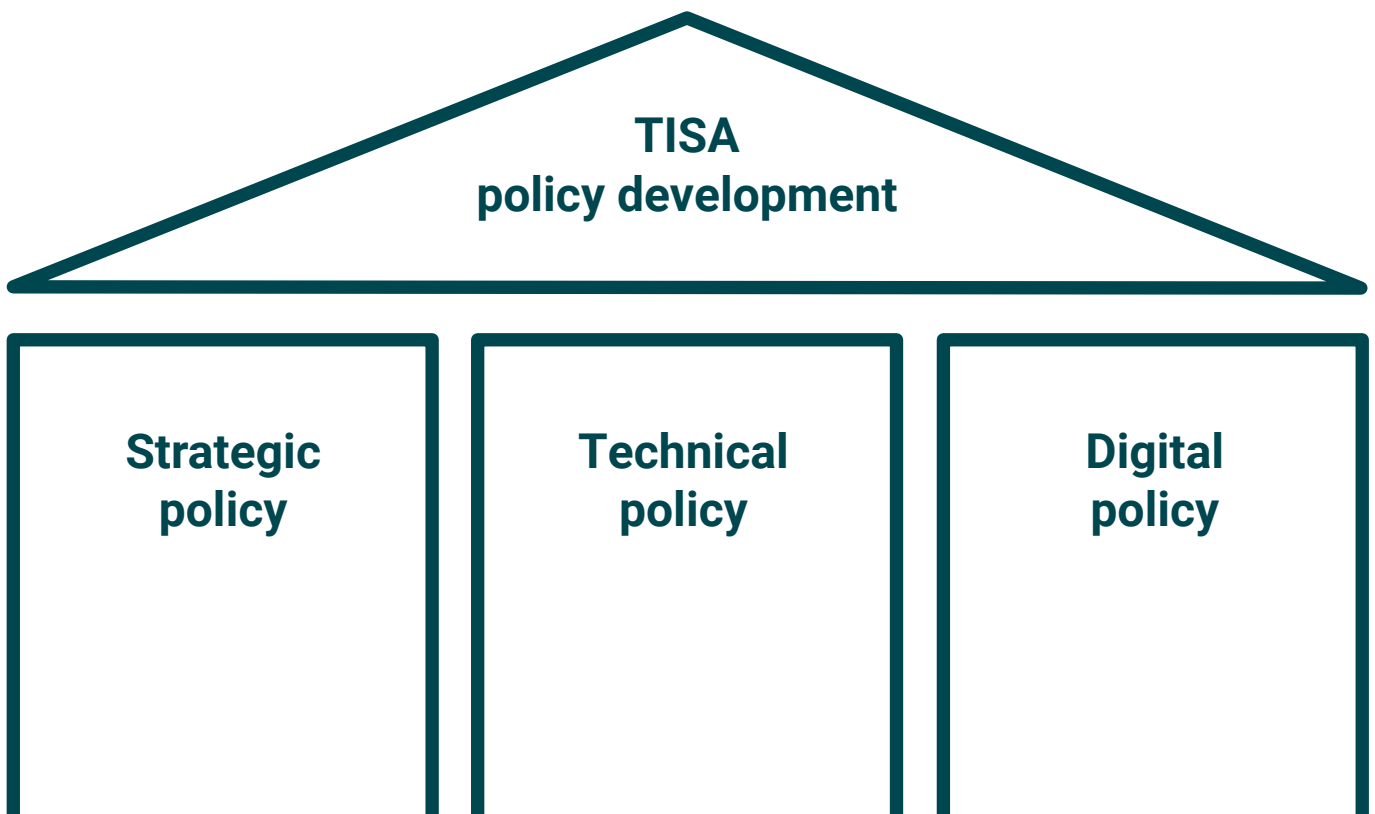
In March 2020 we appointed Cicero/AMO as our new media agency and are working with them to raise TISA's profile more widely through the media.



...we gained valuable insights into members' collective views and wishes, which will be carried through our planning and delivery for the coming year.

## TISA Policy Development

All three of our pillars of policy development (Strategic, Technical and Digital Policy) have continued to develop over the last year and have been adapted to support our members and their customers during the pandemic and associated lockdown.





**The pandemic has emphasised the importance of all our policy work and our aim to improve all consumers’ financial wellbeing both during the lockdown and as the UK emerges into the “new normal”...**

The pandemic has emphasised the importance of all our policy work and our aim to improve all consumers’ financial wellbeing both during the lockdown and as the UK emerges into the “new normal” business and consumer environment that is starting to develop.

Member support has seen successful development of our proactive strategic policy work in the key areas of consumer guidance, retirement planning, vulnerable customers, financial education, savings and investments – which complements key elements of our technical policy work covering MiFID II, CASS, ESG/RSI, operational resilience and a wide range of other areas.

A key factor in our development over the last year has been the growth in support for our digital policy and associated industry projects. This support has allowed TISA to widen its digital work and the resources we allocate. Many members have emphasised the importance of our digital work as they move to the post-lockdown business environment which will see increased use of digital propositions and operations. TISA is rapidly being recognised as the leading digital membership body for UK financial services that is focused on delivery of key industry services and utilities to the benefit of members and their customers. This direction is one that we will continue to lead over the coming years.

The following pages provide a comprehensive summary across all aspects of our policy work. We hope all members find this demonstrates our continued support for you and your customers, in addition to providing you with help in assessing how you will engage with us in the coming year.



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# Strategic Policy Progress

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

## Cash and Investment Savings



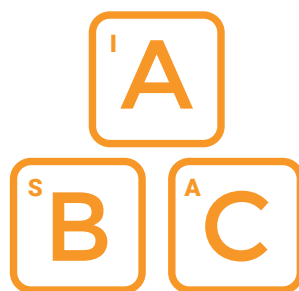
**TISA has been working diligently behind the scenes with a working group of providers, HMRC and FCA to establish workable regulations and guidance.**

The Cash & Investment Savings Policy Council has focused on developing the paper "Maintaining ISA simplicity". This pushes for a single annual ISA limit with no restriction on the number of accounts that can be opened in support of this. We see it enabling wider choice for the investor, not limiting their choice of providers or savings opportunities, increasing the potential market (as investors are not limited if they have placed some money in a tax year) and reducing the amount of checking HMRC needs to carry out. The proposal is now with HMT and we await further opportunities to discuss further.

One of the other areas TISA has been vocal on is the withdrawal charge on Lifetime ISAs. As part of an initiative to provide some consumer relief during the lockdown caused by COVID-19, HMRC announced the reduction of the withdrawal charge to 20% for a limited

period. This in effect removes any impact on the savings placed into the Lifetime ISA and only claws back the benefit of the bonus. This change came about following discussions between TISA and HMRC on what could be done to support consumers during this difficult time. We will continue to liaise with HMRC, seeking for this to become a permanent change.

The first children to benefit from Child Trust Funds reach 18 years of age in September 2020 and will therefore gain control of these funds. TISA has been working diligently behind the scenes with a working group of providers, HMRC and FCA to establish workable regulations and guidance. Successful training has been provided and liaison with the devolved governments over vulnerable children sees the industry well prepared for the first maturities. However, with many accounts disconnected with the investor, work continues to ensure we reach all 6 million recipients over the next 9 years.



**The Cash & Investment Savings Policy Council has focused on developing the paper "Maintaining ISA simplicity".**

Carol Knight, Chief Operations Officer

# Children’s Financial Education

The Children’s Financial Education Council has been on hold this year, as we are keen to support the work which the Money and Pensions Service (MaPS) are developing through the Financial Education Challenge group within the overarching Financial Wellbeing Strategy. Carol Knight sits on that Challenge Group, so we have a voice in the eventual recommendations. It is important that

we focus resources so that we can avoid duplication and are better able to fill gaps in provision. Therefore, the council participants felt that it was appropriate to wait for the outputs and recommendations from MaPS so that we can then select the areas we choose to work with and develop activity in line with the national programme.

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## This year KickStart Money reached a tremendous milestone.



Through our delivery partners, MyBnk, we delivered life changing financial education to over 18,500 primary school children (exceeding our original target) across 150 schools, delivering nearly 3,000 hours of specialist-led learning.

teacher training CPD programme, which combined with our new digital resources, will enable the programme to reach into new areas of the UK; many of which have been historically underserved by financial education provision.

But the last year has not just been about reach and expansion. We have undertaken independent evaluation every year, and we can consistently evidence that our sessions work. Months after taking part 70% of pupils were “working towards a saving goal”, while teachers report that 87% of their pupils now understood that their financial decisions had consequences.

The year ahead promises to be incredibly exciting as we launch our new three-year strategy to help us achieve our vision of ensuring that “every primary school aged child in the UK has access to effective early years financial education”.



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This year has also been a year of significant development for the KickStart programme. COVID-19 has accelerated the development of digital provision, which is now capable of replacing physical delivery should schools struggle to re-open in the autumn. Additionally, we saw the development of a new

Stephen Gay, Policy Team Manager

## Consumer Engagement



**At the heart of TISA's mission is the idea that our society can only function well if the public is able to achieve a level of financial resilience – and that our industry has a key role in enabling the prospect of prosperity and peace of mind to ordinary families struggling with the adversities of everyday life.**

Our Consumer Engagement Policy Council is dedicated to advancing that proposition, focused on delivering improved financial outcomes for the public, and passionate about our responsibility to look after those in society who do not have the privilege of health, wealth, and stability in their lives.

The events globally that began in February 2020 in particular have served to highlight the importance of our work. COVID-19 has no respect for regulation or reputation. It strikes the great and the good as well as those at the margins of society, and it can cause even the largest of financial services institutions to falter. However, its impact is not felt equally – it pushes those without financial resources deeper into insecurity, destroys incomes, depletes savings, dashes plans for the future. Those who have established a firm financial platform in life are insulated to a much greater degree; they are able to face the future with a confidence that we would wish for all in our society.

Against this background it is pleasing that the work of the Consumer Engagement Policy Council has advanced in the last year and we have solid achievements to show in all three of our strategic themes.

**Financial Guidance**

TISA continued to promote the need in the UK for better quality financial guidance services to be provided to consumers and the regulatory framework to support the provision of such services.

In October 2019, TISA hosted a Financial Guidance Roundtable attended by the FCA, HMT, DWP and MaPS. This focused on explaining the key issues around guidance in the UK, as well as the introduction of various case studies of potential guidance initiatives and was successful in raising awareness of the issues around guidance (particularly with HMT and the DWP) as well as identifying the FCA’s position.

Following the roundtable, more focused engagement has taken place with the FCA, HMT, DWP and MaPS. Significant engagement has taken place with the

FCA, which remains ongoing. The working group successfully collaborated with the FCA on its industry guidance on what firms can communicate to worried consumers (regarding their pensions and investments) amidst the COVID-19 market volatility. The group also raised with the FCA the many issues firms face when crossing into the boundary of regulated financial advice and how the existing rules represent a road-block for firms to provide much needed financial guidance to consumers who cannot afford regulated financial advice.

Elsewhere, we incorporated guidance recommendations within the TISA **paper** on required increases to AE contribution levels.

For the rest of 2020, the working group will continue engagement with the FCA as well as other stakeholders and will be commissioning some primary research (from a leading University) to validate what financial guidance people require.

**Vulnerable Customers**

Our work on Vulnerable Customers has taken major steps forward in recent months. The working group continues to be very well attended and in May we held an online forum with the FCA, attended by more than a dozen firms, each speaking on the challenges of working with vulnerable people in this time of COVID. We were also able to discuss lessons that had been learned and the solutions that have emerged.

In February we held a conference on vulnerability which was attended by almost 200 people and a testimony to the growing importance of the subject within the financial services community. On the same day we launched our **Vulnerability Radar** self-assessment tool, a joint endeavour between TISA and Altus and the product of more than a year of development by our working group. This tool is a unique and free offering to the industry and a hundred firms are already using it, assessing their practice across a wide range of metrics to establish benchmarks and priorities for improvement in the service they provide to vulnerable people.


**Savings Culture**

The work to restore a savings culture in our society, particularly amongst the younger generation, took an exciting step forward this year with a pilot competition for university students to design solutions to engage their peer group in establishing a savings habit. Twelve teams from five universities took part with a panel of judges reviewing video presentations and reports based on their creative ideas and research.

The winning team from Kings Business School will receive work experience at sponsoring financial firms and will have the opportunity to pitch their idea to Marketing Directors in a webinar. The competition has been well received by universities, students, and firms and we are encouraged to develop it further in the year ahead.

In summary, we are proud of what has been achieved to date, and that it has been delivered with the enthusiasm and hard work of our member firms. This is a platform to build upon, and we can do so with confidence.

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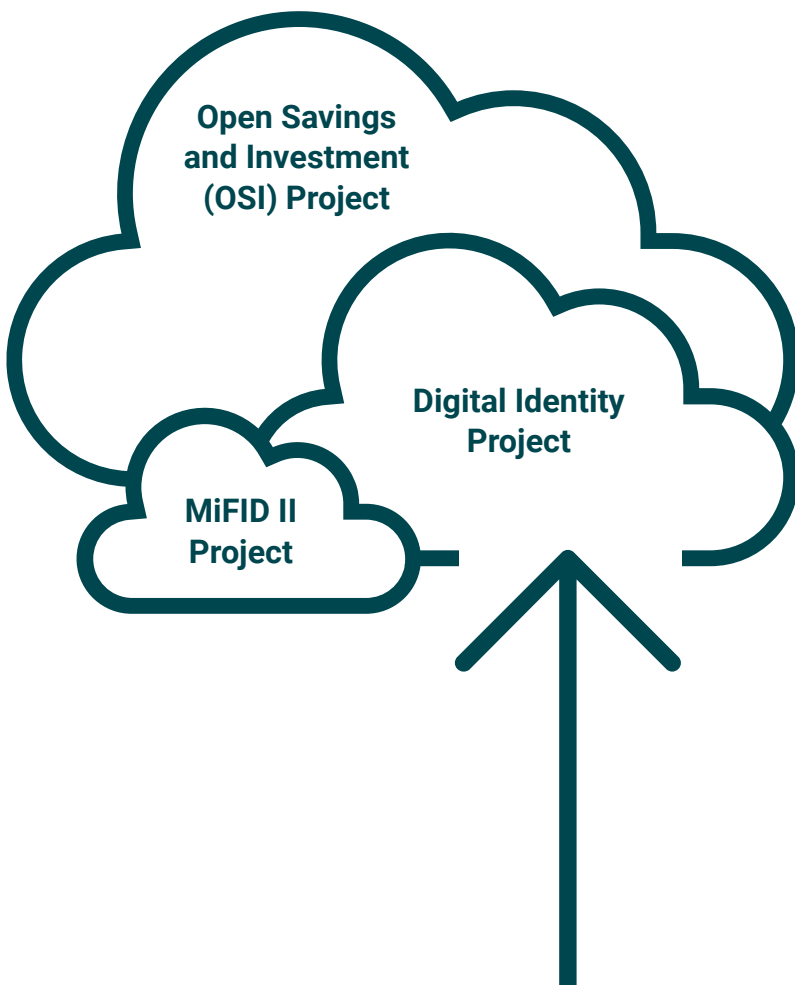
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Harry Weber-Brown, Digital Innovation Director

## Digital Innovation

The last year has seen significant progress in our digital transformation initiatives, driving groundbreaking innovation and the development of industry infrastructure for greater operational effectiveness and revenue promoting opportunity for firms.



### Digital Identity Project

Over the course of 2019-20, the Digital ID project team has delivered the Alpha Phase and moved into the User Testing Phase. This phase is focusing on defining and optimising the user experience, through the development of user journeys for different transactions, using the Digital ID and then testing these with consumers.

TISA has been awarded a significant government grant to support and accelerate the User Testing Phase of the Digital ID.

To define the technical approach, the team has undertaken a Request for Information with leading technology providers, which seven firms responded to; this will be followed by a Request for Proposal and the development of a hub, which will be tested. This will inform how the scheme will be best developed and delivered in a “live” environment. The team has been working closely with the Gov.UK Verify Team to align the standards between the schemes, and in developing the Trust Framework. The project team provided input into the Joint Money Laundering Steering Group in defining the guidance for Digital Identity, following the transposition of the 5th Anti-Money Laundering Directive in legislation.

The business case, developed in the previous phase, is being validated with TISA members through a series of roundtables and events.



### Open Savings and Investment (OSI) Project

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. This will enable the entire industry 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. Following the successful delivery of Phase 1, Phase 2 was initiated in November 2019 and all participants continued their support, ensuring continuity of thought and momentum in delivery.

Furthermore, we made a concerted effort in engaging the FinTech community and are really pleased to have onboarded eight market leading FinTechs, who are established in their field and have injected an enormous amount of energy into the delivery of Phase 2. Not perturbed by COVID-19, the Steering Committee remain resolute in terms of delivering a Showcase Pilot in two stages: Stage 1 (September 2020) being a clickable prototype that will demonstrate Aggregation, Customer Consent Processes, alongside an Open Banking view; Stage 2 (November 2020) will be the fully working API set to drive the aggregation of the data.

### MiFID II Project

At the beginning of July 2019, the TISA MiFID II Project had received responses to its RFI. The project team was preparing to issue RFPs to build an industry solution to enable prompt and accurate production and consumption of EMTs (European MiFID Template) between asset managers and distributors. It would have to be a European solution – covering the UK, EU and Swiss markets. It would be not for profit, run for the industry.

A year later, the project is being transformed into TURN – TISA Universal Reporting Network. The member firms of the project have appointed Atos as the technology partner to deliver a blockchain solution.

Delivery of the EMT solution is due in the autumn of 2020.

The founding members of TURN, including asset managers, European distribution businesses and information and technology firms, have agreed a vision for utilising a European MiFID and other regulatory data highway, to meet requirements for PRIIPs, corporate actions, fund standing data, ESG/RSI reporting and target market sales feedback.

The founding members have become the first Board of TURN, ensuring that TURN is run by and for the industry. TURN, having successfully launched EMT v3, is now in the adoption phase, enabling firms, whether asset managers, investment platforms, other distribution businesses and information firms, to meet their regulatory obligations in an efficient, timely and straightforward way. The next step is to agree the subsequent phase for development, building on the delivery of EMT v3.



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Renny Biggins, Head of Retirement

## Retirement

**Our inaugural Annual Retirement Conference was successfully held in February 2020 with keynote speeches from the Parliamentary Under-Secretary of State for Pensions and Financial Inclusion, Guy Opperman and the Executive Director for Regulatory Policy at The Pensions Regulator, David Fairs.**

We launched our retirement paper **“Getting Retirement Right”** at the conference. This extensive piece of evidence-based research focuses on the challenges that households face in achieving a target level of income in retirement through the accrual of pension savings via the Automatic Enrolment (AE) framework. It concludes with five proposals which we believe will help households achieve higher standards of living through retirement. The paper includes the input and support of 13 member firms, representing some of the major names in the retirement market. The paper was well received by industry and featured in both trade and national media.



**We launched our retirement paper “Getting Retirement Right” at the conference.**

The FCA published their Policy Statement on Investment Pathways in July 2019, which sets out the requirements that firms need to adhere to when developing their drawdown consumer propositions. This is a large and challenging piece of work for firms to undertake, which is why in addition to the online forum, two well attended working group discussions were held, designed to help firms discuss and agree requirements and identify common challenges and areas where additional detail was required. Subsequent liaison with the FCA has helped resolve many of the areas of uncertainty and firms are well on the way to finalising their propositions, which now need to be in place by the revised date of 1st February 2021.

Our March Retirement Policy Council was attended by DWP Deputy Director David Bateman, where the immediate impact of COVID-19 on DWP policy and industry were discussed. A document was constructed which included a detailed list of factors to consider, should a decision be taken to pause the requirement to make Automatic Enrolment contributions for a finite period, and sent to DWP. It was pleasing to see that not only the decision to pause the requirement was not taken but also that contributions could be claimed for those employees furloughed through the Job Retention Scheme.

Ongoing discussions with DWP remained in place for the following weeks, where we provided details of our member firms' experiences and impacts of dealing with the COVID-19 pandemic and regular meetings are now in the diary for the forthcoming year.

Our June policy council guest was Baroness Ros Altmann, who shared her expert insights on a range of topical issues.

The Retirement Technical Committee continues to deal with a range of topics which impact firms' operational processes which included input into the Investment Pathway work.

2020-21 looks set to continue to be an incredibly busy time in the retirement landscape. We have the DWP charge cap review, a consultation relating to IGCs and how value for money is assessed, a Call for Input on the Pensions Dashboard and at the time of writing The Pensions Bill 19-21 has just cleared through the House of Lords.

We will also start to understand the impact that COVID-19 will have on retirement outcomes, in particular the impact this has on Automatic Enrolment and deferred pension pots.

We will be looking to build on the success of our initial strategic policy research and proposals by developing the next complimentary set.



**We will also start to understand the impact that COVID-19 will have on retirement outcomes, in particular the impact this has on Automatic Enrolment and deferred pension pots.**

Jeffrey Mushens, Technical Policy Director and Graham Bateman, Regulation Executive

# Technical Policy Progress



## Client Assets

TISA has engaged in several satisfactory face to face meetings with the FCA and ironed out the “Trade v Settlement date” debate, physical assets and reconciliations, and FCA Breaches and Audit Reports covering the COVID-19 period including late submissions.

Further engagement with the FRC has elicited a new CASS stakeholder forum to work towards a greater consistency of application and interpretation of the CASS rules and CASS Assurance Standard for firms and accountants.

Major contributions from the group towards the CASS Best Practice document will be launched in the autumn of 2020 covering Reconciliations, ISEM, Resolution Packs, the FRC CASS Audit Assurance Standard, Governance & Oversight and Mandates etc. The Client Assets Committee has also continued the practice of submitting anonymised questions from members, which are debated and responded to, affording members a consistent approach.

Furthermore, TISA conducted informative CASS training to firms throughout the year, responded to the Dormant Assets Expansion Consultation and produced technical bulletins to help firms during COVID-19.

## Cyber Risk

Launched in 2019, the Cyber Risk Technical Committee amasses industry expertise for TISA and collectively considers the operational, regulatory and technical issues relating to cyber risks as they develop, and as new risk management techniques and tools become available. With members from influential firms including the big four consultancies and specialist cybersecurity providers, quarterly meetings are held with key deliverables in producing industry best practice guides and member bulletins on the TISA website informing of recent malicious cyber threats and criminal techniques. TISA has sent out several Technical Bulletins to inform firms of how to protect themselves and their customers from criminal exploitation during COVID-19, and TISA has carried out a succinct cyber risk survey to help collectively focus our efforts on particular areas, and enhance current cyber risk guidance.

## Financial Crime

This active group meets quarterly and addresses the challenges faced by firms in administering measures to counter money laundering, terrorist financing, financial and trade sanctions, bribery, corruption, fraud, market abuse, tax evasion and other relevant anti-financial crime legislation. The group is well positioned in delivering good systems and controls, and outcomes, for all firms, consumers and the FCA as well as financial crime organisations.

Contemporary **best practice publications** include Powers of Attorney due diligence, the 5th anti-money laundering directive and registration of personal trusts on transfer agent systems. TISA also continues to be an active member of the Joint Money Laundering Steering Group (JMLSG). On behalf of, and approved by, HMT, the JMLSG produces the definitive guidance for the financial services industry on managing financial crime risk.

## P2P & Debt Based Securities

The P2P Working Group meet quarterly with a policy group and operational council being considered to promote P2P in becoming mainstream. The P2P sector has experienced challenges with the PS19/14: Loan-based (“peer-to-peer”) and investment-based crowdfunding platforms and subsequent FCA temporary intervention order. Following open and effective dialogue with the FCA, TISA can help support industry changes in developing cultural changes and produce **best practice guides** that address concerns for firms keen to strengthen their governance arrangements, systems and controls platforms, and have information in place to support the outcomes they advertise. Quarterly IFISA statistics are being produced consistent with HMRC’s figures, showing number of IFISA managers, subscriptions by value, customers and average values. The group continue to build on relationships with FCA, HMRC and HMT with key issues and develop the P2P membership.

## MiFID II

Despite the fact that MiFID II was implemented at the beginning of 2018, TISA has had two groups working to update previously published good practice guides (on Product Governance and Costs & Charges) ahead of the MiFID Virtual Conference in September 2020. We've also held two popular briefings on Costs & Charges and Product Governance.

The main areas of challenge that firms have faced have been:

- Cumulative effect of costs on return, particularly in the second and subsequent years
- Transaction costs and the capture of implicit costs
- Property funds
- Liquidity
- Value statements
- Product lifecycle
- Governance

These are all areas that the updated **guide documents** address.

TISA has also been participating on the development of a European Standard for Product Governance Feedback reporting (EFT) through FinDatEx.

The TISA MiFID II Project is evolving into TISA Universal Reporting Network (TURN), a live solution to the production of EMT and its sharing and consumption by distribution businesses across Europe, is a tangible outcome from the work on MiFID II, which we expect to incorporate feedback and other regulatory and compliance challenges in 2021 and beyond.

## Operational Resilience

Operational Resilience is not just Disaster Recovery – the coronavirus crisis has made this clear. Having alternative premises for staff doesn't work if they can't travel to the premises, or work together even if they could travel. Alternative computer sites aren't the solution if systems going down aren't your problem. Firms need to be:

- **Resilient for customers** – What happens when firms upgrade systems and these go down, so firms can't access their accounts, and can't make their payroll meaning that individuals can't make their mortgage payment, or pay their rent and other bills.
- **Resilient for the business itself** – what happens when a major partner – like an outsource – goes down if your firm's bank can't make payroll for your firm? How does your firm meet their commitments?
- **Resilient for stakeholders** – Businesses have an impact on the market in which they do business. What steps does your firm have to mitigate the impact on your market participants, your banks, your outsource partners?

This is a whole of business issue, as it is clear that resiliency is critical to:

- Continuing to do business with, and support, customers
- The resilience of the market as a whole
- The continuance of the business, where investors capital, often through customers retirement savings plans, like pensions and ISAs, is at risk

At the two conferences TISA held – in December, when the FCA launched its public consultation, and in March when the Bank of England spoke – the importance of operational resilience as an issue for firms was clear, and following an Open Meeting TISA then launched the Operational Resilience Working Group with firms to help respond to the FCA/Bank consultations, implement recommendations and develop an industry good practice, building on the work already started in the banking sector.



TISA has also been participating on the development of a European Standard for Product Governance Feedback reporting (EFT) through FinDatEx.



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### Responsible & Sustainable Investment (RSI)

TISA's work in this area has focused on 6 themes, namely;

- Regulatory timelines
- Definitions/Glossary
- MiFID II suitability
- Good practice guide(s)
- Communicating with customers, and
- Data standards

These themes were showcased in the successful conference in September 2019. The first three have finished and the work is incorporated in the Good Practice Guide Working Group, which will deliver a first draft in September.

The group is intending to set out standards for how the application of ESG/RSI to investments, not just funds, but discretionary portfolios, etc., can be objectively described so customers can meaningfully choose between investment options. This work is being driven by the Communicating with Customers Working Group. The group has presented visualisations and updated these following a hackathon in January with a wide range of firms and engaged with the FCA in how these could work. This is a priority for this year. The group is also engaged in the debate around fund classification (so-called Article 8 and Article 9 funds), where the TISA approach is to encourage a wide range of funds to be eligible for description as ESG/RSI, rather than a binary, which would restrict the range of funds and reduce discrimination between funds that make the cut.

Agreement on this will then be underpinned by the development of an industry agreed data standard, similar to that achieved using the EMT (European MiFID Template). Work on this has started with FinDatEx, of which TISA is an active member, on developing a European standard to capture ESG/RSI data. As with the development of the EMT, which enabled firms to have the data needed for ex ante and ex post Costs & Charges reporting, meaningful customer disclosure needs to have agreed data standards.

The group is also working with the Impact Investing Institute and feeding into the development of UKL standards through the British Standards Institute. We expect 2021 to be a critical year for developing and implementing this work, so firms interested in helping deliver these should contact us to join.

### Senior Managers & Certification Regime (SM&CR)

This has been an incredibly proactive year for the SM&CR Working Group. With the build up to SM&CR live date of 9th December 2019, the SM&CR "1 month to implementation" event was truly remarkable with a wide audience of HR and compliance professionals listening to expert industry practitioners including senior lawyers. The group has continued to produce best practice **guides** for members, available on the TISA website, with informative and helpful resources covering living will/handover checklist, "Don't let SM&CR die in BAU" guide, conduct rule training, trade body comms

kit, reasonable steps guide, "10 helpful tips for manager readiness". Using our unique collaboration with the FCA, we were able to deliver a helpful Q&A guide to help firms navigate through the COVID-19 period. This was well received given the new deadline for solo-regulated firms to have undertaken the first assessment of the fitness and propriety of their Certified Persons delay to 31st March 2021. A SM&CR post-implementation forum is planned for 2021 which will share and debate best practices including regulatory examples of conduct rule scenarios.

### Taxation

With a full year now underway, the group discusses, debates and replies to tax related matters that affect consumers and firms. With a wealth of tax knowledge within the group, the quarterly meetings engage with a wide and active agenda currently covering tax topics such as SIPP guidance, digital working tax, VAT (Partial Exemption), HMRC responses, crypto currencies. We have been able to provide guidance on the VAT Treatment of Financial Advisory Services, and feedback to HMRC on DAC6, and contribute significantly to TISA budget representation. Liaising with HMT, HMRC Finance Liaison Group (FLG), and the CBI Industry Taxation working group, we can lobby and communicate tax topics efficiently and effectively.



# TISA Members

As at 30 June 2020

A J Bell Securities Limited	Collegia Partners Limited	Halifax Share Dealing Ltd
Accenture	Columbia Threadneedle Investments	Hampshire Trust Bank
Actuare Limited	Computershare Investor Services Plc	Hansuke Consulting
Aegon UK Plc	Corterum	Hargreaves Lansdown
Al Rayan Bank Plc	Coutts & Co	Hodge Bank
Allfunds Bank SAU	Coventry Building Society	Hogan Lovells International LLP
Arbuthnot Latham & Co Limited	Credit Suisse (UK) Ltd	HSBC Group
Artemis Investment Management	Criterion Tec Limited	IG Markets Ltd
Ascentric/IFDL	Cynergy Bank	Intelligent Money
Atlas Computer Systems Limited	Danske Bank (Northern Bank Limited)	Interactive Investor Trading
Atos	DB UK Bank Ltd	Invesco Perpetual
Aviva Plc	Defaqto	InvestCloud
Baillie Gifford Ltd	Dentons LLP	Investec Asset Management Ltd
Barclays Wealth	Duff & Phelps	Investec Bank
Barratt & Cooke Ltd	Dunstan Thomas Holdings Ltd	Investec Click & Invest
Beyond Encryption	EFG Harris Allday	Investec Wealth & Investment Limited
BlackRock Investment Management (UK) Ltd	Embark Platform	James Hay
Blankstone Sington Ltd	Equiniti	Janus Henderson
BMO Global Asset Management	ERGO Consulting	JHC LLP
BNY Mellon	Ernst & Young	JM Finn & Co
Bravura Solutions (UK) Ltd	EValue Ltd	JP Morgan Asset Management
Brewin Dolphin Ltd	FE fundinfo (UK) Ltd	Jupiter Unit Trust Managers Ltd
Brooks Macdonald Asset Management Ltd	Fidelity International	Killik & Co
Brown Shipley & Co Ltd	Fineco Bank	KPMG
Calastone Ltd	FNZ UK Limited	Legal & General Plc
Canada Life Ltd	Folk2Folk	Lending Works Limited
Castle Trust Capital Management	Forester Life	LexisNexis Risk Solutions
Cavendish Asset Management Ltd	Freetrade Limited	LGT Vestra LLP
Cazenove Capital Management	Friends Life	Link Asset Services
Charles Stanley & Co Ltd	Fund Ourselves	Lloyds Banking Group
Close Brothers Asset Management	Fundscape	LV=
Clydesdale Bank Plc	Fundsmith LLP	M&G Ltd
CMS Cameron McKenna Nabarro Olswang LLP	Fusion Wealth Limited	Maitland Administration Services Ltd
Colchester Global Investors Limited	GBST Wealth Management Ltd	Man Fund Management UK Limited
	Goji Holdings Limited	Margetts Fund Management Ltd
	Halifax Investment Services Ltd	Marks & Spencer Financial Services

Mazars LLP	RateSetter	Taylor Wessing
McInroy Wood	Rathbone Bros Plc	Tesco Bank
Model Office	Raymond James I.S. Limited	The Share Centre Ltd
MoretoSIPPs	RBC Investor & Treasury Services	The SimplyBiz Group Ltd
Morningstar UK Ltd	Redmayne Bentley LLP	Thesis Asset Management
Multrees Investor Services	Rowan Dartington & Co Ltd	Third Platform Services Limited
NatWest Bank Plc	Royal Bank of Scotland	Tilney Asset Management
Nationwide Building Society	Saltus Private Wealth	Tilney Bestinvest
NedBank Private Wealth Limited	Sanlam Financial Services UK Limited	Triodos Bank NV
Northern Trust	Santander AM UK Ltd	Triplea Advisory Group
Norton Rose Fulbright LLP	Santander ISA Managers	Tutman LLP
Nucleus Financial Group Ltd	Santander UK plc	Virgin Money
Nutmeg Saving and Investment Ltd	Schroders Plc	Walbrook Partners
Old Mutual Global Wealth	Scottish Friendly Asset Managers Ltd	Walker Crips Investment Management Limited
OneFamily	Scottish Widows Investment Partnership	Wealth at Work Limited
One Savings Bank	Seccl Technology Limited	Wealthify
Open Money Limited	Secure Trust Bank plc	Wealthtime Limited
Openfunds EV	SEI Investments (Europe) Ltd	Wells Fargo
Orbis Investment Advisory Ltd	Sesame Bankhall Group	Whitefoord LLP
Origo Services Ltd	Seven Investment Management	Willis Owen Limited
Parallel 51 Limited	Shawbrook Bank	Willis Towers Watson
Parmenion Capital Partners LLP	Silverfinch	Winterflood Securities Limited
Pershing	SIX Financial Information	Worksmart Limited
Pinsent Masons LLP	Smarterly	Yorkshire Bank
Platforum	Smith & Williamson Investment Services Ltd	Zopa Limited
Post Office	Sopra Steria	
Praemium (UK) Ltd	SS&C	
Progeny Asset Management Ltd	St. James's Place Wealth Management	
Progressive Building Society	Standard Life Aberdeen	
Prudential Group	State Street	
Punter Southall Wealth	Succession Advisory Services	
Quilter Cheviot	SWIFT	
Quilter Financial Planning	T. Rowe Price	
Quilter plc	Target Servicing Ltd	
Radius Europe		



## Introducing TISAttech and TURN



Launching in July 2020, TISAttech is the new digital marketplace created to bring together financial institutions and FinTechs for greater collaboration and innovation. TISAttech will enable financial institutions to more quickly and easily identify and connect with potential FinTech partners via a searchable database of categorised FinTechs.

For those financial institutions seeking to deepen engagement with the tech ecosystem, TISAttech will provide access to more than 3,500 FinTechs covering all industry segments and technologies. The enhanced scouting, discovery and identification process will allow business leaders to more effectively scope-out and profile the suitability of FinTechs on a single platform.

In delivering the service, TISAttech will be partnering with The Disruption House, the specialist benchmarking and data analytics business for financial institutions and innovative financial technology firms. Benchmarked scorecard assessments will help financial institutions better understand and compare a FinTech's ability to partner with them and grow. The platform will also operate as a "clearing house" for industry problem statements that would benefit from agile tech innovation and development. Structured Tech Sprints and Sandboxing concepts will support the prototyping and validation of new technologies.

For more information, head to [www.tisa.uk.com/tisatech/](http://www.tisa.uk.com/tisatech/)



Currently the financial market's dissemination and aggregation of Regulatory Data and Fund Data presents numerous issues across the industry, whether it be Manufacturer, Data Vendor and Data Consumer – timeliness and accuracy are constant issues which we will resolve by building an industry data utility, which is created and run by the industry.

TISA Universal Reporting Network (TURN) will establish a blockchain (distributed ledger) digitally neutral platform that aggregates and distributes all fund and regulatory data to the Data Providers, Consumers and Vendors.

Built by Atos, with service launch in September 2020, this new platform will allow asset managers and distributors – including financial advisers – to capture, share and transmit MiFID II data across Europe to all relevant stakeholders, through a standardised EMT (European MiFID II Template). All relevant parties will have access to the EMTs on a real time basis and this will be of a high and consistent quality.

For more information, head to [www.tisaturn.com](http://www.tisaturn.com)



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