



Response by TISA to the FCA consultation:

**CP24/4 - The regulatory framework for pensions dashboard service firms:
further consultation**

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About TISA

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

Supporting the financial journey through life

Our ambition is to improve the financial wellbeing of all UK consumers by working collectively with the financial services industry to deliver solutions and champion innovation, for the benefit of people, our industry, and the nation.

We do this by working with our member firms to deliver practical solutions and devise innovative, evidence-based strategic proposals for government, policy makers and regulators that address major consumer issues.

TISA is a **not-for-profit membership organisation** and a trusted partner of key industry stakeholders in helping shape the future of the UK financial services and the environment in which we operate. **We have over 270 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, FinTechs, financial consultants, financial advisers, industry infrastructure providers and stockbrokers.

Our work, your influence

With a focus on three strategic pillars of work to best support the consumer and UK financial services, TISA has become a major industry delivery organisation for consumer focused and digital industry infrastructure initiatives. Our three pillars of work remain at the forefront of everything we do:

- **STRATEGIC**
Build **Strategic policy initiatives that influence policy makers** 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.
- **TECHNICAL**
Provide **expert technical support 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 ISAs, Consumer Duty, client assets, responsible & sustainable investing, operational resilience, vulnerable customers, governance, conduct & culture, plus a range of other areas.
- **DIGITAL:**
To transform our industry architecture by building **digital transformation initiatives** that are driving ground-breaking innovation. TISA has become a major industry delivery organisation for consumer focused, digital industry infrastructure initiatives, with projects including **Digital ID** and **Open Savings, Investments & Pensions (OSIP)**. This reflects TISA's commitment to open standards and independent governance.

More here: <https://www.tisa.uk.com/about-tisa/>



Executive Summary

TISA welcomes the opportunity to respond to the FCA consultation CP24/4 - The regulatory framework for pensions dashboard service firms: further consultation.

We are confident that Pension Dashboards have the potential to ‘move the dial’ on consumer engagement, understanding and ultimately retirement outcomes. However, they cannot achieve this in isolation and need to be embedded within a wider support framework, which spans across the entire retirement journey encompassing accumulation and decumulation.

Pension Dashboards not only need to provide a streamlined, intuitive, engaging journey throughout their own ecosystem, this needs to be extended to enable a seamless transition to connected off-Dashboard services. It is these services which provide the next stepping-stone in the journey and can turn Dashboard data into something more meaningful, which can then be used to help with future planning or more imminent retirement decisions.

The recently published FCA Retirement Income Market Data statistics and the Advice/Guidance Boundary review DP has highlighted the significant need for more consumer support. The introduction of Pension Dashboards will bring millions more savers of all ages into this group. It is crucial that the valuable data Pension Dashboards will provide, is accompanied with a framework which enables consumers to safely and easily access further support at scale. We do not believe existing proposals fulfil the potential for the reasons set out in our question responses and would urge that further consideration is given to help bridge the ever-growing support gap that exists.

It is encouraging to see that the Advice Guidance Boundary Review outcomes will be considered from a Pension Dashboards perspective – we believe that a Targeted Support regulated activity could align well with data export permissions, providing consumers with a wider framework from which to access meaningful support.

We would be pleased to discuss any or all aspects of our response with you and look forward to providing further input into this important project to ensure its success, as we approach, what we hope, are the latter stages prior to a public launch.



Question responses

Q1. Do you agree that the proposed perimeter guidance at Annex H in Appendix 1 provides sufficient guidance to support firms understanding of:

- the scope of the regulated activity of operating a pensions dashboard service;, and
- the circumstances in which authorisation (or variation of permission) is required by a firm?

If not, what else could the perimeter guidance cover to support firms understand what comes within the scope of the regulated activity?

Yes, we agree that the proposed perimeter guidance provides sufficient detail to support firms understand the activity scope and authorisation requirements for PDS operators.

Q2. Do you agree with our proposals to require PDS firms to introduce a choices architecture to put the consumer in control of deciding initial next steps? If not, what problems can you foresee with these proposals? And how might they be addressed?

We agree that consumers should be in control of their journey and also that the proposed choices which the architecture comprise are appropriate.

When you consider how people engage digitally, there is an ever-increasing tendency to do this through a mobile phone – this is already the most popular option for members of many pension schemes and it will become the dominant access method across most cohorts.

It is therefore crucial that the architecture compliments a mobile app journey i.e. it is intuitive and engaging to ensure the consumer gets the most out of their experience. We do not believe the introduction of a flat structure where all options are given equal prominence i.e. viewed and accessed through a scrolling screen is a good example of what we should be looking to achieve. We have probably all experienced clunky journeys which are not suited to a mobile experience, where the user gives up with an intention to revisit on a different device at a later point – the revisit does not always materialise. We do not want this to be the experience for users of pension dashboards but there is danger that the use of a flat architecture structure, where all options are given equal prominence on a scrolling screen will result in this outcome.

Furthermore, it is not possible to apply equal prominence to all options in a list format, when those lower down may not be viewable without scrolling down the page.

We strongly believe that in order to optimise the consumer journey, the options should become available at various points throughout the journey, with those points being determined through user testing. Each choice would be given equal prominence at the point it is reached. Can you confirm if this meets expectations.

We would also ask for more clarification on what can and cannot be included within schemes' propositions for 'post view services.'



Q3. Do you agree with our proposals concerning exit communications? If not, please explain why.

We want this to be an engaging journey where users can move seamlessly from the Dashboard ecosystem to off Dashboard services. Where a user is moving from an FCA regulated Dashboard ecosystem but remaining in an FCA regulated environment (e.g. a move from a PDS to a Group Personal Pension online service), we do not see that there would be a need for an exit communication, nor do they exist in current journeys. For instance, where an individual requests a retirement illustration which culminates in them entering a regulated Drawdown product, the journey takes them through different FCA regulated activities but at no point is the experience delayed or the member confused with a communication informing them they are now exiting one regulated activity and commencing another. We do acknowledge that not all PDS firms will also be FCA regulated pension providers e.g. Master Trusts, so there needs to be consideration of a potential communication in these instances. However, it is important that any communication is easily understandable and does not derail or complicate the journey in any way for the member.

Q4. Do you agree with our proposals to require firms to inform the user if a delegate will not be able to use the firm's dashboard to access the user's data? If not, please explain why.

Given the intention has always been for the user experience to be consistent across all PDS operators, it is inconsistent for the delegated access option to be an optional service and we would question why this is the case.

Our understanding is that once a delegate has been nominated by the member and stored in the central architecture, an adviser will be able to access that person's view data using their PDS of choice (as long as it supports delegated access). An adviser is therefore likely to use a single PDS to view all their clients' data, irrespective of the PDS used to make the delegations. It would seem more appropriate for the communication to make this point clear.

Q5. Do you agree that permitting data export to PDS firms (with the investment advice permission) for investment advice purposes creates an unfair competitive advantage in relation to advice?

Yes, we agree that restricting the data export to a subset of firms who are regulated to provide investment advice does create an unfair competitive advantage.

Q6. Do you agree that our proposal (to remove the option of data export to the PDS firm, or connected person, for investment advice) is appropriate? If not, what would be a more appropriate and competitively fair approach for the FCA to adopt? Please provide evidence where available.

Whilst the removal of the data export option levels up the playing field, this balance could be achieved by broadening the scope for data export and allowing all firms with the investment advice permission to receive exported data.

Although delegated access will enable regulated advisers to access the view data, the data itself will still need to be manually entered into off platform systems and in that respect, advisers will be equally served through a printout of the data that a user exports to themselves. This plays into the hands of scammers, as if requests for personally exported data becomes a regular occurrence, a scammer asking for this information will not stand out as unusual.



Non-investment advice off-Dashboard services offered by the PDS operator will also be impacted by the existing data export proposed architecture, as when you move outside of the Dashboard ecosystem, the view or post-view services data held cannot be pulled across. We believe this to be a significant delay in the journey – there are several examples where consumer digital journeys are abandoned due to their cumbersome or disjointed nature.

Pension Dashboards not only need to provide a streamlined, intuitive, engaging journey throughout their own ecosystem, this needs to be extended to enable a seamless transition to connected off-Dashboard services. It is these services which provide the next stepping-stone in the journey and can turn Dashboard data into something more meaningful which can then be used to help with future planning or more imminent retirement decisions.

The recently published FCA Retirement Income Market Data statistics and the Advice/Guidance Boundary review DP has highlighted the significant need for more consumer support. The introduction of Pension Dashboards will bring millions more savers of all ages into this group. It is crucial that the valuable data Pension Dashboards will provide is accompanied with a framework which enables consumers to safely and easily access further support at scale – we do not believe existing proposals fulfil the potential and would urge that further consideration is given to help bridge the ever-growing support gap that exists.

There is also uncertainty as to when the delegated access functionality will become available. We note that paragraphs 4.27 and 5.15 state *'Our proposals assume that the mechanism to delegate access will be available in the Consent and Authorisation service from the Dashboards Available Point. As the PDP Reset is still underway, the delivery timeline for this function has not yet been finalised.'* If it is concluded that delegated access is the only way for regulated advisers to access data, it would be beneficial if firms had more certainty around the timelines for this functionality becoming available.

Q7. Are you currently interested in becoming an operator of pensions dashboard services?

- **If yes, are you currently FCA authorised for other activity?**
- **If not, was it the proposals in this paper that deterred you?**

N/A

Q8. Do you have any comments on our cost benefit analysis in Annex 2?

Whilst we have no comment on the costs quoted, we note one of the stated benefits that could arise from these proposals is that it will enable *'consumers to control their journey through and beyond the pensions dashboard service.'*

We do not see how these proposals enable the user to control their journey once they leave the pension dashboard ecosystem, as they then fall out of the Pension Dashboard regulated activity.