



## Priorities and optimism

an article by TISA chairman  
Tony Solway

**It is a privilege to be succeeding John Brasington as Chairman of the TISA Board and something that I am looking forward to enormously. I have to admit though that following on from John, after such a successful tenure, is something of a daunting prospect!**

Having been a Director of TISA for the last four years I have been able to watch at first hand the excellent work that Tony Vine-Lott, TISA's Director General, and his very capable Executive Team have undertaken. I am now delighted to have the opportunity to play a more active role in the future.

There are many reasons why I wanted to take up the role of TISA Chairman. Principal amongst them is my belief in the pressing need to improve the level of long term savings in the UK. The financial services industry is entering yet another period of extraordinary change, certainly in terms of regulation and the challenges facing all of us, (and I include consumers), are considerable. TISA occupies a unique position in this industry and has important work to do lobbying, informing, facilitating and training. We have an experienced team that consistently delivers to members, regulators, policymakers and commentators – and I already know just how valued its in-depth knowledge and perspective is. TISA has an ability to join things up and make things happen – and I want to be a part of that.

At the highest level, it is vital that financial services evolve and adapt to the changing needs of UK savers. All of us are living longer, so it is only sensible that we reassess the traditional division between work and retirement, for too long portrayed as something of a black and white issue. It is far more complex than that. Malcolm

Small, our Director of Policy (and Pipe Smoking), is one of the leading thinkers and commentators on the subject.

From a practical perspective there are issues that can be addressed to the immediate benefit of savers. The TISA Exchange project is a good example of how the high level of engagement with members drawn from a wide cross-section of the industry can bring about meaningful solutions. Indeed, our Advisory Councils are driving forces in delivering constructive improvement on a wide range of issues.

As our members come from a broad spectrum of UK financial services, TISA is in a unique position to tackle issues that other organisations representing a particular 'slice' of the industry would find difficult. To this end, we are engaged in a number of initiatives with appropriate trade bodies. This is not a case of competing with these organisations, rather more using our combined long-established industry expertise, knowledge and connections. Our objective is simple – to resolve difficult issues and deliver workable outcomes. As such, we have a useful and permanent role alongside different sector trade bodies.

What drives all the executives at TISA is the fundamental belief that the best long term interests of consumers will create the best outcomes for our industry. In order to deliver this we engage with Government and Administration on policy and practical issues and as a result have, over the years, achieved many successes, most notably around ISAs – the UK's most successful savings product. Despite the burgeoning number of diverse activities that TISA now covers, we continue to provide a wide range of support services to members for this core savings vehicle.

## Welcome

Welcome to the autumn 2012 edition of Quarterly. With the Olympic Games in London just finished and the Paralympics soon to follow, this issue may find you with even more distractions than usual. Nevertheless, we hope you can find the time to sit back and read the latest TISA newsletter!

There can be no doubt that the previous Chairman achieved much during his eleven year tenure. He has led TISA to a position where it is a recognised force for good in the industry, respected for its opinions and activities by regulators, government and administration alike. But looking forward, as we enter a new phase of development, I think TISA has two immediate priorities.

The first is to define our ambitions for the coming years. As our standing in the industry has grown, so has the number of issues that face us. Even for an organisation renowned for maximising the effectiveness of limited resources, we will have to prioritise and start choosing where we can add the most value. Second, we need to articulate clearly our position on key policy issues, without which we will find it difficult to influence the thinking of others – regulators and Government in particular.

Notwithstanding, I look forward with great optimism. We have a talented and committed Executive Team and a Board dedicated to serving the long term interests of savers and building a strong and healthy industry providing sound products and services in which consumers can have confidence.

TISA has recently updated the consolidated regulations for CTF and ISA. Members can sign in and access these on the technical section of our website.

## INSIDE THIS ISSUE

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**03** Here we give a quick overview of our current projects.

**04** As well as a new chairman we have a new board member – find out who!

## Structure of TISA Member Forums

TISA members will be aware that one of the important aspects of membership is the opportunity to sit on our Advisory Councils. These Councils are made up of practitioners from across the industry and allow members to discuss and debate regulatory and other concerns in a secure, non-competitive environment.

There are currently 7 market focussed Advisory Councils and some underlying Technical Groups. However, as we continue to expand our remit, we have reached a position where these forums for direct interaction no longer meet the growing needs of the Association and its members.

The TISA Board has therefore decided to re-structure the Member Forums so that we can open up discussion of broad, high level policy issues alongside operational matters.

Going forward the Advisory Councils will work at policy level, with participants at senior management/senior executive level. The Councils will be:

- ▶ Children's Savings
- ▶ Centralised Investment Propositions (CIPs)
- ▶ Distribution
- ▶ Retirement
- ▶ Savings & Investment Policy
- ▶ Wrap & Platform

As well as these Advisory Councils there will be Technical Committees which will deal with technical/operational issues, with participants at senior/middle management or senior administrator level. These will comprise:

- ▶ Retirement Technical Group
- ▶ Cash & Investment Savings Committee (incorporating and amalgamating the current Investment Savings and Cash Savings Councils) which will focus on Stocks & Shares ISAs, Cash ISAs and Junior ISAs as well as CTF technical and operational issues
- ▶ Wrap & Platform Operations Group
- ▶ Client Money Committee (We are currently inviting participants to this new Group)

Where it is appropriate the Advisory Councils and Technical Committees can elect to establish a Working Group to deal with specific issues. Each of these forums will continue to have oversight from a senior TISA Executive, an industry chair and secretariat services supplied by TISA. Details of participants can be found on the TISA website with the added advantage for members to be able to log in and view the minutes of meetings that have taken place.

If your firm is not currently represented on our forums and you would like further information, please contact: [carol.knight@tisa.uk.com](mailto:carol.knight@tisa.uk.com)



## TeX website now live

As detailed in previous issues of Quarterly, TISA Exchange Limited is a new company being set up to facilitate the transfer of investments. Members of TeX sign up to a standardised set of terms, message sets and legal agreements thus negating the need for individual contracts with each firm party to transfer instructions. Members will also have access to a secure contact database (managed by SWIFT) which will improve the flow of information in the event of any queries. Over 20 firms have already signed up and many more on the way!

The TeX website, which provides further details on TeX, its members, legal documentation and technical help, is now live.

A number of TISA members who offer SIPP have expressed an interest in joining TeX. To allow all interested parties to discuss the impact of including SIPP transfers within the TeX framework a Working Party is being established and an initial meeting is scheduled for September. For additional information or to join the Working Party call Carol Knight on 01642 666989 or Jeffrey Mushens on 07939 575093.

Please visit: [www.tisaexchange.co.uk](http://www.tisaexchange.co.uk)

## TISA Annual Conference 2012; Wednesday 14th November

If you haven't done it already now is the time to book your place at the TISA Annual Conference, always a great success and voted by members and the media as one of the best and most useful conferences of the year.

The theme is consistent, aiming to bring you up-to-date with the current issues and topics facing the industry provided by key figures from Government, regulators, industry and the media.

We are delighted that Justin Urquhart Stewart, of 7IM, has once again agreed to chair the Conference. Steve Webb MP, Minister for Pensions, is our keynote speaker; Lawrence Gosling, Editor of Investment Week and Edward Harley from the FSA complete our current line-up. We are also finalising one or two other

excellent speakers, and, given recent success, we will once again have a panel to discuss a topic of major interest.

You can book on-line by clicking here or by calling 01642 666999. Don't forget that every member firm is allocated a free place – so do make sure that yours is not lost.

And for those buying their seats at the conference, rest assured that we always keep prices low. We believe it is vital to ensure that as many people as possible, members and non-members alike, keep up-to-date with the key issues facing our industry.

I look forward to seeing you there and don't forget the drinks reception afterwards – a fantastic opportunity to meet up with friends and colleagues and to see what our exhibitors and sponsors have to offer.



## TISA Projects at a glance

A growing part of TISA's work is project based. For some issues it is important to provide a forum to explore the specific challenges and options open to the industry. This is where TISA can add real value. We are more than happy to work alongside sector trade bodies and openly encourage participants in each project to elect their own chairman. We are in this to get things done and have no political agenda.

### Standardised adviser protocols

TISA's most recent project, launched following a TISA seminar in May 2012 seeks to consider what happens when advisers move between advisory firms, or when such firms are bought by another.

The project will be examining the standardised Adviser Protocols that have been adopted in the United States in order to establish whether there is an appetite amongst market participants in the United Kingdom to adopt a similar process.

### Cash ISA transfers

The Cash ISA transfer project was launched as a result of a super complaint in which Consumer Focus asked the Office of Fair Trading to look at concerns around the timing of cash transfers. This led to a joint project where TISA, together with the BBA and BSA worked to reduce the time taken to transfer cash ISAs. This October will see the launch of a central service which will deliver an automated messaging service replacing the need for paper transfer forms for participants.

### Data Quality

The Data Quality project was launched following a TISA open industry meeting on 8th February 2012. Its scope is to document the current position in terms of regulation and legislation, and to define a common set of industry procedures/best practice and targets in order to provide the optimum quality of customer data, thereby reducing the number of dormant/unclaimed accounts, increase investor participation and diminish risk.

### Structured deposits

The Structured Deposits project launched in late 2011 with an aim to address regulatory and consumer concerns, particularly around the sales and marketing approach, when consumers may be in danger of misunderstanding the potential risks.

In the initial phase of the project TISA met separately with the FSA and Which? The outcome of these meetings was the aim to create a set of best practice approaches, one of which is to develop an agreed set of key points that should be included in consumer literature.

### Small pots and Pension Transfers

As reported in the last edition of Quarterly, this project was launched in early 2012 following an open industry meeting. Its scope is to document the current legal, regulatory and operational barriers to the implementation of the government's chosen policy solution for small pots and pension transfers, as well as to create an industry-wide good practice approach and standards to achieve low cost and timely transfer processes.

TISA membership is not necessary to participate in these projects. Using this inclusive approach allows us to ensure that the widest possible interaction is achieved.

If you are interested in receiving additional information on any of the projects detailed in this article or have a specific issue or topic you would like to discuss with us, please contact the TISA office in the first instance and one of our team will get in touch.

## Diary dates!

*Thursday 6th September*

– Beware of CASS workshop, Edinburgh

*Friday 7th September*

– Beware of CASS training, Edinburgh

*Wednesday 12th September*

– Junior ISA Key Facts, London

*Tuesday 18th September*

– ISA Qualifying Investments, London

*Thursday 20th September*

– CIP seminar, London

*Wednesday 26th September*

– Beware of CASS workshop, London

*Thursday 27th September*

– Distribution seminar, London

– Beware of CASS training, London

*Tuesday 2nd October*

– ISA Transfers, Edinburgh

*Wednesday 3rd October*

– Eurozone seminar, London

– ISA Key Facts, London

*Tuesday 9th October*

– ISA Qualifying Investments, Edinburgh

*Tuesday 16th October*

– Wrap & Platform seminar, London

*Wednesday 17th October*

– AGM & Discussion forum, London

*Tuesday 23rd October*

– ISA Repairs & Voids, London

*Tuesday 6th November*

– ISA Transfers, London

*Wednesday 14th November*

– Annual Conference, London

*Tuesday 20th November*

– ISA Key Facts, Edinburgh

*Tuesday 27th November*

– ISA Repairs & Voids, Edinburgh

*Wednesday 28th November*

– Junior ISA Key Facts, Edinburgh

*Tuesday 4th December*

– ISA Key Facts, London

To book a place at any of these events, click on this link, go to our website at [www.tisa.uk.com](http://www.tisa.uk.com) or call 01642 666999.

## Hugh Mullan joins TISA board

Hugh Mullan, head of Fidelity's UK Defined Contribution and Retail business, has joined the TISA Board as a



non-executive director. Hugh, who joined Fidelity in 2008 from Barclays Wealth and previously Schroders, will be sharing his thoughts on why he chose to join the TISA board in the next edition of Quarterly.

## Cash ISA transfers

Many of you will be aware of the work which has been taking place to introduce electronic messaging for Cash ISA to Cash ISA transfers, taking the process to the next level of efficiency. BACS were selected to provide the infrastructure and have worked closely with an industry working party to put a system in place. Work has been on-going over the past months and we are now close to implementation! The system is scheduled to go live towards the end of October with all the major banks committed to implementation by January 2013. Firms who are not direct BACS scheme members can access the system through partnership with a bank. For more information, click here.

### TISA vacancy – full or part-time

TISA is seeking an experienced pensions administrator to provide technical support, information and training to member and non-member firms. The role could be based at home but with the requirement to deliver training sessions across the country. This could be a part-time or a full time role. If you would like to know more call Carol Knight at TISA on 01642 666989.

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## Junior ISA

For several years now we have collated ISA quarterly subscription statistics from participating providers, more recently via the Cimetric electronic portal. As this data builds over time contributors are able to compare their own data with anonymous peer group data. We hope to extend this process to monitor contributions to the new Junior ISA products and will be talking to interested parties in the coming months.

## A working group in action – Unit/share class conversions

Following a recommendation from the TISA Wrap & Platform Advisory Council, a working group has been established to discuss and debate best practise for unit/share class conversions. These are anticipated in great numbers as a result of RDR and the ban on rebates.

The working group meetings, which have attracted a wide audience ranging from fund accountants, to fund managers, lawyers to platform providers, have agreed a number of principles. Some key points to note are:

- ▶ Conversions between share classes are NOT a disposal for tax purposes, nor should they give rise to SDRT.
- ▶ Where a conversion request is coupled with a transfer, the transfer should be completed first and the receiving party should perform the conversion unless they do not support the share class, in which case the transfer should be in cash.
- ▶ Conversions should preserve their original groupings (i.e. no move from group 1 to group 2).
- ▶ Switches should be avoided as, amongst other things, they would prompt a disposal for tax purposes and may penalise investors.
- ▶ Conversions should not be held over until XD date.
- ▶ Fund accountants will be required to perform additional calculations of gross prices for bond funds.
- ▶ A discussion will take place with FSA with the aim that a KIID will only be required for the final share class.

TISA members can view copies of the minutes of these meetings by logging on to the TISA website. Alternatively, please contact Jeffrey Mushens for more information at [jeffrey.mushens@tisa.uk.com](mailto:jeffrey.mushens@tisa.uk.com)



## First class company and sunshine!

Our Annual Terrace Reception at the House of Commons was once again a sparkling, star-studded event attended by TISA members from across the industry and their partners, along with representatives of Government, the regulators and media.

It is an excellent event and an opportunity to enjoy time re-engaging with business friends and acquaintances whilst having the chance to link up with new ones.

Chris Grayling, Minister of State for the Department of Employment, kindly agreed to be the keynote speaker for the evening. At the end of his talk, and the discussion which ensued, we all had a clearer understanding of the Government's plans in a number of areas that are important to the industry.

The setting and service were first class and once again the weather was kind to us, enabling everyone to take full advantage of the external terrace – particularly helpful as the venue was at maximum capacity.

**Thank you to everybody who helped make the evening such a success.**

## Contact us



Comments and questions about Quarterly are welcomed. Contact: [Jill.Crowell@tisa.uk.com](mailto:Jill.Crowell@tisa.uk.com)