TISA

tax incentivised savings association

THE PENSIONS REGULATOR CONSULTATION RESPONSE

REGULATING WORK-BASED DEFINED CONTRIBUTION PENSION SCHEMES

March 2013

The Tax Incentivised Savings Association – TISA has a growing membership of over 120 organisations interested in the UK market for retail financial services products, from Child Trust Funds, through Individual Savings Accounts to Pensions. We have Advisory Councils in Retirement Saving, Wraps and Distribution, whose observations and thinking have contributed to this response. We are distinguished by the very wide scope of our membership, from Banks, though Investment Houses and Life and Pension providers, to Distribution organisations and IFAs. We are not, therefore, restricted to representing a sector approach, but rather the views of a very broad church indeed. We also, as an organisation, start from the principle that what is good for the consumer must, in the long term, be good for the business of our membership.

RESPONSE TO THE CONSULTATION

TISA is pleased to have the opportunity to respond to this consultation document. We would not propose to answer the consultation questions in detail but would make the following observations.

- Overall, we welcome the approach to regulation of DC schemes outlined in the papers. We think there is now a clear and coherent approach to regulation which is pragmatic in nature. In particular, we welcome the fact that the Pension Regulator to the 5 principles for better regulation enshrined in the Legislative and Regulatory Reform Act 2006.
- Equally, we would take the view that the regulatory framework for DC schemes is now as complete as will ever be needed. It should only be added to, or amended, in the light of clearly identifiable developments which clearly justify such action.
- We remain concerned at the continued overlap between the Pensions Regulator and the Financial Services Authority in the area of workplace contract-based pensions. Whilst there is no current evidence of matters of concern in this field as far as we are aware, the weight of regulatory interest in these pensions is perhaps disproportionate to the risks they might pose. There is also the potential for incomplete coverage and we note, for example, that the DC Code and Regulatory Guidance do not apply to such workplace pensions, but the 6 DC Principles and DC Qualifying Features will apply. Our thinking is moving towards the idea that workplace pensions of all types should be under the jurisdiction of just one Regulator if at all possible.

We hope you find these observations helpful and we would be pleased to discuss them in more detail with you.

MALCOLM SMALL
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TISA