As we head into 2014 and all that it holds in store, this is an opportune moment to reflect on the past year. Director general Tony Vine-Lott reviews a busy and successful period for TISA.

Membership of TISA is up – and I am particularly pleased to report that our determination to work more closely with trade bodies has resulted in the IMA actually joining us as a member. It bodes well for future collaborative efforts.

TISA’s Data Quality and Clean Share Class projects are making good progress and the recent launch of the Savings and Investment Policy Project with its twenty one corporate sponsors has made a promising start. TeX, admittedly no longer a project, but a fully-fledged industry initiative, continues to flourish – to the extent that it has now passed a new milestone as it embraces pension transfers. Our relationship with HMRC, and in turn its interface with the industry, is strengthening as we discuss VAT and other issues concerning platforms. Similarly, we are in frequent contact with regulators and policymakers as we seek to address existing issues and plan ahead to tackle those appearing on the horizon. Communication with the industry and effective interaction with members has become, as we predicted, an ongoing priority. We have been recruiting throughout the year and now have a dedicated Engagement Team to deliver the necessary improvements.

We have redesigned and re-launched TISA’s main website and stepped up the pace of our involvement in social media activity via LinkedIn, YouTube and Twitter – we are increasingly providing followers with ‘content-rich’ messages through these channels. In addition, there are websites for TeX and the TISA Savings and Investment Policy Project.

As always, we have been working closely with members to develop seminars, committees and projects that specifically support their fast-changing needs. Indeed, feedback from member firms is something we take very seriously. It informs our opinions and shapes our policies, so to this end we have established the TISA Observatory. This is already garnering input from members and the wider market to ensure that we maintain our forefinger on the pulse. We look forward to receiving your input too.

TISA conference tackles consumer experience

Delegates at TISA’s annual conference in November were left in no doubt about the challenges facing the industry if it is to improve the consumer experience. A packed conference hall heard the FCA’s director of policy, risk and research Christopher Woolard point to ‘simple’ products with transparent terms and conditions as ‘essential’ if consumer confidence is to be restored. Mick McAteer, director of The Financial Inclusion Centre, chaired the conference while a lively panel debate touched the thorny issues of charges; value, improving consumer understanding, social media and tax relief concluded the business programme. The conference also gave TISA the opportunity to provide an update on the future direction of the Association and an outline of the newly launched savings and investment policy project (more on this on page 2 in this issue of Quarterly).

A conference exhibition provided the focal point for the lunch and post conference drinks reception, allowing delegates to meet exhibitors and to network with each other. Special thanks go to our sponsors and exhibitors: Fidelity Worldwide Investments (Funds Network) and Zurich (conference sponsors), Bravura Solutions (lunch), Kinetic Partners (drinks reception), Altus, Fusion Experience, Origo and SWIFT (exhibitors).

If you were unable to attend the conference a full write up will be given in TISA’s Annual Review.

Next year’s Annual Conference will take place on Wednesday 12th November – to book your place click here.
In November 2013, TISA launched a new industry-wide project, the objective, to help improve the nation’s personal financial health by developing policy proposals that focus on consumer interests.

The outcome of the project, TISA’s Savings and Investments Policy, will seek to exercise greater influence over the direction and future of financial services as well as rebuild consumer confidence and trust. Findings, conclusions and recommendations will be used to work with government, key political parties and regulators to present an overarching and consistent industry view.

TISA’s analysis suggests that the UK is heading towards a future in which a lack of personal savings and over-reliance on the State are likely to result in significant hardship. The project is therefore focusing on researching the root causes of Britain’s current low levels of savings and the short, medium and long term implications for society. The findings will underpin the strategic proposals on savings that are planned for September 2014.

The project team is working with a wide range of financial service companies, trade bodies and consumer groups to develop pan-industry proposals. It will be directed by an Executive Committee formed of leading financial services companies.

These currently include Aviva, AXA Wealth, BNY Mellon, Barclays, BlackRock, Charles Stanley, Citi, Fidelity, HSBC, J.P. Morgan Asset Management, Henderson, Intrinsic, L&G, Lloyds, Nationwide, Northern Trust, Old Mutual, Pinsent Masons, Simply Biz, Threadneedle Investments and Zurich.

Defining the Savings Challenge – Seminar

As part of our work on the savings and investments policy project we are holding a significant event in London on 6th February to examine the issues which appear to be creating the low savings ratio so apparent in today’s society and to begin the process of looking for a way forward.

The UK is experiencing fundamental changes that are impacting consumers’ long-term financial well being. Older generations have benefited from affordable housing, a greater propensity to save for big expense items, a generous State pension plus employers that have helped secure a reasonable income at retirement. These generations have created reasonable levels of personal wealth and have comfortable retirement incomes enabling them to enjoy the remaining 20 to 30 years of their lives. Those in their 40’s or younger face a very different experience and it is critical for these generations to acknowledge that greater responsibility for financial security now rests with themselves. A combination of increasing housing costs, high standards of living, often financed by credit, less generous State and employer pensions and a lack of providing for their own long term future creates real risks that these consumers face working longer, having low levels of retirement income and personal hardship later in life. It is imperative that these generations take a more proactive role in taking actions that will result in greater financial security. This is an issue that requires action today.

The seminar ‘Where are we now and where are we going’ is taking place on 6th February 2014 in London and will examine the issues facing consumers and what strategic proposals are needed to deliver long term solutions.

Speakers:

- Charlotte Clark, Head of Pensions & Savings, HM Treasury ‘Savings and Debt in the UK – A Treasury Perspective’
- Michelle Cracknell, CEO, The Pensions Advisory Service ‘Pension Liberation – TPAS Experience and Root Causes’
- Mark Fiander, Innovation and Strategy Director, Money Advice Service ‘Financial Capability and Debt – the Research Evidence’
- Mick McAteer, Director, The Financial Inclusion Service ‘Debt and Saving – the Hackney Experience’
- James Charrington, EMEA Chairman and Tony Stenning, MD UK Retail ‘Some Global Perspectives on Saving and Investment’
- Nationwide, Speaker to be confirmed ‘Savings and Debt in the UK – A Bank Perspective’

Who should attend:

Those working in strategy, proposition development, distribution, savings product design, regulation and operations.

Costs:

Members: £175
Non-members: £275

To book your place click here
Training Update

In 2013, the TISA training team expanded to incorporate expertise on ‘other regulatory’ and pensions matters so that we could provide workshops to meet our members’ growing needs. More workshops mean more email notifications, so to curb the number being sent out we are now grouping our training emails by type. We have also added the feedback we receive for our workshops to the TISA website. This includes comments and scores from previous attendees.

Other Regulatory
We have also introduced a number of new training workshops throughout the year covering Powers of Attorney and Treating Customers Fairly (TCF) – Key Facts and Management & Culture. These, more technical workshops have been well-received by members with a number of open sessions selling out and a number of enquiries regarding in-house training.

In line with our expectations, we had limited interest in open sessions of our TCF Key Facts workshop and now maintain a register of interest for future training. However, as we continue our drive to offer relevant training, in January 2014, we are launching a further TCF workshop covering TCF Management Information (MI) and Governance and later in the year will look to introduce a new workshop covering Deceased Client Administration.

Training Update – Pensions
In the current quarter we have received a very positive response for a new workshop on Pensions Liberation. Further 2014 dates for this workshop will be added to our website in the coming weeks. We already have a waiting list, so interested parties are advised to book early to avoid disappointment.

We will also be launching another pension’s workshop in early 2014 to provide an introduction to SIPPs and will be looking to develop more workshops in this area to meet our members’ needs. If you have any comments or suggestions regarding our training workshops, please let us have your input.

Share Class Conversions

The Share Class Conversion project was started following an industry meeting in May. Chaired by Hugo Thorman of Ascendric nearly 150 people attended. There are two main issues: managing bulk conversions from legacy classes to platform classes, and finding an acceptable way to handle re-registrations from one platform to another when the share classes held are not in common.

The latter point is complicated, however we have avoided transversions, automatically dumping customers into cash, and navigated through the implications in fund accounting and reporting terms. The project is now nearing completion, with an objective of publishing a statement of recommended practice by the end of 2013. In the meantime, the FCA has published draft guidance and is seeking input. Fortunately, the project team had already considered the issues under consultation and has submitted a formal response.

All parties, platforms, TPAs and fund managers alike have had to make compromises to arrive at a solution that works for customers, is capable of automation and compatible with electronic re-registration.
Event sponsorship opportunities

As you will already be aware, TISA’s mission is to increase the breadth and depth of investments and savings taken up by UK citizens, and so improve their financial well being, by helping make life simpler and easier both for firms and their customers. Much of our success results from our ability to act as an effective conduit for information, dialogue and debate for all stakeholders engaged with the investment and savings market.

To enable this interaction, dialogue and debate we hold regular events focusing on specific and topical issues. TISA provides delegates with high calibre speakers to help extend knowledge and understanding of a wide range of subjects. These events also provide a valuable opportunity for questions and discussion with the speakers, who will often include government or regulatory representatives. TISA would be happy to consider arranging an event or research paper on a subject area of your choice, provided of course, it is of common interest to our members and/or consumers more generally.

As a general principle, we seek sponsorship for all of our conferences, seminars and research papers to provide a broad range of subject coverage for the membership. These also help to deliver significant networking and training opportunities.

At the recent TISA conference there were lead sponsors, exhibitors and specific sponsors for the lunch and for the drinks reception. Each of these firms had the opportunity to interact with delegates and feedback has been very positive.

If you would like more information on sponsorship or wish to discuss a particular event please contact Kim Holloway, Director of Engagement at engagement@tisa.uk.com or click here for a copy of our sponsorship pack.

Policy Council update

At its most recent meeting, the Centralised Investment Propositions Policy Council agreed that its work should be subsumed into that of the Distribution Policy Council. It was noted that the attention of the FCA appeared to have moved away from this market, and whilst renewed attention could not be discounted, it was felt that this represented a better use of resources.

Centralised Investment Propositions remain core to the work of many “vertically integrated” organisations, and are likely to become more so in the future. Any TISA members operating such an approach are advised to focus on the activities of the Distribution Policy Council.

As part of this Council’s brief, Peter Smith is leading an initiative to work with the FCA to determine the “posts in the ground”. Firms need to use these to demonstrate evidence of “suitability” when making individual recommendations. The industry has been required to supply this proof since 1988, yet still seems to be struggling. If your business would like to participate in this initiative, please contact: peter.smith@tisa.uk.com

Seminars for 2014

Our 2014 seminar programme is taking shape with a number topics and dates confirmed. Click here for the full list.

In addition we are planning to introduce a number of new topics throughout 2014. Suggestions to date are:

- CASS
- European Seminar
- Share Class Transfers
- Suitability – Across The Whole Distribution Chain
- Defining the Savings Challenge – Where we are now, and where we are going

If you have thoughts on topics that would be useful to cover, please, do let us know.
To book a place at any of these sessions please click here or call us on 01642 666999 to discuss training requirements for your firm.

**Training – Edinburgh**

**January**
- Thursday 23rd: TCF Management & Culture
- Tuesday 28th: Introduction to Cash ISA Administration

**February**
- Wednesday 5th: JISA Key Facts
- Thursday 6th: TCF MI & Governance
- Tuesday 18th: ISA Qualifying Investments
- Wednesday 26th: Powers of Attorney Key Facts
- Thursday 27th: An introduction to SIPP’s – A beginner’s guide

**March**
- Wednesday 5th: JISA Key Facts
- Tuesday 18th: Stocks and Shares ISA Transfers

**Training – London**

**January**
- Tuesday 4th: TCF Management & Culture
- Wednesday 15th: ISA Key Facts
- Tuesday 21st: ISA Applications
- Wednesday 22nd: JISA Key Facts
- Thursday 23rd: Pensions Liberation – An Overview
- Wednesday 29th: TCF MI & Governance
- Thursday 30th: An introduction to SIPP’s – A beginner’s guide

**February**
- Tuesday 4th: ISA Qualifying Investments
- Tuesday 11th: Introduction to Cash ISA Administration
- Wednesday 12th: Powers of Attorney Key Facts
- Tuesday 18th: Stocks and Shares ISA Transfers

**March**
- Tuesday 4th: Cash ISA Transfers, London
- Thursday 6th: Pensions Liberation – An Overview
- Tuesday 11th: Stocks & Shares ISA Repairs & Voids
- Thursday 27th: An introduction to SIPP’s – A beginner’s guide

**Policy Council & Technical Committees**

**January**
- Tuesday 7th: TeX SLA & Operational Advisory Council Meeting
- Thursday 14th: Children’s Savings Advisory Council
- Tuesday 21st: Wrap & Platform Technical Committee Meeting

**February**
- Tuesday 4th: Wrap & Platform Policy Council Meeting
- Thursday 13th: Distribution Policy Council
- Tuesday 18th: Retirement Technical Committee

**March**
- Tuesday 4th: Retirement Policy Council

**Data Quality – last chance to join the Steering Group**

There are only four places left on the steering group to shape industry standards for maintaining client data and tracing lost customers. If your firm is not yet represented, please contact carol.knight@tisa.uk.com before the last seats are filled!

**FATCA finale**

The FATCA Executive Committee is drawing to a close, its objectives having been fulfilled. FATCA has been delayed and the signing of the UK/US IGA (intergovernmental agreement) has drawn the sting of the main penalty for non-compliance. Sadly, FATCA seems to be another example of many billions needing to be spent in building and maintaining systems, in the hope that lost tax revenue can be captured. Yet few US investors have funds and insurance policies in the UK. Best estimates are for low thousands, most of whom will already be paying their taxes. The UK has taken steps to bring the UK’s low tax jurisdictions, such as Jersey, Guernsey, Isle of Man, Bermuda, Cayman Islands etc., into scope in the similar hope of recovering money from tax evaders.

In the meantime, the industry has endured changing regulations, missed Government IT deadlines and last minute delays and changes. The Committee has steered members through these changes to the stage where it is now, more or less, business as usual. We held a Q&A session with HMRC in March, which proved very popular, as well as a seminar in June, which flagged that other governments are looking to copy the US government. Next up will be Euro FATCA, where we would be wise to expect more of the same.
What a difference a year makes!
In November 2012, TeX membership stood at 23 with a further 21 committed to join. Comparable figures in November 2013 show 72 members with a further 8 committed and another 10 likely. Coverage has reached over 89% for fund managers and 91% for platforms. This is now an industry utility, which, as long as the industry can demonstrate that it is delivering good outcomes to customers will stand in place of direct regulation by the FCA.

TeX is constituted as a not-for-profit company limited by guarantee, with industry directors representing members’ interests. TeX’s focus has shifted from signing up new members to promoting and accelerating automated re-registration. It is this which will cut costs for members and deliver real benefits for customers. It is also the focus now for regulators and the consumer press – the service standards (maximum 6 business days) are well-received. It is now time to deliver.

As part of this move, the Board of TeX has agreed to extend the scope of TeX to include re-registration of funds and assets in pensions, which includes SiPPs) with a target date of 1st January, 2014.

TISA Exchange launches new service
This announcement giving details of the new TeX service was issued in November 2013. Progress on this new service and other TeX updates can be found on the TeX website (www.tisaxchange.co.uk). You can access it by clicking here.

‘Re-registration of pension assets taking no longer than six business days will soon be the norm with the introduction of a new service by the end of 2013 from TISA Exchange – TeX – the cross-industry ‘contract club’ facilitating the electronic transfer of assets.’

Work has been taking place over the past 18 months within the UK Funds Market Practice Group (UKFMPG) to extend the underlying message set which underpins the new pension transfer facility. Alongside that, a TISA Advisory Council has been working to agree a set of Service Level Agreements and the necessary changes in the legal contract. Early completion of additional analysis work to ensure that all the different types of pension products and schemes are considered within the implementation programme has enabled the TeX board to introduce the pension transfer facility at the earliest opportunity. TeX has benefitted from working with major providers in this area (including Origo, Calastone, Altus, Euroclear and Actuare) to ensure that the new standards can work successfully across the industry.

Initially the focus will be on a range of personal pension product transfers. In time, this could also dovetail with the government’s automatic enrolment and ‘pot-follows-member’ policies. Speaking at the recent National Association of Pension Funds conference the pensions minister Steve Webb highlighted TeX as a solution to automated pension transfers, thus removing the need for government intervention.

TeX Chairman David Dalton-Brown said:
“We have engaged and shared with the Department for Work & Pensions (DWP) the details of the TeX pension initiative. The DWP are supportive of an industry led solution and confirmed they will watch the implementation of the project with interest. It’s clear that the DWP favour the principle of accelerated member initiated pension transfers across the industry to a consistent standard, together with clarity and transparency to the consumer.”

“It is particularly pleasing that the success of TeX in providing an open industry facility that is enabling clients to benefit from the quicker transfer of assets to commonly agreed standards is recognised by the government and the regulators. These same principles will be applied to pension transfers to give providers, advisers and consumers a generic solution that they can all use.”

TeX register review
Over the coming months we will be looking to undertake some revisions to the information held on the TeX register. If you are a registered member of TeX and have any comments on what you would like included on the register please click here by 31st December 2013 to send your feedback to the TeX team.

TeX Members
The following firms have joined TeX since 1st October 2013:
- Allfunds
- Baillie Gifford
- City Financial Inv Mgmt
- Margetts Fund Managers
- Sanlam Financial Services

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