

29th December 2014

Roy Bartholomew
Life & Pensions Policy
Policy Risk & Research Division
Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London
E14 5HS

Dear Mr Bartholomew,

Response to Consultation Paper CP14/24 – Charges in workplace personal pension schemes

Please find attached TISA's response to your consultation paper CP14/24.

About TISA

TISA is a not-for-profit membership association operating within the financial services industry.

TISA's membership comprises over 145 member firms involved in the supply and distribution of savings and investment products and services. These members represent many different sectors of the financial services industry, including banks, stockbrokers, asset managers, insurance companies, fund managers, distributors, building societies, investment managers, third party administrators, consultants and advisers, software providers, financial advisers and pension providers.

What makes TISA unique is that its membership covers the entire industry, incorporating cross sector policy, industry and technical expertise. Whilst we maintain a solid partnership with government, the regulators and wider industry, we remain independent and develop neutral views and opinions. This impartiality is reflected in our ability to drive development projects, which improves industry performance and puts us in the unique position of being able to constantly challenge the status quo to bring about material improvement. At the forefront in all of our recommendations and actions is to consider national and consumer outcomes.

Summary of response

TISA fully supports the FCA's plans to prevent firms from paying or receiving consultancy charges, from paying commission or other charges for advice which are not initiated by scheme members and to ban differential charges (e.g. active member discounts), as these changes will clearly be to the benefit of the consumer. Related to this we believe that the only way to achieve greater

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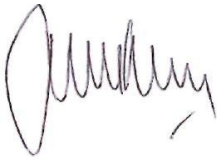
transparency of charges (that are consistent and comparable across all types of schemes) is through the implementation of a single disclosure regime across all workplace pensions. However, it is encouraging to see that the work currently underway at European level to improve transparency (through IORP II, MiFiD and PRIIPs) is being considered to ensure that the totality of the requirements work effectively together.

In terms of the charge cap, TISA remains fundamentally opposed to the concept of a charge cap and remain strongly of the view that alternative ways should be explored to introduce increased competition and improved outcomes for savers. We feel it is better to rely upon independent trustees exercising their fiduciary duties than the imposition of a charge cap, particularly where transactional costs are excluded from the cap. There are many industries outside of financial services where the market is healthy and competitive with the end consumer getting good value for money without that market being artificially controlled by a charge cap.

TISA would welcome the opportunity to discuss this important consultation with you further.

If you have any questions on this response, or more generally, please let me or my colleague Jeremy Lee know.

Yours sincerely,



Jeffrey Mushens
Technical Director