

TISA RESPONSE TO

Consultation Paper CP15/7

13th April 2015



INTRODUCTION

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.

TISA has a highly successful track record in working cooperatively with government, regulators, HMT, DWP and HMRC to improve the performance of the industry and the outcomes for consumers. Policy and regulation continues to be the major focus for our members with regard to corporate responsibility.

What makes TISA unique is that we cover 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.

RESPONSE TO CONSULTATION

TISA welcomes the opportunity to respond to the FCA's Consultation paper CP15/7 "Proposed changes to our pension transfer rules."

With the arrival of the new pension's flexibility regime, consumers and advisors face an increasingly complex landscape to navigate.

The transfer or conversion of safeguarded pension benefits is a specialised field of expertise. The existing rules offering consumer protection of advice being provided or checked by a Pension Transfer Specialist for transfers from DB schemes to Personal Pensions should now be extended to cover DB to DC occupational arrangements.

TISA fully supports the proposed FCA regulations introduced to avoid poor consumer outcomes.

There is of course some risk associated with transfer activity between now and when your rules are put in place, but we believe the industry will follow the FCA's lead and pay due attention to the draft rules in the meantime.

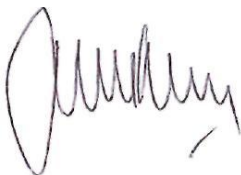
Perhaps of more of a concern is the affordability of advice for savers and here technology may have a part to play for members with a smaller pots size. TISA has been working with the DWP on the Automated Transfers initiative, using the example of TeX, the industry organisation established to facilitate re-registration of funds, which has a strong mandate to encourage automation. TISA is also leading on a project about the delivery of advice and guidance for D@C, so we should be very pleased to share our experience with FCA.

It is too early to judge, since the new flexibilities have been made available, any transfer activity trends.

First market indicators are that savers have been moving to fully cash in or partially realise funds from their DC pots. There is however no meaningful management information yet and we suspect that savers attention will quickly turned to accessing flexible benefits from DB sources before long.

A large element of TISA membership is made up of FCA regulated firms operating in the retirement market. We will therefore leave them to respond to the technical content of your List of questions contained in Annex 3.

Yours sincerely



Jeffrey Mushens, Technical Director, TISA