

18th June 2015

Annuity Consultation
Insurance and UK Regulatory Authorities Team
HM Treasury
Horse Guards Road
SW1A 2HQ

Dear Sirs,

Response to Consultation Paper – Creating a secondary annuity market

Please find attached TISA's response to this important consultation paper.

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 welcomes the consultation into the creation of a secondary annuity market and is supportive of it in principle as a natural progression of the pension freedoms already introduced. We believe the instinct to trust people with their own money is a good one and are enthusiastic about working with all interested parties to ensure that the reforms work for customers, the industry and the wider national interest.

As you'll see from our response we are keen for these reforms to be available to as many consumers as possible and as such would recommend that they are introduced by way of a statutory override.

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This approach would prevent these specific reforms from exacerbating the growing consumer frustration of being unable to access the already introduced freedom and choice at retirement, where schemes have chosen not to allow them.

TISA also recommends that existing annuity providers should be able to 'buy back' annuities, that regulated advice should not be made mandatory and that the FSCS protection covering the annuity in the unlikely event of the insurer going into liquidation should remain in place for annuities that have been sold on.

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 faithfully,

Jeffrey Mushens
Technical Director