

20<sup>th</sup> October 2015

Pension Transfers and Exit Charges Consultation  
Consumer Issues Unit  
HM Treasury  
Horse Guards Road  
SW1A 2HQ

Dear Sirs,

**Response to Consultation Paper – Pension transfers and early exit charges**

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. The focus of our recommendations and actions is improved outcomes for consumers and UK plc with this approach leading to a stronger UK financial services industry.

TISA's growing membership comprises over 150 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 asset managers, insurance companies, fund managers, distributors, building societies, investment managers, third party administrators, consultants and advisers, software providers, financial advisers, pension providers, banks and stockbrokers.

Having a legacy of focusing predominantly within the tax incentivised products area, TISA has in recent years moved into the broader savings and investments world, extending our standing as trusted adviser over a much greater remit.

TISA has a successful track record in working cooperatively with government, regulators, HMT, DWP and HMRC to improve the performance of the industry and the outcomes for the public. Effective policy and regulation and the creation of efficient industry infrastructure continues to be the major focus for our members. TISA is unique in that it represents the entire financial services 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 improve industry performance and consumer outcomes, putting us in the unique position of being able to constantly challenge the status quo to bring about material improvement.

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## Summary of response

TISA has welcomed recent changes to both ISAs and pensions, giving people greater flexibility and control over their savings. It is now important to ensure that supporting legislation, regulation and structures are appropriate to enable individuals to maximize the benefits of those changes.

The question of exit charges is one of the main potential barriers. TISA would support a solution which would ensure any such charge is limited to recouping legitimate costs, not to subsidise future profits. A simple charge cap is not necessarily the answer.

The introduction of the new freedoms, together with new providers entering the pensions market, will inevitably result in increased transfer activity. Experience has shown that the most effective way to improve the speed and efficiency of transfers is the use of digital communication. Enabling an open, competitive market to provide suitable messaging systems is the most important development to ensure customers receive the best possible outcomes.

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,



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