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Leading on Investments and Savings

**TISA Response to:
Pensions cold calling-
consultation on regulations**

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About TISA

TISA is a unique, consumer focused membership organisation. Our aim is to improve the financial wellbeing of UK consumers by aligning the interests of people, the financial services industry and the UK economy. We achieve this by delivering innovative, evidence-based proposals to government, policy makers and regulators; the proposals provide practical solutions to major consumer issues.

TISA's growing membership comprises over 190 firms involved in the supply and distribution of savings and investment products and services. These members represent all sectors of the financial services industry, including the UK's major investment managers, retail banks, insurance companies, pension providers, distributors, building societies, wealth managers, third party administrators, FinTech, consultants and advisers, software providers, financial advisers, pension providers, banks and stockbrokers.

TISA's current strategic policy and industry solution developments include:

- **Guidance:** developing a framework to make guidance more widely available to the estimated 42 million UK citizens who will rely on it when making financial decisions
- **Digital ID:** development of a digital identity for consumers of financial services: following successful earlier feasibility work, a project with members has now been established to develop and test a pilot of the Digital ID.
- **Digitalisation:** building on the successful launch of TeX, TISA has initiated a range of member projects developing open standards that support the growth of FinTech and increase consumer access to financial services, while lowering costs for providers.
- **Financial education:** helping to make young people aware of the impact of finance on their life including the KickStart Money project – a £1million three-year programme delivering financial education to 18,000 primary school children.
- **Retirement saving:** strategic policy focused on the needs of millennials and the self-employed and the use of property to supplement retirement income.
- **ISAs:** working with government, the simplification/improvement of this key savings regime
- **The TISA and KPMG Savings Index:** a biannual measure of typical household savings and debt in Great Britain.
- **Consumer engagement:** alongside our financial education and guidance work, we are also considering how the industry can improve how they identify and interact with vulnerable customers, and encourage greater financial capability for UK consumers.

TISA also provides support on a range of operational and technical issues targeted at improving processes, standards of good practice and open standards, alongside the interpretation and implementation of new rules and regulations, including MiFID II (through publication of good practice guides and open standards, and an industry solution to the collection of target market data and costs & charges); Client Assets (publishing good practice guides and working on unbreakable term deposits; tackling financial crime, data standards, SM&CR and GDPR; and Brexit, by developing proposals for government that will enable the savings and investments sector to prosper on a global scale to the benefit of UK plc.

Our work to improve industry infrastructure includes TeX, (an industry utility providing the legal framework and governance necessary for the use of electronic messages facilitating transfers) alongside support for the Transfers & Re-registration Industry Group (TRIG) and support for the UK Fund Trading and Settlement initiative (FTS).

Summary

TISA welcomes the opportunity to provide a response to the HM Treasury's consultation on pension cold calling regulations.

With pension savers having lost an estimated £1 billion to pension scams, it is imperative that industry and government put in place a framework to increase public awareness and help schemes combat this abhorrent activity. We welcome the pensions cold calling regulations and whilst these will not eradicate pension scam activity, it is a significant step in the right direction.

The changing nature of scam activity does mean this is an area where we constantly need to maintain momentum and review activity to ensure that the regulations are meeting the required objectives.

Whilst the regulations themselves appear broad in nature and should be effective in meeting their required objective, it is imperative that public awareness is increased and details of the ban is communicated effectively through a variety of channels, with a particular view of ensuring those of retirement age are updated. With this in mind, an ongoing government public awareness campaign which ties into to the joint FCA/TPR campaign would help drive the message home ensuring not only coverage but also education and knowledge. A one-off campaign will only have a temporary impact for many and will be forgotten with the passing of time.

Given the money lost to scam activity and the devastating effects this has had on peoples' lives, the ban should be brought into effect at the earliest possible opportunity.

Question 1

Do you agree that the proposed regulations achieve the aim of restricting all unsolicited direct marketing calls in relation to pension, bar the exemptions outlined, without restricting legitimate non-marketing calls?

We broadly believe the proposals will serve the purpose they are designed for. The second exemption surrounding the recipient 'envisaging' receiving unsolicited calls seems a little tenuous. Could more clarification be provided here to confirm what sort of relationship elements would lead to a consumer envisaging that calls of this nature would be made. Otherwise, what one person may envisage is not necessarily what another will.

Question 2

Do you agree that the proposed regulations capture the wide range of activities through which people could be encouraged to use their pensions savings in order to invest in inappropriate or scam investments?

Yes, we agree that the regulations do capture the wide range of scam activities which we are currently in circulation.

It would be useful to consumers and industry alike if the ICO records genuine reported scam activity on its website.

Question 3

Do you agree that the proposed regulations are sufficiently flexible and future proofed to prevent the evolution of scam pensions cold calls that circumvent the ban?

It is essential that industry and government remain vigilant in this area and are able to adapt quickly and effectively to the any changes that become apparent in scam activity. The regulations themselves are fairly broad in content, however it may be necessary to seek future change through regulatory updates.

Question 4

Do you agree that the proposed regulations prevent 'workarounds'?

The regulations are broad enough in content to cover 'workarounds' which spring to mind. However, we know that scammers are clever and use sophisticated techniques to overcome barriers that are put in place. So it is essential that this is monitored to see if any successful 'workaround' approaches are adopted by scammers to mitigate these regulations.

Question 5

What will be the quantifiable impact of the ban on the legitimate business of firms which undertake pensions cold calling?

No comment