ISSUE 15 | MAY 2019

ENG@GE

Communicating with our members

tisa
Leading on Investments and Savings

Welcome

Welcome to Issue 15 of Engage, TISA's regular newsletter. Highlights include:

- TISA welcomes new Director of Engagement Ruth Moore, alongside a couple of other fresh faces.
- We launch an Open Savings & Investment (OSI) project and Taxation Technical Committee.
- The latest from our Digital ID and MiFID II Solution projects.
- Read our responses to CP19/5: Retirement Outcomes Review and the All-Party Parliamentary Group (APPG) on Financial Education for Young People's 'Children in Care and Financial Education' inquiry.
- TISA's Vulnerable Customers Group develop dyslexia and financial crime guides.
- Tom McPhail announced as Founding Chair of STAR Steering Group.
- Savings Index data reveals a worrying trend of UK homeowners carrying mortgage debt into retirement.
- TISA research suggests pension fund performance is a significant factor when it comes to saving for retirement, especially as the pension pot increases in size over time.
- As the ISA celebrates its 20-year anniversary, find out what we think can be done to streamline the ISA landscape.
- Find out about the exciting events taking place in the coming months – and how to bag your Annual Conference Early Bird discount!

We hope you enjoy the latest issue and welcome your feedback – feel free to contact us with your views at **engagement@tisa.uk.com**

Ruth Moore joins TISA Executive Team

TISA has recently boosted its Executive Team with the appointment of Ruth Moore as Director of Engagement with oversight of member relations, events & training and communications.

Ruth has over 14 years' experience in similar roles in the commercial environment and most latterly, with leading financial services associations, including the BBA (now UK Finance) and the Investment Association.

David Dalton-Brown, TISA Director General said:

"TISA is going from strength to strength. We have an increasing number of organisations involved in our projects and committees, our growing membership is now in excess of 200 firms and our scope of activity encompasses consumer financial wellbeing, infrastructure improvements, regulatory interpretation and digital innovations. I'm therefore delighted to welcome Ruth Moore to our team. Ruth brings considerable experience in building member relationships and will help us to ensure that our members are engaged in the areas that matter to them, are better informed on our technical and strategic policy development and benefit from enhanced support, events and other relevant services".

Ruth Moore commented:

"TISA is well known as a uniquely positioned and highly impactful membership organisation, driving change across the financial services sector. Given the exciting scale of ambition, I'm very much looking forward to working with my new colleagues, TISA members and industry stakeholders in making a real difference for the industry and the consumers it benefits."

Ruth is looking forward to meeting TISA members over the coming months through a series of meetings and events. In the meantime her email address is **Ruth.moore@tisa.uk.com** and she would welcome hearing any thoughts or suggestions you may have.

We've also recently welcomed Karen Walker, previously Director of Client Service Management with SS&C (IFDS), as a Secretariat, Alice Mannering as our new Events Manager and Andrea Linton-Lennon as our new Administration Assistant.

Project update

TISA OSI Project aims to give consumers control of their savings and investments data

TISA has initiated its project to develop an Open Savings & Investment solution to enable UK consumers to more easily control their key holdings and valuation data. The project will focus on non-banking product sets to ensure an alignment with the aims of Open Banking and achieve the greatest benefit for consumers.

13 major financial services firms from TISA's membership have elected to sit on a Governance Steering Committee which will oversee the project. Open Savings & Investment (OSI) is expected to be a fundamental building block for the digitisation of the market.

The project's vision is to create a common set of open standards for supporting APIs (Application Programming Interfaces) capable of interfacing with legacy and current systems, together with the necessary supporting infrastructure and governance. This would then enable the UK's investment managers, wealth managers, transfer agencies, platforms, pension providers, ISA providers, distributors, and Fintech companies to release their data in a secure, standardised form so that it can be shared more easily between authorised organisations online and deliver a range of digitally enabled benefits to the consumer.

Commenting on the project launch, David Dalton-Brown, TISA Director General said:

"OSI will deliver real benefits to both the consumer and industry. It will help people to make more of their savings and investments by putting them in control of their data, providing easy to understand information at the time they need it, stimulating active engagement, driving competition and allowing access to innovative solutions that are designed and priced for the digital market.

"Product providers, distributors, wealth managers, online platforms and Fintech businesses will also gain from OSI, with opportunities to build innovative, digital, mobile and data driven services, whilst benefitting from reduced administration and development costs and the ability to future proof their business as the digital marketplace continues to evolve."

The scope of the project covers all consumer savings and investments including, but not limited to ISAs, pensions, bonds, general investment accounts, insurance products and any other non-banking assets.

Tony Gillett, Director, Emerging Capabilities at Morningstar added:

"The OSI project puts the interests of individual investors first, placing them in the driving seat of data which is rightfully theirs. Simultaneously, it offers the industry the opportunity to maximise efficiency and focus on innovation."

Initially the project will be formed with five major workstreams focused on:

1. Identification of the key consumer and provider priorities and confirmation of the project scope.
2. Development of the Open Standards and associated API specifications through a stocktake of existing, relevant standards mapped against the scope and requirements.
3. Assessment of Technical Architecture required to support the APIs.
4. Project governance including enrolment, conformance, certification, maintenance, regulatory and legal compliance.
5. Formation of a business case and delivery plan.

TISA's decision to initiate the project follows representations from members representing 90 firms across UK financial services at an open meeting held last September. The project will follow a similar approach to the one TISA has used to successfully deliver TeX and develop its MiFID II Industry project and Digital ID for consumers of financial services project.

The firms participating in the project include: ATOS, Bravura Solutions, Fidelity, FNZ , GBST, Hargreaves Lansdown, Morningstar, Northern Trust, Pershing, RBS/Coutts, Schroders, SS&C DST.

Digital ID

In January we reported that the Digital ID project had moved into the pilot testing phase to understand consumer reactions to creating a Digital ID. The project is initially focused on the identity verification requirements of three key products: opening a current account with an overdraft, taking out an ISA and setting up a pension. Further products and target audiences (such as vulnerable customers) are planned for later stages of the project.

Our vision is to create a portable assured single Digital ID that meets all relevant KYC and AML regulatory requirements and that provides consumers with a single, secure ID allowing them to interact with financial services. This would also support the development of Fintech services and initiatives like the Pensions Dashboard.

The project team has delivered a prototype that has been tested with consumers and a set of draft standards, which involved inputs from the Government Digital Service, HM Treasury and the FCA and others to ensure the standards will be interoperable with existing schemes (such as Verify). TISA is keen to share these standards with members and get their feedback.

The project team has also developed an outline of a trust framework, which includes the required policies and rules, proposed liability and commercial models and the outline governance structure required to manage the standards and the scheme rules on an ongoing basis. The next priority is to develop the detailed policies and Governance Body for the future.

The proposed technical approach and outline architecture has been delivered, along with the draft functional requirements; this is being co-developed with identity technical vendors. The project team has built an outline business case that includes the proposed benefits, costs for development and the commercial model for the scheme.

The project team is keen to share its findings and is organising an open event for TISA members on 13th June 2019, so please head to our **website** to register attendance to the event.

MiFID II Solution

As reported in the last issue of engage, Stage 1 of our project to deliver a MiFID II solution was successfully completed in December, with the delivery of agreed open standards for Downstream (EMT) and Upstream (EFT) reporting, alongside a standard ETF template and guide, and a successful Hackathon to assess an open standards based blockchain solution.

Following this, Stage 2 of the project commenced with TISA hosting an open meeting with over 50 attendees where governance for agreed standards were discussed and agreed, and attendees discussed the merits of various options for an industry solution.

The Governance Steering Committee met in May to begin development on the business case for the selection of suitable technical solutions, in parallel with the agreement of a governance structure. The Steering Committee are collating the input from the day, and we hope to be in a position to update our members very soon on the next steps. Firms interested in becoming a participant in this project should contact Jeffrey Mushens for more detail **jeffrey.mushens@tisa.uk.com**

Strategic Policy update

Children's financial education remains high on the agenda

In January, the Children's Financial Education Policy Council responded to the All-Party Parliamentary Group (APPG) on Financial Education for Young People's 'Children in Care and Financial Education' inquiry.

TISA is extremely supportive of this inquiry and believe improving financial knowledge and understanding at every stage of life is vital. To this end, our strong opinion is that financial education must begin at a young age. The evidence highlights that the delivery of effective financial education during childhood is of great benefit and enables later guidance and advice to be more effective. On this topic, TISA is continuing to work with the Financial Conduct Authority (FCA) and the Money and Pensions Service (MAPS, previously SFGB).

TISA believe that the government can help by placing effective financial education on the National Curriculum for all ages. To help proceed with this desire, TISA facilitated a collaboration of industry firms who have come together to form KickStart Money. This initiative is currently delivering financial education interventions to more than 18,000 primary school children over a three year period. TISA also established the Children's Financial Education Policy Council involving representatives from a wide range of financial organisations and other interested parties. The council will identify more ways our industry can extend the excellent work already underway. This submission has been informed by the expertise and experience of the members of this council.

The council have made the APPG aware of their desire to work with them on Financial Education for Young People to ensure that all children are equipped with the necessary skills and knowledge for every stage of their life. Our COO Carol Knight also appeared before the APPG on 25th March 2019 to reiterate our key aims in this area and eagerness to work collaboratively with them on solutions, which can be read in our full submission to the APPG **here**.

Elsewhere, Carol Knight was interviewed on Radio 4 Money Box on 2nd February 2019 discussing the estimated 1 million Child Trust Funds currently 'lost' and how UK financial services can help to make children aware that they may have a CTF. You can listen to the interview on our **YouTube channel**.

Lastly, earlier this year, TISA were happy to hear of the announcement in the Spring Statement that there was to be a consultation to ensure that CTF accounts retain their tax-free status after maturity. We have been working with both FCA and HMRC on the CTF maturity in advance of the consultation to help smooth its path. TISA's view is that, at this point the young person is fully responsible for their CTF and we believe it is important that the funds remain protected at maturity until a decision, hopefully to continue investing into an adult ISA, is made. This is a significant time for young people and represents a unique opportunity to reinforce the savings habit and so help them to enjoy a more financially aware future. Whilst there are a number of operational hurdles for government and providers to overcome, TISA looks forward to reviewing the consultation with our members to enable us to provide a workable response. Our CTF Q&A doc is available **online**.

Vulnerable Customers Group develop dyslexia and financial crime guides

Last month our Vulnerable Customers Working Group published a dyslexia and dyscalculia help-sheet to assist financial firms in their understanding and improve the service provided to customers with vulnerabilities.

Dyslexia affects 10% of the population and dyscalculia 6%; the impact is different for each individual. TISA has worked with the British Dyslexia Association to produce a help-sheet that aims to provide information and practical tips in a concise format that firms can easily deploy.

Charles McCready, TISA Strategic Policy Director commented:

"Following TISA's conference on customer vulnerability last year we have seen more members wanting to join our working group to learn from other firm's experiences, share best practice and participate in our work. There is also an appetite from charitable organisations dealing with different vulnerabilities to work with us and we are delighted to partner with the British Dyslexia Association with this first help-sheet.

"Consumer vulnerability is now very much on the agenda for financial services. The FCA is expected to issue guidance on this later in the year so firms need to be taking steps now to improve the support they provide for people with vulnerabilities."

Helen Boden, Chief Executive Officer at the British Dyslexia Association added:

"It's great that TISA is taking the lead in helping financial services address the issue of dyslexia and dyscalculia. Difficulties with literacy or learning arithmetical facts poses significant money management issues for people, so it's really important that firms recognise the signs and follow the often simple steps to mitigate the effects. I'm really encouraged by this commitment from TISA and its members to equality and inclusivity."

Anthony Scammell, Chair of TISA's Vulnerable Customers Working Group and UK Platform Operations Director at Old Mutual Wealth commented:

"Consumer vulnerability is a complex area and I am heartened by the interest in our working group which indicates a desire by firms to 'get this right'. A priority is to ensure front-line staff are aware of the signs and the often straightforward steps they can take that will make a positive difference to the customer. Our help-sheets will be designed with this in mind and will hopefully stimulate broader discussion about how we can do even better."

TISA also recently published guides to help firms address issues around vulnerable customers and **financial crime** and with the administration of **Powers of Attorney**. Following the briefing to it by the British Dyslexia Association, TISA's Vulnerable Customers Working Group will be inviting other charitable organisations to participate and aims to produce a range of help-sheets for firms to use.

The help-sheet can be downloaded here: **DyslexiaHelpSheet.pdf**

Tom McPhail announced as Founding Chair of STAR Steering Group

In February we announced Tom McPhail, Head of Policy at Hargreaves Lansdown, as the Founding Chair of the STAR Steering Group.

The steering group will have members selected by participants of STAR. It will set the priorities and oversee the operational delivery of underlying working groups. These will be tasked with creating and maintaining service level agreements (SLAs) to be adopted by the industry to effect smoother transfers for consumers across the pensions and investments industry.

The announcement was made at a seminar attended by over 90 industry representatives gathered to hear more about STAR and how they could become involved in the initiative, a joint venture between Criterion and TeX established to help bring the industry together to address the inconsistencies in transfer times for pensions and investments.

Explaining why he and Hargreaves Lansdown had committed to STAR, McPhail said: "Government and regulators have set a clear challenge to the industry: fix this for the benefit of your customers or we'll impose regulations on you. Like many other companies, Hargreaves Lansdown is working hard to improve our processes and to go the extra mile for our customers. But the problem only really gets fixed if everyone works together to a set of common standards. We've signed up to this initiative because we know that in end, the cost of doing this will be more than off-set by the savings we'll make from faster, simpler administration and because we can't expect others to sign up if we're not prepared to put our money where our mouth is."

Caroline Mansley, MD of Criterion, said STAR was delighted that Tom McPhail had agreed to be chair. "Tom chaired TRIG for two years so knows the issues inside and out. Also, it is important that we have an independent chair who can lead the Steering Group in this important work for the industry."

Mansley said senior members of the STAR team would attend the independent steering group and the FCA, IPR and DWP, as well as consumer groups, would be invited to observe its work.

Carol Knight, Director of TeX, said STAR's remit was to define industry-wide SLAs and promote best practice transfers, thereby improving processes and speed of transfers across the industry. "It's about driving forward a set of agreements to optimise the consumer experience."

Knight stressed STAR was not about how companies improved their transfer performance. Individual companies were in the driving seat in that respect she said. STAR is about meeting industry targets and evidencing better performance.

"Joining STAR is about your commitment to working together as an industry to improve transfers for the consumer. This is your opportunity to step up to the mark and become part of the conversation."

Mansley said that 14 organisations had committed in principle to supporting STAR prior to the event. "I see this as a snowball which now is rolling and will quickly grow momentum and create impetus across the industry. This is not an issue that is going away. It is one firmly within the immediate focus of government and the regulator."

Mansley added STAR had estimated there are over 400 processes that would require defining in respect of SLAs and a first task would be to identify where there were overlaps. "We will be identifying the processes that are different and leveraging what is common," she said.

STAR has now reached its target of 30 firms indicating an intention to join with representation across the breadth of the industry. We anticipate that joining forms will be available shortly.

"All aspects of the industry will be represented and participation will be essential," Mansley said.

TISA KPMG Savings Index data reveals UK homeowners carrying mortgage debt into retirement

The TISA & KPMG Savings Index reveals the typical UK homeowner is still paying off their mortgage past the age of 75. According to the Savings Index, last year UK homeowners aged 64-75 owed around £11,400 on their mortgage, with those over 75 still paying off debts of £3,200.

The TISA & KPMG Savings Index provides a snapshot of total savings held by typical British households which is updated on a six-monthly basis.

Commenting on the data, Renny Biggins, Retirement Policy Manager at TISA said: "Home ownership typically has the most significant impact on people's overall wealth and financial resilience, with the Savings Index indicating a positive correlation between home ownership and savings habits.

"However, it's clear that the long-held assumption that your mortgage would be paid off once you reached retirement is no longer a sure thing. Though mortgage debt is still reducing with age cohorts, UK households are having to rely on pension wealth and other assets to pay off their mortgages during retirement."

The Savings Index also reveals that the way we pay off these debts is changing. Despite 55-64 year old homeowners owing £36,500 in mortgage payments, less than 40% of their total undrawn pension wealth is made up of defined benefits. The number of defined benefit schemes available, which tend to provide more generous levels of retirement income, continues to decline for younger private sector workers.

Renny Biggins added: "We've seen a real shift in pension provision over the last few decades, with the private sector moving towards defined contribution schemes and people failing or unable to save appropriate amounts via other long-term saving vehicles. We are also now seeing consumers take out mortgages at a later age and for a longer term, as it takes longer to save for a deposit and it's harder to afford repayments over the traditional 25 year term. The fact is many people about to enter retirement still have a sizeable chunk of their mortgage left to pay. Although auto-enrolment is a positive step forward, it remains a challenge for people in the UK to build up sufficient retirement savings."

You can find out more about Savings Index at a free Breakfast Seminar we are hosting at **The Shard on 11th June 2019**.

TISA research points towards choosing the right default fund could have the same impact as doubling pension contributions

- New TISA research reveals a 1% increase in pension fund performance is equivalent to a 3% increase in contributions over a 50-year period
- Stripping out employer contributions, this equates to almost doubling the minimum net amount an individual contributes
- Majority of employees are invested in 'default funds' which offer hugely varying levels of returns, ranging from 3.1% to 11.8%

Charles McCready, TISA Strategic Policy Director and Renny Biggins, TISA Retirement Policy Manager have been working with a group of leading retirement experts to consider how to help consumers create pension pots that will deliver a meaningful income when they stop working. New TISA research suggests pension fund performance is a significant factor when it comes to saving for retirement, especially as the pension pot increases in size over time. A 1% increase in investment fund performance is equivalent to a 3% increase in contributions over a 50-year period. When you strip out the employer contribution, with minimum auto enrolment net employee contributions at 4%, this is equivalent to an individual almost doubling the minimum net amount they currently contribute.

The research also suggests that employees have significant potential to increase the long term size of their pot depending on what pension scheme and default fund their employer chooses. Where schemes offer more flexibility, greater choice can also be made available to the saver. Ninety five percent of members of defined contribution schemes are invested in the scheme's default strategy which can vary hugely when it comes to performance. Over the last three years, ten of the largest pension providers' default funds delivered returns ranging from 3.1% to 11.8%, which would have had an enormous impact of the value of savers' pension pots.

To illustrate the impact of a performance uplift in monetary terms, if someone on a £20,000 salary invested in a pension fund with an annual growth rate of 3.1%, their fund would be valued at £94,800 after 50 years. Comparatively, if someone on the same salary invested in a pension scheme with an 11.8% annual growth rate, their fund would be valued at £1,461,400 over the same time period.

When it comes to choosing a pension scheme for employees, employers and financial advisers often focus on cost rather than other factors such as potential fund performance. Costs are transparent and comparable making savings easy to identify. Whilst a more sophisticated fund design doesn't guarantee higher returns, the possible returns based on up to date modelling techniques should be factored into the decision making process to increase the likelihood of enhanced retirement outcomes for employees.

Even a marginally better performing fund can make a huge difference to someone's retirement savings, and it doesn't have to come at a significantly greater cost. Most larger pension providers have enough headroom to change the makeup of their default funds without breaching the government's default fund charge cap of 0.75%.

Though mandatory contributions have gone a long way in helping people plan for their retirement – and TISA would like to see contributions increase further to 12% and possibly beyond through a phased strategic approach – contribution levels are only one half of the picture. Paying closer attention to the performance of scheme default funds is an essential part of ensuring employees are properly prepared for retirement. Additionally, if the aim of Auto Enrolment is to achieve appropriate financial resilience for employees and their families in retirement, it is unlikely to be achieved through contribution increases alone, which can be burdensome for smaller businesses and unaffordable for individuals.

Given the impact that investment performance has on the fund value over the longer-term and the discrepancy that exists between default propositions, TISA believes there needs to be more focus placed in this area and would like to see providers, employers and financial advisers adopt a more holistic approach when selecting a default fund. Transparency of scheme default fund performance is key and whilst costs and charges are of course an important factor, the market is creating additional constraints over and above the charge cap with an over-emphasis placed on cost in isolation.

TISA responds to CP19/5: Retirement Outcomes Review

In our response to the FCA's CP19/5 'Retirement Outcomes Review – Investment pathways and other proposed changes to rules and guidance' we confirmed broad support for their proposals and believe these have the potential to help create better outcomes for consumers who enter Drawdown on a non-advised basis.

There are, however, various challenges that these proposals create and possibly some unintended consequences for consumers which need to be reviewed and clarified. For example, our view is that the application of the pathway process needs to be carefully considered for SIPP investors as they will not always be appropriate. We also believe that where a firm has an obligation to provide an investment pathway, they should provide a solution for all 4 objectives to ensure consumers do not have difficulty in finding an alternative provider to meet their pathway objective.

We also highlighted the importance of consistency and simplicity. These are principles which have a significant impact and the power to help consumers understand cross-provider communications, enable comparisons to be undertaken on a 'like for like basis' and may lead to higher levels of engagement and subsequent take-up of guidance or regulated advice.

Given the current pensions landscape, we are cognisant of the importance that a joint FCA/TPR strategic approach can provide. TISA's view is that all change should be approached on this joint basis to ensure that consumers of all DC pension schemes are afforded the same levels of protection and have the same opportunities to enhance their retirement outcomes. This will also help industry implement change where their propositions span across both regulatory jurisdictions.

Considering the regulatory changes that firms are currently having to (and potentially implement) in the coming months, we feel that a 12-month lead time seems ambitious. Firms will need to review and re-engineer their entire client journeys and it is crucial that sufficient time can be given to ensure that solutions lead to optimal consumer outcomes. We have suggested that April 2021 would provide those extra few months to allow industry the time to validate research and help ensure robust processes are in place. You can read our full response **here**.

TISA is hosting a couple of retirement seminars in the coming months. Our Spring Retirement Seminar takes place on 23rd May 2019, chaired by Tom McPhail and examining the impact of the many key initiatives coming up for the pensions landscape in 2019. Additionally, our highly popular Retirement Roundtable Discussion returns on 20th June 2019, available exclusively to TISA members only, providing our member firms with the opportunity to engage with their peers to ensure that they are up to date with developing technical and policy areas. You can find out more about these, and our full programme of events, on page 8.

TISA launches a new Taxation Committee

The UK's tax regime in relation to savings, investments and pensions products is ever more complex and subject to constant change. TISA is in a strong position to advise HM Treasury, HMRC and their advisers on how proposed changes to tax law will affect the consumer and the industry, and warn of potential unintended consequences. TISA is also in a strong position to monitor the effect of implemented new tax law and advise HM Treasury and HMRC accordingly.

We have therefore brought together a new Taxation Committee to bring together experts whose objective will be to:

1. Act as a centre of expertise in relation to how the UK's tax regime impacts upon the savings, pensions and investment industry, and in particular how it impacts upon the consumer.
2. Monitor and understand any proposed changes to relevant tax law and the likely effects of those changes, seeking clarification where necessary from HMRC.
3. Consult with the industry to understand how proposed changes are most likely to play out in terms of driving consumer behaviour and the impact on the industry, and how the industry is most likely to react.
4. Share its conclusions and comments with HMRC, and where appropriate recommend changes to existing law, or amendments to proposed changes, that might better achieve the Chancellor's political aims.
5. Consult with member firms on proposed changes to the tax regime and how best to prepare for the changes in terms of marketing, product design or operational processes.

The Committee is currently being supported by Aberdeen Standard Fund Managers Limited, CMS Cameron McKenna Nabarro Olswang LLP, DST, JPMorgan Asset Management, Northern Trust, PricewaterhouseCoopers, Secure Trust Bank Plc, State Street and Raymond James Investment Services Limited.

New members are very welcome! Please contact **andy.gordon@tisa.uk.com** if you would like to find out more, or get involved.

We need some space

As TISA's remit and scope continues to evolve and expand, we find ourselves requiring a regular meeting space in the City where we can hold our many and various member meetings. We need a room to hold c20 people, with access to refreshments and wifi availability, but we do not want full office facilities i.e. no desks, printers, phones etc. Just tables and chairs. Preferably we would like a room which is available Tues-Thurs as a minimum, and we will pay! If your firm can help to accommodate us, please do get in touch with us at **engagement@tisa.uk**

TISA welcomes 20 year ISA anniversary, but calls for overhaul of ISA landscape

As the ISA celebrates its 20-year anniversary, TISA is calling for the streamlining of the ISA landscape to ensure consumers can take full advantage of the benefits.

As part of its ISA simplification proposals, TISA is recommending the removal of the current restriction on the number of ISAs consumers can open each year, to give people greater freedom to choose where to put their money.

Carol Knight, Chief Operating Officer at TISA, comments:

"With around one in five UK savers holding an ISA*, clearly they are an important part of the savers landscape – arguably the most important one. As a tax-free saving option, ISAs are still the perfect option for people who are trying to save. But to ensure the ISA remains in this position, we need to have a fundamental rethink about how the current landscape is set up and the choices available to consumers.

"Since 2014, we've seen the introduction of ostensibly greater consumer freedom, with the emergence of a number of new types of ISA. But in some ways this has provided people with a false sense of choice, as customers are still only able to subscribe to one ISA of each type in any tax year. We would like to see this policy change, so that savers can subscribe up to the full annual limit across any number of ISAs each year, moving their money around without coming up against unnecessary barriers.

"These changes would result in people having significantly more freedom around how they save and should also help to lessen confusion over which option is best for them. With enhanced skills and confidence around how to manage their money, consumers would then be in a far better position when it comes to saving for their long or short term needs."

In celebration of the 20th Anniversary of the ISA this year we are delighted to be running a seminar on 17th July 2019 to mark this milestone, focusing on how the ISA landscape has changed over the past 2 decades, highlighting some of our work and policy position in this arena, delivered through a series of topical and informative presentations from leading industry experts. Find out more about this **free event**.

*Based on HRMC statistics on subscriptions to ISAs in 2017/18 and number of adults living in the UK (FCA).

Updated MiFID II Costs & Charges guide

In February we published an updated version of our essential MiFID II approach to implementation guide for Costs & Charges.

Produced to assist Asset Management and Distribution firms, the guide sets out a comprehensive, industry wide approach to the practical aspects of implementing the Costs and Charges provisions, including suggested templates.

This new version includes (in section 10) guidance to address an area of much considered thought by the industry by helping to clarify the standards and methodologies when completing the ex post section of the EMT, and guidance on ex post cumulative effect of charges on returns (in section 6.5).

Commenting on the updated guide, Jeffrey Mushens, TISA's Technical Policy Director said:

"Costs and Charges are one of the most difficult technical challenges for firms to overcome. But it is imperative to get it right if firms are to meet their regulatory obligations and perhaps even more importantly, provide consumers with clear and simple information, presented in a consistent manner.

"Each firm will have its own distinct characteristics and so there can be no 'one-size fits all' solution. This guide has therefore been designed to allow firms to modify their approach, while keeping to a common industry wide approach."

The scope of TISA's guide covers:

- References to relevant sections of MiFID II legislative documents.
- Examples of Ex-Ante and Ex-Post calculation methodologies.
- Suggested templates for Ex-Ante and Ex-Post disclosure reports to clients.
- Suggestions on timing for disclosures of Ex-Ante and Ex-Post reports to clients.
- Reference to the EWG MiFID II template Version 1.0 (EMT) Excel document used for distributing financial instrument data from the product manufacturers to the Distributors.

Costs & Charges is one of a range of guides available from TISA's **MiFID II Resource Hub**: Other guides include Product Governance – Distributor Reporting, Appropriateness – guide to implementation and the MiFID II Feedback Template.

Contact us

Should you have comments or questions about any of the topics covered in this issue, **please contact engagement@tisa.uk.com**

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www.tisa.uk.com

ENG@GE

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Don't miss our Annual Conference Early Bird Discount!

Etc. venues, 200 Aldersgate, EC1A 4HD

3rd December 2019

The UK faces uncertain times as the full ramifications of Brexit on the economy and society start to be felt. Financial wellbeing will be centre stage. TISA's 2019 Annual Conference will examine the key factors if we are to deliver a financially inclusive society.

Our line-up of leading speakers will assess the political priorities; investigate the growing influence of digitalisation; explore the importance of financial guidance; analyse the future economic landscape and consider the role of industry to give delegates an invaluable insight into the business-critical issue of how to best meet the financial needs of people in 2020 and beyond.

We are pleased to welcome back the renowned writer and broadcaster Louise Cooper as our Conference Chair. A respected contributor on business economics and finance, Louise regularly presents the BBC's Wake Up To Money and Money Box Live.

Details of our exciting line-up of keynote speakers and panellists will be revealed over the coming months.

We will also be providing an update on the latest developments in TISA's work on regulatory implementation and technical/infrastructure improvements in a dedicated TISA Information Zone session open to all delegates.

Alongside the presentations there will be plenty of opportunities to make new connections and to network in our conference exhibition and during the refreshments, lunch and close of conference drinks reception.

We're offering an Early Bird registration fee until 30th June 2019 – TISA members pay £250 versus the usual £330 cost, and non-TISA members pay the reduced cost of £399 versus the normal fee of £480. More than 300 senior industry executives and influencers attended the 2018 conference. Make sure you book your place for this year's Conference.

BOOK NOW

Seminars & Training

Future of Platforms following the Platform Review
Tuesday 21st May 2019

2019: A defining year for the UK pensions landscape
Thursday 23rd May 2019

Regulatory Summit – Taking Stock
Thursday 6th June 2019

Savings Index Breakfast Seminar
Tuesday 11th June 2019

Financial Crime Workshop
Thursday 13th June 2019

Digital ID Member Event
Thursday 13th June 2019

Retirement Roundtable Discussion
Thursday 20th June 2019

TISA Seminar – Implementing SM&CR Conduct Rules
Thursday 20th June 2019

TISA Workshop – Implementing SM&CR Conduct Rules
Thursday 20th June 2019

How shared industry digital platforms and utilities deliver transformational benefits for your business and clients
Monday 24th June 2019

ISA 20 Year Event
Wednesday 17th July 2019

SM&CR Workshop – Practical Implementation of the Senior Managers Regime
Thursday 25th July 2019

MiFID II Costs & Charges Workshop
Wednesday 4th September 2019

Transaction Reporting Workshop
Wednesday 18th September 2019

Save the Date!

TISA AGM & Discussion Forum
Wednesday 23rd October 2019