

Pensions Strategy

Joint FCA/TPR stakeholder event

Pensions Strategy

Welcome

Agenda

- Welcome and introduction
- Keynote speeches
- Looking at our remits: overview and breakouts
- - *Break* -
- Looking at our remits: feedback
- Areas of focus: overview, breakouts and feedback
- Closing remarks

The Pensions
Regulator



Keynote

The Pensions
Regulator



Keynote

Looking at our remits

Overview

Overview

- We ensure the pensions and retirement income sector meets standards
- Our remits are distinct and complementary
- We work with other public bodies
- We prioritise resource according to risk

Our remits are distinct and complementary

The Pensions Regulator

- Set up to protect members benefits, promote good administration, reduce calls on the PPF, and maximise employer compliance with AE
- Regulate workplace pensions and employer compliance with automatic enrolment duties

- Set up to protect consumers, ensure financial markets operate well, and promote competition
- Regulate pensions accessed directly by individuals and providers of related products (such as annuities) and services (such as investment advice)



Our remits intersect to protect member outcomes as they save

Accumulation phase

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Automatic-enrolment, payment of contributions to all schemes, workplace scheme governance & funding



Individual/SME financial advice, authorisation of contract-based scheme providers and products as well as financial providers and services that support all pension schemes, for example asset managers

Decumulation

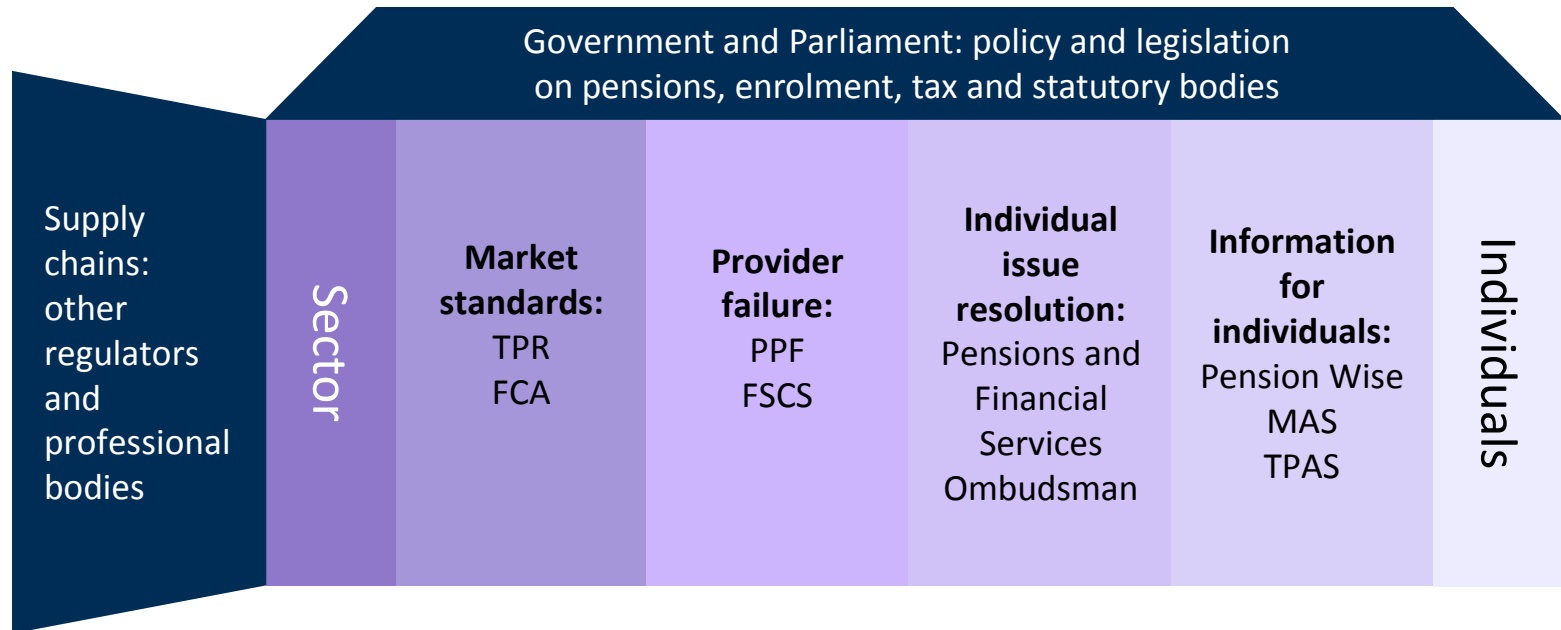
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Information on options and advice, disclosure and consultation from schemes to members



Financial advice to members, regulation of annuities and draw-down products.

We are part of a framework that supports individuals in saving for adequate retirement income



Our remits

Question 1

- TPR and FCA remits intersect in some areas. Do you see this working effectively? Where could it be improved?
- Are there areas where our remits could be further clarified?

Looking at our remits

Breakouts

Pensions Strategy

Break

Looking at our remits

Feedback

Areas of focus overview

Overview

Overarching harm

People not having adequate income, or the level of income they expected, in retirement.



- Getting saving off to a good start: access to pensions
- Making sure pensions are well run and funded: effective governance and secure funding
- Making sure pension savings are safe
- Making sure pensions offer good value for money
- Supporting good choices and outcomes for consumers and members

Overarching harm

Question 2

- Do you agree that the areas we've identified are the right ones?
- If not, which themes would you add or remove from our list?
- In which areas could the FCA and TPR singly or jointly have the most impact?

Getting savings off to a good start

- Encouraging and facilitating growth in consumer participation in pensions
- Ensuring schemes and employers abide by their AE duties
- Robust regulatory framework supporting confidence and participation
- Master trusts are an area where we have a joined-up approach

Getting savings off to a good start

Question 3

- Given our regulatory remits, what more, if anything, should the FCA and TPR do to support people as they start to save in a pension?

Well-run and funded pensions

All pension vehicles should have effective governance processes to ensure that members' money is safe and well-managed

TPR

- 21st century trustee campaign
- Chair's statement rules
- DB funding rules

FCA

- Independent Governance Committee rules
- Senior Managers and Certification Regime (SM&CR)

Well-run and funded pensions

Question 4

- Is there more scope for TPR/FCA working, either singly or jointly, in this area?
- To what extent should the emphasis be on collaboration with a wider group of bodies to improve advice and services supplied to schemes (e.g. administrators, investment consultants)?

Safe pension savings

- Apart from investment risk, savers should know their pensions are safe and in good hands
- We are committed to preventing and stopping pension fraud – we work jointly and with others
- We aim to ensure that regulated firms and schemes protect the money they hold and comply with data protection laws

Safe pension savings

Question 5

- How can pension providers and schemes, employers and other firms in the sector improve the security of the money and data they hold?
- What role is there for FCA and TPR in further driving up standards?

Good value for money

Our work includes ensuring existing controls on charges are adhered to and that IGCs' and trustees' responsibilities for value for money are understood

TPR

- Trustee compliance with codes and legislation on value for members, investment governance and charges

FCA

- FCA and DWP joint review on workplace pensions
- Competition initiatives e.g. Asset Management Market Study

Value for money pensions

Question 6

- Are there any further opportunities for FCA and TPR to support the delivery of value for money, either singly or together?

Good choices and outcomes

- Pension savers need to be supported by appropriate advice or information
- This will mitigate poor outcomes at retirement from inappropriate decisions or a failure to make a decision
- FCA focus on supporting consumers at retirement e.g. as part of the Retirement Outcomes Review and DB to DC transfers
- Scope for joint FCA and TPR work to further support decision-making at retirement, particularly where individuals are vulnerable to making poor decisions

Good choices and outcomes

Question 7

- How can FCA and TPR work, singly or together, to ensure that information and advice helps people make appropriate decisions?
- When are people most vulnerable to taking poor decisions?

Emerging risks and opportunities

Macro-trends driving change

- Macro economy (e.g. low interest rates)
- Changing demographics
- Increasingly stretched household finances
- Opportunities and threats from technology
- Labour market changes



Implications

- Resilience and adaptability
- Long-term planning and stress testing
- Constrained or uneven economic growth
- Propensity to save (micro-level)
- Confidence in saving may be dented by greater market volatility and fluctuations in asset values

Emerging risks and opportunities

Question 8

- Do you believe that the macro trends that we have identified are those most likely to drive change across the pensions and retirement sector?
- If not, what are the trends that matter?
- Which trends should be the highest priority for TPR and FCA?
- How will those trends (and any other drivers of future risks and opportunities) affect the areas we have identified?

Areas of Focus

Breakouts

Table 1: Getting saving off to a good start: access to pensions

Table 2: Making sure pensions are well run and funded

Table 3: Making sure pension savings are safe

Table 4: Making sure pensions offer good value for money

Table 5: Supporting good choices and outcomes for consumers and members

Table 6: Drivers of emerging risks and opportunities

Table 7: Drivers of emerging risks and opportunities

Table 8: Areas of focus

Areas of focus

Feedback

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Feedback

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Table 8: Areas of focus

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Closing remarks



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