



House of Commons
Work and Pensions Committee

**Pension freedom
guidance and advice**

First Report of Session 2015–16

*Report, together with formal minutes relating
to the report*

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The Work and Pensions Committee

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Summary

Reforms introduced in April 2015 gave people aged 55 and over greater freedom to choose how and when to access their defined contribution pensions. Where previously most people were required to purchase an annuity, they now have access to a range of potential options regardless of circumstances. These include drawing down income from a fund that remains invested or taking a pension as cash. The Government also established Pension Wise, a free guidance service, to support people in making these complex decisions. Support is also available from other free sources, pension providers and independent financial advisers. However, we heard concerns that the range of support on offer leaves gaps, particularly in the affordable middle ground between free general guidance and expensive independent advice.

Statistics

There is a shortage of information about the use being made of pension freedom. This makes assessing the progress of the reforms very difficult. We had particular concerns about the near complete lack of data about Pension Wise and the absence of a research programme tracking consumer outcomes. We recommend that these omissions are addressed with urgency.

Scams

Pension freedom gives many more people ready access to what are in many cases are large pension pots. This increases the potential for scamming. The Government and regulators have rightly focused on consumer awareness in mitigating this risk. However, we think they could do more and recommend greater anti-scam publicity and stricter reporting requirements for pension providers.

Pension Wise and a pensions dashboard

Despite the dearth of Pension Wise statistics, it is apparent that take-up of its services has been lower than many anticipated. We recommend stronger signposting by pension providers. We also recommend Pension Wise gives more personalised guidance incorporating an enquirer's wider financial circumstances. We had particular concerns about the static Pension Wise website and recommend it is improved to enable more interaction, including through income calculators and illustrative examples tailored to individual circumstances. Pension freedom also adds to the already strong case for a pensions dashboard, which would allow people to see all their pensions savings in one place. We urge the Government to maintain the current momentum behind the proposal by coming forward soon with a timetable for its introduction.

Advice gaps and regulation

Pension freedom is not yet operating entirely as it should. While we heard impressive evidence of how the advice and product markets were responding to fill gaps, a lack of regulatory clarity is endangering pension savers. We call for clarification of the distinction between guidance and advice; the definitions of safeguarded benefits; and

protections in providing advice to insistent clients. We also expect to see a reduction in the use of jargon and complex pricing structures.

A watching brief

Pension freedom has yet to settle down and the publication of data about its operation and subsequent consumer outcomes will give a fuller picture of the effects of the reforms. Our inquiry focused on guidance and advice but there are other areas of concern, not least levels of charges, to which we may return. Improvements in guidance and advice are crucial to the success of the policy and we will monitor progress closely. It is right that people should be able to choose what to do with their retirement savings. However, freedom to choose is not enough; people must have freedom to make informed choices.

1 Introduction

1. From April 2015, people aged 55 and over were given much greater freedom to choose how and when to access defined contribution pensions.¹ In particular the requirement for most people to purchase an annuity, a financial product which provides a regular retirement income for life, was removed. Many more individuals now have a range of options, including income drawdown, whereby income is removed from a fund that remains invested, and taking a pension as cash. The reforms were widely welcomed.²

2. Many people find making financial decisions difficult and exhibit behavioural biases that may incline them towards inappropriate choices. We heard that people tend to:

- postpone complex or daunting decisions;³
- rely on inaccurate rules of thumb regarding their finances;⁴
- display a poor understanding of inflation and investment risks;⁵
- struggle to place a value on advice;⁶
- demonstrate a reluctance to pay for advice;⁷
- take a short-term view, heavily discounting future income;⁸
- overestimate the generosity of state pension provision;⁹ and
- underestimate life expectancy and the likelihood of needing care.¹⁰

These factors can leave people ill-equipped to make choices on how to use their pension savings. This problem may be exacerbated where decisions are complicated by tax, benefit or debt consequences.¹¹

3. The difficulties consumers have in understanding financial products can result in a mismatch between buyers and sellers. The financial services industry has a recent record of taking advantage of this asymmetry in a string of mis-selling scandals.¹² In itself, greater

1 [Taxation of Pensions Act 2014](#). A defined contribution (DC) pension is one where an individual builds up a pot of money. Contributions are paid into the pot, usually on a regular basis by the individual themselves, and often their employer, and this money is invested. The size of the eventual benefits depends on the amount that has been paid in, the length of time each contribution has been invested, investment returns over this period, charges deducted from the pot and the individual's choices at retirement. The other main type of pension is a defined benefit (DB) pension. In this case, the benefit is fixed and calculated using a formula; it is not dependent on the success of investments. Typically it is linked to an individual's salary and the length of time they worked for an employer.

2 Work and Pensions Committee, Fourth Report of Session 2014–15, [Progress with automatic enrolment and pension reforms](#), HC 668, para 67

3 [Q25](#) (Chris Curry)

4 Association of British Insurers ([PFA0029](#))

5 Pensions Policy Institute ([PFA0032](#))

6 Kelvin Financial Planning ([PFA006](#))

7 National Association of Pension Funds ([PFA0042](#))

8 Dr Moshe Gerstenhaber ([PFA0002](#))

9 David C. John ([PFA0046](#))

10 Just Retirement ([PFA0033](#)), [Q35](#) (Huw Evans)

11 Citizens Advice ([PFA0028](#))

12 See, for example, Parliamentary Commission on Banking Standards, [Changing Banking for Good](#), First Report of Session 2013–14, Vol. II, HL Paper 27-II, HC 175-II, paras 16–38

flexibility and choice in deciding how to use pension pots creates more complexity for consumers and increases the potential for them making poor decisions or being scammed.

4. The Government acknowledged the risks to consumers in choosing to establish Pension Wise, a free guidance service funded by an industry levy, to provide support to savers at the point at which they can access their pension pots.¹³ Pension Wise offers a one-off 45 minute guidance session in person (provided by Citizens Advice) or over the telephone (provided by The Pensions Advice Service, TPAS). It also publishes information on a website.¹⁴ The Financial Conduct Authority (FCA), the regulator of personal pension schemes and financial advice, also required pension providers to offer a “second line of defence” of retirement risk warnings before savers take decisions.¹⁵

5. Our predecessor Committee considered the pension freedom reforms shortly before their introduction in its March 2015 Report on Progress with automatic enrolment and pension reforms.¹⁶ The Committee welcomed the flexibilities in principle, but expressed concern that the consumer protections in place risked being inadequate.¹⁷ Our inquiry reconsidered the particular issue of guidance and advice in the light of six months’ experience of the new regime. We are grateful to everyone who participated, including those who commented on a moneysavingexpert.com forum about the inquiry.¹⁸

6. Our inquiry took place against the backdrop of generally positive early news about the progress of the policy. It appears that consumers have largely taken sensible decisions with their savings, and predictions of widespread impulsive purchases of Lamborghinis have proved wide of the mark.¹⁹ Nevertheless, as would be expected with any radical policy departure, there have been some areas of concern and consequent adjustments are being considered. During the course of our inquiry, the Treasury and FCA launched a joint Financial Advice Market Review (FAMR) and the FCA opened a consultation on its pension rules and guidance.²⁰ In addition, Harriett Baldwin MP, the Economic Secretary to the Treasury (the Minister), announced in oral evidence to us that responsibility for oversight of Pension Wise would transfer from the Treasury to the Department for Work and Pensions (DWP). This welcome move was a recommendation of our predecessor Committee.²¹

7. In the text of this report, our conclusions are set out in **bold type** and our recommendations, to which the Government is required to respond, are set out in **bold italic type**.

13 Access to Pension Wise was subsequently extended to people with defined contribution pension pots aged 50 and above. HMT Treasury, [Summer Budget 2015](#), HC264, June 2015, para 1.227

14 www.pensionwise.gov.uk

15 Financial Conduct Authority, [Retirement reforms and the guidance guarantee](#), PS15/4, February 2015. The rules require firms to give appropriate retirement risk warnings to consumers accessing their pension savings. Firms must ask the consumer relevant questions, based on how the consumer wants to access their pension savings, to determine whether risk factors are present. If they are, risk warnings must be given.

16 Work and Pensions Committee, Fourth Report of Session 2014–15, [Progress with automatic enrolment and pension reforms](#), HC 668

17 *Ibid*, paras 93–4

18 <http://forums.moneysavingexpert.com/showthread.php?t=5308184>

19 [Q34](#) (Huw Evans)

20 Financial Conduct Authority, [Pension reforms – proposed changes to our rules and guidance](#), CP15/30, October 2015

21 Work and Pensions Committee, Fourth Report of Session 2014–15, [Progress with automatic enrolment and pension reforms](#), HC 668, para 94

2 Assessing pension freedom

8. Witnesses told us that assessing the success of the pension freedom reforms was difficult. As the Personal Finance Society said, “we are all reviewing in the dark”.²² This was because of a lack of both data on actual performance and benchmarks, targets or predictions against which to compare that performance.²³ While some limited industry statistics were published during the course of our inquiry, information about Pension Wise remained particularly sparse.

Pension Wise data

9. Statistics on Pension Wise have so far only been published on an ad hoc basis, notably in response to Parliamentary Questions and in evidence to our inquiry.²⁴ The Treasury told us that TPAS completed 6,850 telephone Pension Wise appointments between April and August.²⁵ Citizens Advice completed 12,241 face-to-face appointments over the same period.²⁶ This suggests that fewer than one in ten people accessing their pots had a Pension Wise session.²⁷ The Government made no formal predictions about demand,²⁸ but the FCA told us in July that Citizens Advice was running at 10-15% of its capacity to provide face-to-face appointments.²⁹ The Minister said that there had been 1.5 million unique user hits on the Pension Wise website.³⁰ However, comparisons with pensions industry websites suggested that this figure was not particularly high.³¹

10. More than 90% of people who have used Pension Wise have been satisfied with the service.³² As well as satisfaction, Pension Wise exit polls record customer confidence and intended next steps.³³ The subsequent actions of Pension Wise customers are not tracked. The Minister told us that the Treasury was in discussions with the Government Digital Service about the content and publication schedule for regular Pension Wise statistics.³⁴

11. A July 2015 response to a Parliamentary Question said the Government’s monitoring of the Pension Wise service was “part of a wider programme of evaluation that the government is undertaking to ensure that Pension Wise is working effectively, delivers value for money, and meets consumer needs”.³⁵ We saw little evidence of such a programme.

22 Personal Finance Society ([PFA0017](#))

23 E.g. Just Retirement ([PFA0033](#))

24 [HL 1525](#), 30 July 2015

25 HM Treasury, personal communication. Michelle Cracknell, Chief Executive of TPAS, told us that her organisation had conducted 9,180 ([Q2](#)), but this included appointments that ended early.

26 HM Treasury, personal communication

27 In total, there were fewer than 20,000 completed face-to-face and telephone Pension Wise appointments between April and August 2015. The FCA found that more than 200,000 people accessed their pension pots in April-June 2015 ([FCA pension freedoms data collection exercise: analysis and findings](#), September 2015). The true figure is therefore likely to be well below one in ten.

28 HM Treasury ([PFA0043](#))

29 Work and Pensions Committee, 1st Special Report of Session 2015-16, [Progress with automatic enrolment and pension reforms: Government and Financial Conduct Authority responses to the Committee’s Fourth Report of Session 2014-15](#), HC 375

30 [Q101](#) (Harriett Baldwin MP)

31 The Hargreaves Lansdown website, for example, had 13.5 million unique users in the first six months of 2015 ([Q48](#), Tom McPhail).

32 [Q101](#) (Harriett Baldwin MP)

33 [Q18](#) (Michelle Cracknell)

34 [Q103](#) (Harriett Baldwin MP)

35 [HL 1525](#), 30 July 2015

Teresa Fritz, of the Financial Services Consumer Panel, encapsulated the widespread frustration at the lack of data in saying that “for those of us outside looking in trying to see what is actually happening, there has not been a great deal that we have been able to get a handle on”. The urgent publication of statistics was vital for organisations such as hers which wished to analyse trends, identify problems and suggest remedies in order to better protect consumers.³⁶

Industry data

12. The FCA and The Pensions Regulator (TPR), the regulator of work-based pension schemes, both published survey reports on the day of our final evidence session for this inquiry. The FCA found that 204,000 people accessed pension pots between April and June 2015 (Q1 2015), the first three months of the reforms. This was more than double the number in the same period in 2013, partly reflecting customers delaying accessing their pots until the reforms had taken place. Annuity sales were far lower: 12,000 compared to 90,000 in Q1 2013. By comparison, 121,000 customers had opted for cash withdrawal and 71,000 had accessed some form of income drawdown product.³⁷ The TPR found that 93% of occupational pension savers had access to a decumulation (the process of converting savings into retirement income) option within their scheme, falling to 18% for drawdown, though availability is likely to increase as providers adapt to the reforms.³⁸ Drawdown was far more readily available to personal pension savers.³⁹ In addition, the Association of British Insurers (ABI) have produced some statistics on payments made since the reforms. They found between April and June 2015, £2.5 billion of lump sum and drawdown payments had been made to customers and £2.3 billion had been invested in annuities (£1.0 billion) or funds that enable subsequent drawdown (£1.3 billion).⁴⁰

13. Combined, the industry statistics provide a helpful snapshot of the initial aggregate progress of the reforms. However, they are inherently limited. The ABI noted that, given the market was at such an early stage of development, data “inevitably focuses on service metrics rather than testing outcomes for consumers”.⁴¹ While we have some idea of what decisions are being made, it is difficult to assess whether these are the right ones.

Assessing longer-term consumer outcomes

14. Witnesses told us that continuing monitoring of consumer behaviour was integral to assessing the success of pension freedom and identifying areas for possible improvement. Initial customer satisfaction is not necessarily a good measure of eventual outcomes. Huw Evans, Director General of the ABI, stressed that someone happy with a pension decision now might not necessarily be so in several years when the full consequences became apparent.⁴² Chris Curry, Director of the Pensions Policy Institute, said that the policy

36 [Q8](#) (Teresa Fritz)

37 Financial Conduct Authority, [FCA pension freedoms data collection exercise: analysis and findings](#), September 2015, p3

38 The Pensions Regulator, [Survey on flexible pension access](#), September 2015, p2

39 Financial Conduct Authority, [FCA pension freedoms data collection exercise: analysis and findings](#), September 2015, figure 3

40 Association of British Insurers news release, [Payments made to savers since the pension reforms reach nearly £2.5 billion, ABI stats show](#), 2 September 2015

41 Association of British Insurers ([PFA0029](#))

42 [Q35](#) (Huw Evans)

would need to be monitored “over a long period of time to see how the decisions made now pan out through people’s retirements”.⁴³

15. We heard a long list of additional data that were required. Teresa Fritz called for defined contribution pension pot sizes to be cross-referenced with other sources of retirement income to give a more complete picture of the finances of those who have accessed their pensions.⁴⁴ It was also important not to restrict monitoring to the minority of customers who had taken Pension Wise guidance.⁴⁵ However, when we pressed the Minister on customer outcome data she was “not sure that either the Treasury or the DWP gets that sort of information”, adding that the Government had been “relying to quite a large extent on what the ABI has been collecting in terms of data and what people are deciding to do overall”.⁴⁶

Shedding light

16. **The Government’s reticence in publishing statistics on the effects of its pension freedom policy, a full six months after the reforms, is unacceptable. The scarcity of information regarding Pension Wise in particular is not conducive to effective scrutiny. It is also not conducive to effective policy: it would be fortunate in the extreme if such radical change operated as hoped without any need for adjustment. Regular collection and reporting of the takeup of guidance and advice options on offer, and the decisions taken, is imperative. This should also provide some assurance that another mis-selling scandal is not on the horizon.**

17. *We recommend the Government publish, or require its regulators to publish, statistics on Pension Wise and the advice and pensions markets on a quarterly basis, encompassing:*

- a) *customer characteristics including pension pot size and other sources of retirement income;*
- b) *take-up of each channel of guidance and advice;*
- c) *reasons given for not taking up guidance and advice;*
- d) *subsequent decisions taken; and*
- e) *reasons given for those decisions.*

18. **While we support pension freedom, its long-term effects remain highly uncertain. The full picture of eventual consumer outcomes will emerge over many years. These outcomes must be monitored closely. We recommend that the Government initiate a rolling research programme to track the longer-term consequences of pension freedom decisions. We expect the Government to detail its approach to assessing the long-term effects of the reforms in its response to this Report.**

43 [Q20](#) (Chris Curry)

44 [Q9](#) (Teresa Fritz)

45 [Q20](#) (Chris Curry)

46 [Q103](#) (Harriett Baldwin MP)

3 Scams

19. Readier access to pension pots combined with the difficulties consumers have in making decisions regarding retirement finances mean that the pension freedom reforms have increased the potential for scamming.⁴⁷ The risk of scamming was therefore an important element of our inquiry.

20. The Treasury told us the freedoms were an “opportunity for scammers to design new and sophisticated investment scams”.⁴⁸ In particular, we were told that customers who might not be considered conventionally vulnerable were susceptible to so-called “boiler room” schemes inviting unsuspecting investors to buy assets such as fine wine or overseas property.⁴⁹

21. We heard mixed evidence on whether rates of scamming have increased in practice. Citizens Advice said there had been a growth in attempted scamming of the 55 and over age group and that their staff had seen customers repeatedly targeted.⁵⁰ The Minister told us that an increase in scam reporting was evidence that publicity was working.⁵¹ The FCA reported no “spike” in total levels of financial scamming, suggesting that scammers may have switched their focus to pension pots from elsewhere.⁵² However, they conceded it was difficult to estimate the rate of illegal activity.⁵³ It can also be many years before someone realises they have been defrauded.⁵⁴

22. The Government has established Project Bloom, a “multi-department, multiagency group of officials to help co-ordinate action to tackle scams, monitor trends and share intelligence on emerging threats”.⁵⁵ The FCA launched the second phase of its ScamSmart media campaign in April and cited increased consumer contact as evidence that it is reaching its target audience.⁵⁶ Where scams originate from unregulated businesses, particularly those based in other jurisdictions, tactics such as closing down websites may be the most effective means of disrupting fraudsters.⁵⁷

23. We pressed witnesses on whether more could be done. Michelle Cracknell, Chief Executive of TPAS, sounded a rather defeatist tone when she told us that scams are “like a balloon ... if you push down on one area they are only going to pop up elsewhere”, though she did think more could be done to promote awareness.⁵⁸ In particular, the fact the Government never contacts a person unprompted to discuss pension freedom options could be better publicised.⁵⁹ Other witnesses also advocated promoting greater awareness of scamming. Chris Woolard, a Director of the FCA, suggested that his organisation could do more to supplement successful public campaigns by working with pension

47 Financial Inclusion Centre ([PFA0039](#))

48 HM Treasury ([PFA0043](#))

49 [Q14](#) (Rachel Badger), Q80 (Chris Woolard), Chartered Trading Standards Institute ([PFA0019](#))

50 [Q14](#) (Rachel Badger), Citizens Advice ([PFA0028](#))

51 [Q112](#) (Harriett Baldwin MP)

52 [Q74](#) (Chris Woolard)

53 [Q70](#) (Chris Woolard)

54 Chartered Trading Standards Institute ([PFA0019](#))

55 HM Treasury ([PFA0043](#))

56 [Q73](#) (Chris Woolard)

57 [Q72](#) (Chris Woolard)

58 [Q15](#) (Michelle Cracknell)

59 [Q14](#) (Michelle Cracknell)

providers, insurers and even banks to combat scamming.⁶⁰ Under the current retirement risk warning system, a provider's mention of investment scams could be a quick mention in a short telephone call.⁶¹ The Chartered Trading Standards Institute (CTSI) called on regulators to require companies to do more to educate on scamming risks and record what customers propose to do with their pension pot, as a bank would with an unusually large cash withdrawal, and report concerns.⁶²

24. The pension freedom reforms have increased the prospects of people being conned out of their life savings. Financial scammers are notoriously adept at reinventing themselves to take advantage of such opportunities. But this does not mean scams should be accepted as a fact of life. The Government and the FCA are taking the right approach in promoting awareness as the best weapon against scamming. But they could do more. In particular, pension providers are an underused point of contact, for example when a customer wishes to withdraw funds to invest in a suspicious scheme.

25. We recommend the Government urgently redouble its publicity efforts around pension scams. We further recommend the FCA tighten its scam awareness and reporting requirements for regulated firms. Scams are a tragedy for individual households and undermine trust in the law-abiding and responsible majority in the retirement finance sector. Scammers must be stopped. We will monitor action on pension scamming closely over the course of the Parliament.

60 [Q71](#) (Chris Woolard)

61 FCA, [Retirement reforms and the guidance guarantee: retirement risk warnings](#), PS15/4, February 2015. In addition, in [The new pension flexibilities – update from the FCA](#), 1 July 2015 the FCA noted that the average length of a retirement risk warning call was 8.5 minutes.

62 Chartered Trading Standards Institute ([PFA0019](#))

4 Pension Wise

26. The creation of Pension Wise, the free government guidance service, alongside the pension freedom reforms was tacit acknowledgement that a gap in support was anticipated. Existing free services and the advice market were unlikely to provide sufficient assistance to consumers exercising the new pension choices. In Chapter 2 we highlighted the regrettable scarcity of published statistics about Pension Wise. However, it is clear that take-up of face-to-face and telephone guidance sessions has been lower than many had expected.⁶³ As the service was created to fill an anticipated gap in support, this is a concern.⁶⁴ We also heard evidence that the guidance on offer could be refined to better meet customer needs.

Improving take-up

27. Pension Wise was launched in March 2015, shortly before the pension freedom reforms came into practice. Expectations of take-up rates were high. Michelle Cracknell, for example, told the Public Bill Committee on the Pension Schemes Bill in October 2014 that “ambition is that the take-up rate will be very high, with over 75% of people taking the guidance”, though she anticipated it might be 25% to start with.⁶⁵ In reality, fewer than one in ten people who accessed their pension pots during the early months of the reforms had taken up a guidance appointment (though many more may have looked at information on the Pension Wise website).⁶⁶

28. Early publicity for the service was limited by pre-election “purdah” restrictions on Government communications.⁶⁷ National Association of Pension Funds (NAPF) research at the time suggested that less than one quarter of people aged 55-70 were aware of Pension Wise and understood what it did.⁶⁸ The Government launched a marketing campaign in August 2015, which we were told had increased take-up.⁶⁹ We also heard that publicity for the reforms and Pension Wise had generated greater demand for other sources of guidance and advice, both public and private.⁷⁰

29. Pensions industry representatives argued that Pension Wise take-up may be low because consumers are more comfortable talking to their existing provider. Joanne Segars, Chief Executive of the NAPF, and Huw Evans both cited the “trust” that comes with long relationships.⁷¹ Hargreaves Lansdown told us that people tend to take the path of least resistance, which would mean calling their established firm.⁷² However, in explaining why it was seeking independent guidance providers in its July 2014 response to its Freedom and choice in pensions consultation, the Treasury cited support from “the vast majority”

63 National Association of Pension Funds ([PFA0042](#)), The Money Charity ([PFA0031](#))

64 [Q8](#) (Teresa Fritz)

65 [PBC Deb 21 October 2014 Q71](#)

66 In total, there were fewer than 20,000 completed face-to-face and telephone Pension Wise appointments between April and August 2015. The FCA found that more than 200,000 people accessed their pension pots in April-June 2015 ([FCA pension freedoms data collection exercise: analysis and findings](#), September 2015). The true figure is therefore likely to be well below one in ten.

67 Age UK ([PFA0023](#))

68 National Association of Pension Funds ([PFA0042](#))

69 [Q101](#), [Q111](#) (Harriett Baldwin MP)

70 [Q2](#) (Michelle Cracknell), Association of British Insurers ([PFA0029](#)), Association of Professional Financial Advisers ([PFA0021](#))

71 [Q49](#) (Huw Evans and Joanne Segars)

72 Hargreaves Lansdown ([PFA0014](#))

of respondents for guidance to be provided by organisations without a “vested interest”.⁷³ This is unsurprising given the failure of many of those vested interests in the recent past to put the needs of customers first. Teresa Fritz said that if low Pension Wise take-up meant that consumers were going to their providers instead “that is not good for anyone” as Pension Wise was designed to make people “slow down” and consider their options. Take-up was therefore an urgent concern.⁷⁴ Which? concurred, arguing that increasing take-up of Pension Wise should be a priority⁷⁵

30. Age UK told us that they were concerned that the system of pension providers giving risk warnings to consumers and signposting them to Pension Wise was not functioning as intended.⁷⁶ Similarly, the Financial Services Consumer Panel said that providers may have been following “the letter but not the spirit” of the rules requiring them to point consumers to the service.⁷⁷ The Association of Professional Financial Advisers (APFA) said that pension providers needed to give Pension Wise more prominence in communications.⁷⁸ Which? called for a system whereby providers could book customer Pension Wise appointments directly.⁷⁹ Others advocated expanding the range of organisations that signpost to the service and promoting more interaction between Pension Wise and employers.⁸⁰

31. Pension Wise was created to fill a potentially dangerous anticipated gap in support for consumers, including for many people who are unable or unwilling to pay for independent advice. Low take-up of its service is therefore a concern. The Government’s renewed marketing campaign is welcome and the publication of regular take-up statistics will allow the situation to be monitored.

32. Pension providers are a key point of contact with their customers. We recommend the FCA strengthen its rules and guidance for pension providers regarding Pension Wise signposting and risk warnings; and assure compliance through mystery shopping exercises. We further recommend that the number and proportion of customers that contact Pension Wise having been signposted there by each provider should be tracked and published in regular statistics.

More personalised and holistic guidance

33. Witnesses argued that Pension Wise guidance should be broadened to encompass wider personal financial circumstances.⁸¹ We were told that neglecting factors such as property wealth,⁸² benefit entitlement,⁸³ and care costs limited the usefulness of sessions.⁸⁴ While the FCA’s standards for guidance providers requires consumers to be given information about “the potential tax implications or debt obligations” of the broad

73 HM Treasury, [Freedom and choice in pensions: government response to the consultation](#), Cm 8901, July 2014, para 3.5-7

74 [Q8](#) (Teresa Fritz)

75 Which? ([PFA0018](#))

76 Age UK ([PFA0023](#))

77 Financial Services Consumer Panel ([PFA0035](#))

78 Association of Professional Financial Advisers ([PFA0021](#))

79 Which? ([PFA0018](#))

80 Low Incomes Tax Reform Group ([PFA0045](#)), Citizens Advice ([PFA0028](#))

81 Which? ([PFA0018](#))

82 Equity Release Council ([PFA0001](#))

83 Financial Services Consumer Panel ([PFA0035](#))

84 Financial Services Consumer Panel ([PFA0035](#))

decumulation choices on offer,⁸⁵ such support would be more effective if it was tailored to individual situations.⁸⁶ The Financial Services Consumer Panel told us that unless Pension Wise covered retirement income more holistically, taking account of an individual's wider financial circumstances, there was a danger that guidance would be "meaningless".⁸⁷ Citizens Advice told us that they would like to offer a more personalised service, including assisting people with paperwork, which is currently beyond the scope of a Pension Wise appointment.⁸⁸ Age UK said that the narrowness of Pension Wise guidance was creating knock-on demand for other free guidance services.⁸⁹ Teresa Fritz was more concerned that if those seeking guidance were referred to other services they would be lost.⁹⁰

34. We were told by the FCA and the Minister that consistent standards meant that outcomes from each of the three Pension Wise delivery channels (face-to-face appointments, telephone appointments and the website) should be the same.⁹¹ In the absence of outcome statistics it is very difficult to judge whether this is indeed the case. However, we heard that while TPAS pension guides can if necessary provide broader expert pensions support than a standard Pension Wise appointment, their less experienced Citizens Advice counterparts do not have the same capacity.⁹² Gwyneth Nurse, Director of Financial Services at the Treasury, said that ways of making guidance appointments more personalised without constituting regulated advice would be considered in the FAMR.⁹³

35. The evidence was most critical of the online guidance channel. The Pension Wise website is static, providing basic information, "and not very well presented or engaging information at that".⁹⁴ It offers no interaction or, unlike the face-to-face or telephone channels, a summary. The Money Charity told us that the illustrative examples provided were static and therefore only captured "a few possible individual circumstances". The website, they said, is so poor it falls short of offering what might reasonably be described as "guidance".⁹⁵ The absence of tools such as tax or income drawdown calculators leaves it well behind other online pension services.⁹⁶ This was particularly disappointing given the evidence that consumers engage better with income illustrations than gross savings.⁹⁷

36. In time a "pensions dashboard", which would enable individuals to access consolidated information about all their pension savings in one place, may facilitate personalisation of support, prompt greater consumer engagement with retirement finances and even increase rates of saving.⁹⁸ The introduction of a dashboard was recommended by both our predecessor Committee and the FCA following its 2014 Retirement Market Study.⁹⁹ We heard evidence that dashboards had worked successfully in other countries, including

85 https://www.handbook.fca.org.uk/instrument/2015/FCA_2015_9.pdf

86 [Q23](#) (Michelle Cracknell), Low Incomes Tax Reform Group ([PFA0045](#))

87 Financial Services Consumer Panel ([PFA0035](#))

88 Citizens Advice ([PFA0028](#))

89 Age UK ([PFA0023](#))

90 [Q23](#) (Michelle Cracknell)

91 [Q61](#) (David Geale), [Q110](#) (Harriett Baldwin)

92 [Qq23-4](#), Financial Services Consumer Panel ([PFA0035](#))

93 [Q110](#) (Gwyneth Nurse)

94 The Money Charity ([PFA0031](#))

95 The Money Charity ([PFA0031](#))

96 Which? ([PFA0018](#))

97 David C John ([PFA0046](#))

98 Pensions Policy Institute ([PFA0032](#))

99 Work and Pensions Committee, Fourth Report of Session 2014–15, [Progress with automatic enrolment and pension reforms](#), HC 668 para 108 and Financial Conduct Authority ([PFA0044](#))

the Netherlands and Sweden.¹⁰⁰ Teresa Fritz told us that a dashboard had been “essential for many, many years”, but noted there was now “momentum” behind the proposal.¹⁰¹ Chris Curry added that the technology for a dashboard was proven and its development was now “a question of having the will and finding someone who is willing to pay for it”.¹⁰² Teresa Fritz thought that the dashboard would have to be “owned and held within government”, though the Minister told us that the role of government would be to enable private sector innovation in this area by removing regulatory barriers. It was reported in September 2015 that Origio, the eCommerce standards and services body for the UK financial services industry, was developing a shared pensions register portal to enable public and private bodies to provide secure dashboard services.¹⁰³

37. Pension Wise guidance is currently too narrow for too many consumers. Decisions about retirement income products are not best made in isolation from information on property wealth, benefit entitlements, tax implications, care costs or debts. We recommend the Government work with the FCA and guidance providers to develop a more holistic Pension Wise service that offers more personalised support.

38. The Pension Wise website is not fit for purpose. It is static, offering no opportunities for personalisation, and lags well behind many private services. This is a particular concern given it is the primary independent guidance channel for a large proportion of consumers. We recommend the Government ensure the Pension Wise website provides an indicative income calculator, illustrative examples tailored to individual circumstances and a printable summary function as a matter of urgency. Over time we would expect this service to enable customers to include other potential income and expenses in their calculations.

39. A pensions dashboard is long overdue. Pension freedom merely makes it more urgent. Enabling people to view all of their pensions in one place will leave customers better-placed to make good decisions about their retirement savings. It will also encourage people to engage with their finances while accumulating a pension. There is clearly broad appetite for this reform. Provided data security can be assured, we would welcome its development in the private sector. However, Government has an important role in ensuring that progress is maintained. We recommend the Government announce a clear timetable for the introduction of a pensions dashboard in its response to this Report.

The limits of one-off guidance

40. Pension Wise currently offers, to individuals aged 50 or over with a defined contribution pension, a one-off 45 minute guidance session.¹⁰⁴ We heard evidence that this was insufficient. Citizens Advice told us that a minority of customers would benefit from a second follow-up session, shortly after the first, to help finalise plans or to focus on options having covered paperwork in the first session. Citizens Advice were also among the range of witnesses who told us that offering further appointments at different points

¹⁰⁰ [Q82](#) (Chris Woolard), [Q27](#) (Chris Curry)

¹⁰¹ [Q27](#) (Teresa Fritz)

¹⁰² [Q27](#) (Chris Curry)

¹⁰³ Money Marketing, 23 September 2015, [Origo to deliver back office for pensions dashboard](#), by Sam Brownback

¹⁰⁴ Access to Pension Wise was extended to people with defined contribution pension pots aged 50 and above (from the previous 55) in the 2015 Summer Budget. HMT Treasury, [Summer Budget 2015](#), HC264, June 2015, para 1.227

in the accumulation and decumulation cycle would be advantageous.¹⁰⁵ The Trades Union Congress (TUC) told us that Pension Wise could “do little to support people during the full course of their retirement during which their circumstances are likely to change”.¹⁰⁶ The Investment Association used the example of an individual who might access some of their pension fund through cash or drawdown early in retirement before buying an annuity later and would therefore benefit from guidance at both stages.¹⁰⁷

41. Michelle Cracknell noted that while Pension Wise has a narrow remit, other free services from TPAS, the Money Advice Service and organisations such as Citizens Advice are available.¹⁰⁸ Similarly, consumers with complex needs might be better placed paying for advice. Tom McPhail, Head of Pensions Research at Hargreaves Lansdown, said that “huge resources” could potentially be poured into Pension Wise but that ideally the market would respond to meet consumer needs.¹⁰⁹ APFA told us that Pension Wise might do more to explain the benefits of financial advice and stress that a conversation with a financial adviser costs nothing until a fee is agreed.¹¹⁰ David Geale, a Director of the FCA, told us that it was important that people had a range of guidance and advice options open to them and that whether multiple Pension Wise appointments should be available should be reviewed in the longer term.¹¹¹

42. Pension decision-making is increasingly complex. Where a large proportion of people once enjoyed defined benefit pensions or defaulted into an annuity, people are now increasingly required to take difficult decisions about their retirement savings at various stages of accumulation and decumulation. The one-off nature of Pension Wise guidance sits oddly with this reality. However, free guidance sessions can be expensive to provide and a wide range of alternative free and paid-for guidance and advice services are available or in development. In the absence of better data about Pension Wise and the pension freedom market, it is not yet clear that offering multiple sessions would be value for money. We recommend that the Financial Advice Market Review consider the case for offering two or more Pension Wise guidance sessions per customer.

105 Citizens Advice ([PFA0028](#))

106 Trades Union Congress ([PFA0009](#))

107 The Investment Association ([PFA0015](#))

108 [Q29](#) (Michelle Cracknell)

109 [Q51](#) (Tom McPhail)

110 Association of Professional Financial Advisers ([PFA0021](#))

111 [Q65](#) (David Geale)

5 The advice market and regulatory clarity

43. Though published statistics are very limited, on the whole we heard that consumers, pension providers and advisers appear to have responded well to pension freedom. However, we were told by the same witnesses that some problems affecting a minority of cases remained.¹¹² We particularly focused on circumstances where individuals may not have access to the guidance or advice they need to make informed decisions about what to do with their savings. These circumstances were often termed “advice gaps”. In considering closing these advice gaps, we were mindful that:

- in the absence of hard data much of our evidence was anecdotal;
- customers exercising pension freedom in the six months following the reforms were not typical: large proportions had postponed their decisions in anticipation of flexibility or had firmly established views about their preferred course of action;¹¹³
- there had been limited opportunity for pension product and advice markets to adapt to the new regime; and
- the full consequences of actions taken now will not be known for many years.

44. The Treasury and FCA launched a Financial Advice Market Review (FAMR) during the course of our inquiry. The FAMR will consider advice gaps, barriers to both giving and seeking advice, means of clarifying regulation, and emerging advice technologies. It intends to produce policy proposals before Budget 2016.¹¹⁴ Though the FAMR spans far wider than pensions, there is clear overlap with our inquiry. In addition, the FCA opened a consultation on proposed changes to its pensions rules and guidance in October 2015.¹¹⁵ Our intention is to contribute to these reviews by identifying priority areas for action and exploring potential remedies.

Affordable advice

45. The FCA identified access to financial advice as a key concern about progress of the reforms.¹¹⁶ Regulated financial advice differs from guidance in that advisers can recommend specific providers and products based on an individual’s particular circumstances.¹¹⁷ The NAPF found that, of workplace savers it surveyed, just 43% were willing to pay anything at all for advice while only 3% were willing to pay over £200.¹¹⁸ By contrast, APFA told us that the typical fee for an initial advice session with an independent financial adviser might be between £600 and £1,000.¹¹⁹ Aviva told us that stricter regulation and qualification requirements had rendered financial advice “a luxury good—just at the point where it is needed more than ever by typical savers entering retirement”.¹²⁰ Chris Hannant of APFA

112 [Q34](#) (Huw Evans)

113 [Q25](#) (Chris Curry)

114 HM Treasury, [Financial Advice Market Review: Terms of Reference](#), August 2015

115 Financial Conduct Authority, [Pension reforms – proposed changes to our rules and guidance](#), CP15/30, October 2015

116 Financial Conduct Authority ([PFA0044](#))

117 Financial Conduct Authority, [Different types of investment advisers](#), March 2014

118 National Association of Pension Funds ([PFA0042](#))

119 Association of Professional Financial Advisers ([PFA0021](#))

120 Aviva ([PFA0030](#))

acknowledged that the traditional model of bespoke, face-to-face advice was expensive; he compared it to Savile Row tailoring when the demand was for Marks & Spencer.¹²¹

46. Tom McPhail said the industry needed to do more to make private guidance and advice more accessible.¹²² Partnership Assurance Group identified the gap as the “middle ground” between regulated advice and guidance.¹²³ There is evidence of market entry to address this gap. We heard about a £199 plus VAT fixed-price fully-regulated online advice service and a £399 plus VAT “enhanced guidance” session with a financial adviser.¹²⁴ The FCA told us that they were working with companies interested in providing “robo-advice”, automated online advice,¹²⁵ and said that their Project Innovate scheme to challenge existing business models and encourage new services was engaging with incumbent firms to reduce regulatory barriers to innovation.¹²⁶ Chris Curry said it was “almost certain” there would be further innovation as the market grew, partly driven by the larger typical pension pots that will be generated by the policy of auto-enrolment to pension schemes.¹²⁷ Teresa Fritz, pointing to an increase in low-cost telephone advice services, said it was important not to panic about the advice gap and lower regulatory standards unnecessarily.¹²⁸

47. Others sounded words of caution, suggesting regulatory uncertainty was affecting the guidance and advice market.¹²⁹ This was acknowledged by the Treasury and FCA in the terms of reference for the FAMR, which made specific reference to overcoming regulatory barriers and seeking to provide regulatory clarity to facilitate innovation and growth.¹³⁰ Witnesses to our inquiry repeatedly returned to the distinction between guidance and advice.

Advice and guidance

48. We heard that consumers struggle to distinguish between advice, in which a specific product may be recommended by a regulated adviser, and guidance, which will provide an explanation of types of product but not a specific recommendation.¹³¹ The Investment Association told us that, “for most individuals, the dividing line will be extremely unclear”.¹³² This is perhaps no surprise: the dictionary definitions of the terms are almost interchangeable.¹³³ It also does not help that free services providing guidance, but technically not advice, on pensions are called The Pensions Advisory Service, Citizens Advice and the Money Advice Service.¹³⁴ The 2014 Budget documents detailing the pension freedom policy referred to a “guidance guarantee”, but in his speech the Chancellor

121 [Q43](#) (Chris Hannant)

122 [Q35](#) (Tom McPhail)

123 Partnership Assurance Group ([PFA0037](#))

124 LV= ([PFA0038](#)), FT, 23 June 2015, [Hargreaves Lansdown offers flat-rate pensions guidance](#), by Judith Evans and Josephine Cumbo

125 [Q89](#) (David Geale)

126 Financial Conduct Authority ([PFA0044](#))

127 [Q26](#) (Chris Curry)

128 [Q26](#) (Teresa Fritz)

129 Association of Professional Financial Advisers ([PFA0021](#))

130 HM Treasury ([PFA0043](#))

131 [Q24](#) (Chris Curry)

132 The Investment Association ([PFA0015](#))

133 The [Oxford English Dictionary](#) defines “advice” as “guidance or recommendations offered with regard to prudent action” and “guidance” as “advice or information aimed at resolving a problem or difficulty, especially as given by someone in authority”.

134 Which? ([PFA0018](#))

referred to a “right to advice”.¹³⁵ It is understandable that consumers may be reluctant to pay for independent advice if they cannot distinguish it from free support, or think that their adviser will try to sell them a product.¹³⁶

Box 1: Advice and guidance

Independent advice

An adviser or firm that provides independent advice can consider and recommend all retail investment products that could meet customer needs. Their advice is unbiased and unrestricted.

Restricted advice

A restricted adviser or firm can only recommend certain products or product providers. The adviser or firm has to clearly explain the nature of the restriction. This might be that they work with one product provider and only consider products that company offers. They cannot describe their advice as ‘independent’.

Guidance

When a customer has been given general information about one or more investment products, or had products or related terms explained to them, this is likely to be ‘guidance’ rather than ‘advice’. This is sometimes also called an ‘information only’ or ‘non-advice’ service. Following guidance, the customer decides which product to buy without having received a recommendation. Such customers do not have recourse to the Financial Ombudsman Service or Financial Services Compensation Scheme if they make a poor decision.¹³⁷

49. We were told that pension providers and advisers would also appreciate greater clarity in the distinction between advice and guidance. Fidelity told us the difference was “clouded by regulatory interpretation”.¹³⁸ Dr Stuart Grierson, an independent financial adviser, said that the point at which the expression of an opinion became a personal recommendation, and therefore advice, was not clear. While the FCA’s efforts to clarify terminology were laudable, it was doubtful whether anyone other than a compliance specialist could understand them.¹³⁹ FCA guidance designed to clarify the boundaries of advice published in January 2015 extends to 47 pages.¹⁴⁰ The NAPF told us that “employers and schemes are

135 HM Treasury, [Budget 2014](#), HC 1104, March 2014, para 1.160 and [HC Deb, 19 March 2014](#), col 793

136 Dr Stuart Grierson ([PFA0034](#))

137 Financial Conduct Authority, [Different types of investment advisers](#), March 2014. Regulated advice is an activity specified in Article 53 of the [Financial Services and Markets Act 2000 \(Regulated Activities\) Order 2001 \(SI 2001/544\)](#). The [Pension Schemes Act 2015, Sch. 3](#) defines “pensions guidance” as “guidance given for the purpose of helping a member of a pension scheme, or a survivor of a member of a pension scheme, to make decisions about what to do with the flexible benefits that may be provided to the member or survivor”.

138 Fidelity Worldwide Investment ([PFA0027](#))

139 Dr Stuart Grierson ([PFA0034](#))

140 Financial Conduct Authority, [Finalised Guidance: Retail investment advice: Clarifying the boundaries and exploring the barriers to market development](#), FG15/1, January 2015

keen to signpost members to appropriate external solutions, but are hampered by the fear that they will be seen to have strayed into giving individual advice”.¹⁴¹

50. Aviva argued that an additional category of services, between advice with a personal recommendation and general guidance, was necessary to help consumers navigate pension freedom. This would be facilitated by extending the definition of information-only support. Strict qualification standards for advisers and the potential liability of providing regulated advice meant it would remain prohibitively expensive for many.¹⁴² Chris Hannant told us the existing advice model was set up for long-term advisory relationships and the ability to provide more focused, transactional advice on one particular decision would be welcome. However, were this change to come about, he had concerns that, regardless, advisers might be held more broadly liable for a client’s financial decisions.¹⁴³ A recurring theme in our evidence was that confusion over the limits of liability and fear that rules would be reinterpreted over time were discouraging the provision of advice. This was a particular problem where consumers are required by law to obtain regulated advice before being allowed to proceed with a decumulation decision.

Safeguarded benefits and insistent clients

51. Under the terms of the Pensions Schemes Act 2015, trustees or managers of a pension scheme must check that individuals have received appropriate independent financial advice before allowing a conversion or transfer of “safeguarded benefits” into flexible benefits (such as cash, drawdown or a typical annuity).¹⁴⁴ Under a subsequent regulation this requirement applies where the total value of the safeguarded benefits is more than £30,000.¹⁴⁵ This measure was aimed primarily at protecting consumers with generous defined benefit pensions.¹⁴⁶ However, the definition of safeguarded benefits extends to guaranteed annuity rates (GARs) and guaranteed minimum pensions (GMPs), which are a feature of some defined contribution schemes.¹⁴⁷ The Financial Services Consumer Panel welcomed this consumer protection but noted that it was logically inconsistent to protect certain groups, but not others, from taking decisions that were not likely to be in their best interest.¹⁴⁸

52. We heard that there was confusion over what constituted a safeguarded benefit.¹⁴⁹ Aegon, for example, told us that there was “considerable ambiguity” over how GARs should be valued.¹⁵⁰ The Society of Pension Professionals pointed to a lack of clarity over the treatment of GARs in certain circumstances. Where the boundaries of safeguarded

141 National Association of Pension Funds ([PFA0042](#))

142 Aviva ([PFA0030](#))

143 [Q45](#) (Chris Hannant)

144 [Pension Schemes Act 2015 s48 \(3\)](#)

145 [SI 2015/742](#), regulation 5

146 In a defined benefit (DB) pension the benefit an individual receives is fixed and calculated using a formula; it is not dependent on the success of investments. Typically it is linked to an individual’s salary and the length of time they worked for an employer. By contrast, a defined contribution (DC) pension is one where an individual builds up a pot of money. Contributions are paid into the pot, usually on a regular basis by the individual themselves, and often their employer, and this money is invested. The size of the eventual benefits depends on the amount that has been paid in, the length of time each contribution has been invested, investment returns over this period, charges deducted from the pot and the individual’s choices at retirement.

147 [Pension Schemes Act 2015 s48 \(3\)](#) states that “safeguarded benefits” means benefits other than— (a) money purchase benefits, and (b) cash balance benefits.

148 Financial Services Consumer Panel ([PFA0035](#))

149 Association of British Insurers ([PFA0029](#)), [Q40](#) (Huw Evans)

150 Aegon ([PFA0036](#))

benefits were unclear, providers tended to err on the side of requiring advice.¹⁵¹ This could deter customers from exercising freedom and choice by requiring them to take unnecessary and expensive advice.¹⁵²

53. In other circumstances, pension providers are requiring customers to take advice when not obliged to by law. The Pensions Regulator found that one-third of schemes required members to have taken independent financial advice before all transfers out of their scheme, while one-sixth required advice to have been taken for all transfers in.¹⁵³ The Money Advice Service took a call from someone with a defined benefit pot of £164 who said they had been told to seek regulated advice.¹⁵⁴ Fidelity told us that they believe accepting transfers of defined benefit transfers under £30,000 where advice has not been taken is too risky even though it is permitted in legislation.¹⁵⁵

54. A key perceived risk to pension providers and advisers is potential liability. In particular, we heard concerns about “insistent clients”, people who take advice but choose a course of action different to that recommended and instruct their adviser to facilitate the alternative transaction.¹⁵⁶ Kelvin Financial Planning told us that they had experienced people “asking us to treat them as insistent clients and just sign the paperwork and charge them”.¹⁵⁷ Though the FCA published a factsheet in June 2015, advisers said that the guidelines were insufficient.¹⁵⁸ Many advisers were choosing not to provide advice to insistent clients, citing fear that regulators or ombudsmen could, in future, hold them liable.¹⁵⁹ Similarly, survey data from the FCA and TPR suggested that a large proportion of pension providers were unwilling to accept transfers from insistent clients.¹⁶⁰ The FCA acknowledged widespread concern about future liabilities in their evidence.¹⁶¹

55. The ABI proposed a “customer control” mechanism, delivered through a targeted free guidance session, to replace the legislative requirements to take advice. This, they argued would “allow providers to carry out customer wishes without fear of future redress actions or retrospective regulatory action where the correct steps have been followed”.¹⁶² Similarly, True Potential stressed that “advisers must be confident they will not be punished for events beyond their control”.¹⁶³ One option we heard was the introduction of a regulatory “safe harbours”. This would, in particular circumstances, protect advisors or providers from being sued so long as they had followed certain steps. In effect, it would transfer liability from the adviser or provider to the consumer. Consideration of this policy is an explicit part of the terms of reference of the FAMR.¹⁶⁴ The NAPF suggested trustees might be permitted to signpost savers to good retirement products, particularly where they could not provide the full range of pension freedom products directly.¹⁶⁵ The Open

151 Society of Pension Professionals (PFA0016)

152 Which? (PFA0018)

153 The Pensions Regulator, [Survey on flexible pension access](#), September 2015, p2

154 The Money Advice Service (PFA0022)

155 Fidelity Worldwide Investment (PFA0027)

156 Financial Conduct Authority, [Pension reforms and insistent clients](#), Factsheet for advisers no.35, June 2015

157 Kelvin Financial Planning (PFA0007)

158 Association of Professional Financial Advisers (PFA0021), True Potential (PFA0047)

159 Kelvin Financial Planning (PFA0007), True Potential (PFA0047)

160 Financial Conduct Authority, [FCA pension freedoms data collection exercise: analysis and findings](#), September 2015 p13 and The Pensions Regulator, [Survey on flexible pension access](#), September 2015, p41

161 Financial Conduct Authority (PFA0044)

162 Association of British Insurers (PFA0029)

163 True Potential (PFA0047)

164 HM Treasury, [Financial Advice Market Review: Terms of Reference](#), August 2015

165 National Association of Pension Funds (PFA0042)

Retirement Club concurred that a safe harbour could provide greater clarity to employers and trustees about the support they could provide.¹⁶⁶ Fidelity suggested that safe harbours might, for example, encourage firms to accept transfers from defined benefit schemes.¹⁶⁷ However, Chris Woolard sounded a word of caution, suggesting that allowing people to charge for advice but not take responsibility for it would be “a step too far”.¹⁶⁸

Simplicity and transparency

56. In Chapter 1 we detailed the difficulties consumers face in making decisions about their retirement finances. Such problems can be exacerbated by jargon, hidden charges and unnecessary complexity, which further restrict the exercising of informed choice and undermine what trust in the sector remains.¹⁶⁹ The ABI told us they were working with free guidance providers and other industry bodies to establish standardised language.¹⁷⁰ The Investment Association said that “the industry collectively must do more to ensure that value for money is better communicated and that this should start with improved transparency of charges and transaction cost disclosure”.¹⁷¹ The Financial Inclusion Centre argued that enhanced rules on disclosure were required to ensure that the risks of annuity-replacement products were better understood.¹⁷²

57. We also heard evidence on the unwarranted complexity of some charges. During the course of our inquiry, a report suggested that fees for drawdown products for those with smaller pots were like budget airline charges: what was advertised often bore very little resemblance to the total cost.¹⁷³ We put these findings to the FCA and the Minister. David Geale told us that FCA rules require firms to set out charges clearly, meaning there “should not be any surprises for consumers”. He conceded that “some clearly do that better than others”.¹⁷⁴ He added that the FCA had launched a discussion paper on “smarter communications” and would be further surveying charges.¹⁷⁵ The Minister indicated that the Government was prepared to intervene if problems with charges persisted.¹⁷⁶

58. Other witnesses stressed that Government and regulators, as well as industry, had to accept some responsibility for confusing communications. Huw Evans said that Ministers had been irresponsible with consumer expectations by implying that pension pots could be used “like bank accounts”,¹⁷⁷ neglecting the very different tax liabilities involved.¹⁷⁸ Citing the notorious “uncrystallised funds pension lump sum”,¹⁷⁹ the ABI called for complex jargon used in legislation and regulation to be replaced by more consumer-friendly language.¹⁸⁰

166 Open Retirement Club ([PFA0010](#))

167 Fidelity Worldwide Investment ([PFA0027](#))

168 [Q93](#) (Chris Woolard)

169 Bernard Casey and Noel Whiteside, [Promoting personal saving: Report for Zurich Financial Services](#), January 2011

170 Association of British Insurers ([PFA0029](#))

171 The Investment Association ([PFA0015](#))

172 Financial Inclusion Centre ([PFA0039](#))

173 FT, 11 September 2015, [The reinvention of drawdown](#) by Josephine Cumbo

174 [Q91](#) (David Geale)

175 [Q92](#) (David Geale)

176 [Q126](#) (Harriett Baldwin MP)

177 Daily Telegraph, 13 October 2015, [George Osborne: use your pension as a bank account](#), by Steven Swinford and Dan Hyde

178 [Q40](#) (Huw Evans), also Gresham Financial Planning ([PFA0020](#))

179 For example, [Pension Schemes Act 2015 s48\(1\)\(c\)](#)

180 Association of British Insurers ([PFA0029](#))

Better operating markets

59. Despite promising signs, the pension freedom market is clearly not yet operating entirely as it should. For consumers, already daunting terrain is more difficult to navigate than it should be as there are gaps in the availability of support. In particular, provision in the middle ground between free guidance and traditional but expensive face-to-face independent financial advice is woefully inadequate. As long as this gap persists, consumers are at risk of making poor decisions with their life savings.

60. To their credit, industry and regulators alike have identified the affordable advice gap as a problem. We heard impressive examples of innovative products and over time we expect the market to adapt to largely close the gap. The future of financial advice and guidance is clearly predominantly online and interactions will be increasingly focused on single transactions. The role for regulators is to enable innovation and market entry by adapting to these changed circumstances.

61. Complexity is a major obstacle to the smooth operation of the market. It restricts both demand and supply. Too many consumers do not understand what they are buying, either in advice or in financial products with jargon-laden descriptions and pricing structures that if conceived to confound could hardly be more convoluted. Understandably risk-averse providers are hesitant to bring new advice or pension products to market because of insufficient clarity surrounding the regulations that govern their operation.

62. We encountered several examples of regulatory opacity. The boundary between guidance and advice is a mystery to consumers and providers alike. While we welcome the concept of safeguarded benefits, it is imperative that these protections are proportional and clearly bounded. Managing the “insistent client” problem is a delicate balance: consumers must be protected and memories of mis-selling scandals are still fresh. We have yet to be persuaded by the case for relaxing regulation to provide providers and advisers with “safe harbours” from liability. However, for pension freedom to operate effectively, it is necessary to ensure that people can get advice and, once informed, can take decisions contrary to that advice. Greater clarity would be an important first step.

63. Examining the affordable advice gap rightly sits at the top of the priorities of the Financial Advice Market Review. In the pension freedom market, closing the gap should be the first policy objective of Government and regulators. The second, related, policy objective should be clarification and simplification.

64. *We recommend that the Government and the FCA, as part of the Financial Advice Market Review, clarify:*

- a) *the distinction between guidance and advice;*
- b) *the definitions of safeguarded benefits; and*
- c) *protections in providing advice to insistent clients.*

65. Accessible language and transparency about risks and charges should be central to the simplification process. *We recommend the FCA bring forward new stronger rules and guidance for standardised language, and transparency in pricing, for pensions and*

associated advice. Once in place, it is important that these rules are strictly enforced: unnecessary complexity is as much an enemy of a smoothly-functioning market as more obvious regulatory transgression.

66. The FAMR is aiming to produce policy proposals in time for Budget 2016.¹⁸¹ The FCA intends to publish its final new pensions rules in the second quarter of 2016, with implementation to follow.¹⁸² Despite operating in an environment of very limited information, our inquiry has uncovered both evident shortcomings of pension freedom and possible solutions.

67. The Government and FCA have ready access to a wealth of data. Where these data point to clear problems and potential remedies, they should act more quickly than their review timetables imply. Ongoing monitoring will enable such measures to be adjusted over time.

¹⁸¹ HM Treasury, [Financial Advice Market Review: Terms of Reference](#), August 2015

¹⁸² Financial Conduct Authority ([PFA0044](#))

6 Long-term concerns

68. The pension freedom reforms are just six months old. Like our predecessor Committee, we strongly support these important changes but have concerns about the dangers to retirement savers they bring in their wake. A radically altered environment has yet to settle down and there is less information about its state than there ought to be. Earlier in this Report we identified concerns that need to be addressed with urgency. It is inevitable that other potential problems that are not yet apparent will emerge. The success of the policy can only be measured against consumer outcomes over many years. Over the course of our inquiry we heard examples of international experience that offer warning signs and lessons for how pension freedom should develop. We also took evidence in favour of more radical policy measures than the adjustments we have recommended.

Lessons from overseas

69. The United States and Australia were two examples of countries with liberalised pension decumulation markets that were often referred to in our evidence. The Personal Finance Society told us that more needed to be done to support people in the UK to avoid the undesirable outcomes seen in these countries.¹⁸³ David C. John, an American pensions expert, said that financial advice in the United States was largely the preserve of the well-off while general guidance tended to befuddle consumers with unfamiliar jargon. Rates of annuity purchases were very low and survey data showed that a large proportion of American pensioners would run short of money.¹⁸⁴ Just Retirement referred to analysis showing 25% of Australians who accessed their pension savings at age 55 had exhausted the full amount by age 70.¹⁸⁵ Other, more risk-averse, consumers had removed very little money from their pots, leaving much of it unused when they died.¹⁸⁶ In Australia, a recent Financial System Inquiry, also known as the “Murray Review”, recommended that pension funds be required to offer members a “pre-selected” retirement income product, which would provide a regular, stable income stream and longevity risk management while retaining some flexibility.¹⁸⁷

70. Other witnesses warned that direct comparisons could not be drawn between Australia and the UK. Chris Curry pointed to different regulatory and tax systems and the absence of a history of annuity purchases or longevity insurance in Australia.¹⁸⁸ The Minister noted that Australia still had a means-tested state pension, while in the UK the new fixed-rate State Pension would not generate the same incentives to run down private funds.¹⁸⁹

Default options

71. Some witnesses drew on the experience in Australia in suggesting that a form of pre-selected or default decumulation option should be considered in the UK.¹⁹⁰ On seeking

183 Personal Finance Society ([PFA0017](#))

184 David C. John ([PFA0046](#))

185 Just Retirement ([PFA0033](#))

186 [Q31](#) (Chris Curry)

187 Partnership Assurance Group ([PFA0037](#))

188 [Q31](#) (Chris Curry)

189 [Q127](#) (Harriett Baldwin MP)

190 Partnership Assurance Group ([PFA0037](#)), [Q52](#) (Huw Evans)

to access their money a saver might be informed by their provider of their default option, which they would be entitled to opt-out of if they chose to. Impartial Pension Wise guidance would give them the opportunity to assess the default.¹⁹¹ Huw Evans said that, however good regulation and advice were, some people would find the decision of what to do with their pension pot too daunting and would continue to defer it.¹⁹² The NAPF told us that there was a “clear role” for defaults, arguing that they would particularly help “savers who are unengaged, who cannot choose a solution for themselves and who are therefore at risk of poor retirement outcomes”.¹⁹³ The Investment Association said that a default retirement income strategy based on a combination of investment and insurance approaches would “circumvent” advice gaps.¹⁹⁴

72. Default decumulation options are in many ways consistent with the new system of auto-enrolment for accumulation, whereby employers must put employees, unless they choose to opt-out, into a workplace pension scheme.¹⁹⁵ The FCA noted that “when auto-enrolled, most people will join the default fund at the default contribution level”.¹⁹⁶ We also heard the case that default options were consistent with freedom and choice. Consumers would still need to make a decision at some stage and would retain the flexibility to opt-out of any default.¹⁹⁷ The Murray Review in Australia concluded that “pre-selected options have been demonstrated to influence behaviour but do not limit personal choice and freedom”.¹⁹⁸

73. Others argued that default options were against the spirit of freedom and choice. Chris Hannant said “we had a default. It was annuitisation. We have moved away from that”.¹⁹⁹ Tom McPhail said that default products would not, in general, account for the particular retirement needs of individuals. Meeting those needs would require customer engagement at some point.²⁰⁰ Default options would also tend to discourage “shopping around” for good value products from different providers, the lack of which was highlighted by some as already a major problem with the pension freedom reforms.²⁰¹ Consumers would tend to default to their existing provider’s suggested product. This inertia was unlikely to work in favour of the customer, as had been demonstrated by the poor value annuity market that pension freedom supplanted.²⁰²

74. The Minister told us that, while she expected pension providers to seek to develop products with default pathways and employers with auto-enrolment schemes to take a more active role at the point of retirement, she did not expect the Government to be “legislating a default option any time soon”.²⁰³ The Financial Inclusion Centre said that, while they thought default options would eventually be required, consideration of that

191 National Association of Pension Funds ([PFA0042](#))

192 [Q52](#) (Huw Evans)

193 National Association of Pension Funds ([PFA0042](#))

194 The Investment Association ([PFA0015](#))

195 E.g. Age UK ([PFA0023](#))

196 Financial Conduct Authority ([PFA0044](#))

197 [Q31](#) (Chris Curry), [Q52](#) (Huw Evans)

198 Financial System Inquiry, [Final Report](#), November 2014, p91

199 [Q52](#) (Chris Hannant)

200 [Q52](#) (Tom McPhail)

201 LV= ([PFA0038](#)), Just Retirement ([PFA0033](#))

202 [Q38](#) (Tom McPhail), [Q124](#) (Harriett Baldwin MP)

203 [Q124](#) (Harriett Baldwin MP)

was for the longer term, once short-term interventions to protect consumers had been tested.²⁰⁴

75. Default decumulation options would offer protection to those unable or unwilling to engage with their pension choices while retaining for others the opportunity to exercise more active choice. However, their introduction would amount to a philosophical departure from the pension freedom policy. It would risk greater disengagement with saving and enable firms to exploit incumbency further to the potential detriment of consumers. Legislation for default options should only be introduced if long-term monitoring of the consumer outcomes from pension freedom indicates that it is necessary.

A watching brief

76. This inquiry focused on ensuring the provision of high-quality guidance and advice, a necessary precursor to the success of pension freedom. In doing so we did not cover other important concerns about the reforms such as the rate at which consumers are being afforded access to a range of decumulation products, transfer times, levels of exit fees and other charges, and the interaction between drawdown and the new State Pension. A fuller picture of the effects of the reforms will begin to emerge when more data are published. We will monitor these developments carefully.

77. A watching brief on pension freedom is imperative and we intend to return to this issue over the course of the Parliament. Whether improvements in the quality and take-up of guidance and advice can be achieved will be central to the success of the policy. It is right that people should be able to choose what to do with their retirement savings. However, freedom to choose is not enough; people must have freedom to make informed choices.

²⁰⁴ Financial Inclusion Centre ([PFA0039](#))

Conclusions and recommendations

Assessing pension freedom

1. The Government's reticence in publishing statistics on the effects of its pension freedom policy, a full six months after the reforms, is unacceptable. The scarcity of information regarding Pension Wise in particular is not conducive to effective scrutiny. It is also not conducive to effective policy: it would be fortunate in the extreme if such radical change operated as hoped without any need for adjustment. Regular collection and reporting of the take-up of guidance and advice options on offer, and the decisions taken, is imperative. This should also provide some assurance that another mis-selling scandal is not on the horizon. (Paragraph 16)
2. We recommend the Government publish, or require its regulators to publish, statistics on Pension Wise and the advice and pensions markets on a quarterly basis, encompassing:
 - a) customer characteristics including pension pot size and other sources of retirement income;
 - b) take-up of each channel of guidance and advice;
 - c) reasons given for not taking up guidance and advice;
 - d) subsequent decisions taken; and
 - e) reasons given for those decisions. (Paragraph 17)
3. While we support pension freedom, its long-term effects remain highly uncertain. The full picture of eventual consumer outcomes will emerge over many years. These outcomes must be monitored closely. We recommend that the Government initiate a rolling research programme to track the longer-term consequences of pension freedom decisions. We expect the Government to detail its approach to assessing the long-term effects of the reforms in its response to this Report. (Paragraph 18)

Scams

4. The pension freedom reforms have increased the prospects of people being conned out of their life savings. Financial scammers are notoriously adept at reinventing themselves to take advantage of such opportunities. But this does not mean scams should be accepted as a fact of life. The Government and the FCA are taking the right approach in promoting awareness as the best weapon against scamming. But they could do more. In particular, pension providers are an underused point of contact, for example when a customer wishes to withdraw funds to invest in a suspicious scheme. (Paragraph 24)
5. We recommend the Government urgently redouble its publicity efforts around pension scams. We further recommend the FCA tighten its scam awareness and reporting requirements for regulated firms. Scams are a tragedy for individual households and undermine trust in the law-abiding and responsible majority in the retirement finance sector. Scammers must be stopped. We will monitor action on pension scamming closely over the course of the Parliament. (Paragraph 25)

Pension Wise

6. Pension Wise was created to fill a potentially dangerous anticipated gap in support for consumers, including for many people who are unable or unwilling to pay for independent advice. Low take-up of its service is therefore a concern. The Government's renewed marketing campaign is welcome and the publication of regular take-up statistics will allow the situation to be monitored. (Paragraph 31)
7. Pension providers are a key point of contact with their customers. We recommend the FCA strengthen its rules and guidance for pension providers regarding Pension Wise signposting and risk warnings; and assure compliance through mystery shopping

exercises. We further recommend that the number and proportion of customers that contact Pension Wise having been signposted there by each provider should be tracked and published in regular statistics. (Paragraph 32)

8. Pension Wise guidance is currently too narrow for too many consumers. Decisions about retirement income products are not best made in isolation from information on property wealth, benefit entitlements, tax implications, care costs or debts. We recommend the Government work with the FCA and guidance providers to develop a more holistic Pension Wise service that offers more personalised support. (Paragraph 37)
9. The Pension Wise website is not fit for purpose. It is static, offering no opportunities for personalisation, and lags well behind many private services. This is a particular concern given it is the primary independent guidance channel for a large proportion of consumers. We recommend the Government ensure the Pension Wise website provides an indicative income calculator, illustrative examples tailored to individual circumstances and a printable summary function as a matter of urgency. Over time we would expect this service to enable customers to include other potential income and expenses in their calculations. (Paragraph 38)
10. A pensions dashboard is long overdue. Pension freedom merely makes it more urgent. Enabling people to view all of their pensions in one place will leave customers better-placed to make good decisions about their retirement savings. It will also encourage people to engage with their finances while accumulating a pension. There is clearly broad appetite for this reform. Provided data security can be assured, we would welcome its development in the private sector. However, Government has an important role in ensuring that progress is maintained. We recommend the Government announce a clear timetable for the introduction of a pensions dashboard in its response to this Report. (Paragraph 39)
11. Pension decision-making is increasingly complex. Where a large proportion of people once enjoyed defined benefit pensions or defaulted into an annuity, people are now increasingly required to take difficult decisions about their retirement savings at various stages of accumulation and decumulation. The one-off nature of Pension Wise guidance sits oddly with this reality. However, free guidance sessions can be expensive to provide and a wide range of alternative free and paid-for guidance and advice services are available or in development. In the absence of better data about Pension Wise and the pension freedom market, it is not yet clear that offering multiple sessions would be value for money. We recommend that the Financial Advice Market Review consider the case for offering two or more Pension Wise guidance sessions per customer. (Paragraph 42)

The advice market and regulatory clarity

12. Despite promising signs, the pension freedom market is clearly not yet operating entirely as it should. For consumers, already daunting terrain is more difficult to navigate than it should be as there are gaps in the availability of support. In particular, provision in the middle ground between free guidance and traditional but expensive face-to-face independent financial advice is woefully inadequate. As long as this gap persists, consumers are at risk of making poor decisions with their life savings. (Paragraph 59)
13. To their credit, industry and regulators alike have identified the affordable advice gap as a problem. We heard impressive examples of innovative products and over time we expect the market to adapt to largely close the gap. The future of financial advice and guidance is clearly predominantly online and interactions will be increasingly focused on single transactions. The role for regulators is to enable innovation and market entry by adapting to these changed circumstances. (Paragraph 60)
14. Complexity is a major obstacle to the smooth operation of the market. It restricts both demand and supply. Too many consumers do not understand what they are buying, either in advice or in financial products with jargon-laden descriptions and pricing structures that if conceived to confound could hardly be more convoluted.

Understandably risk-averse providers are hesitant to bring new advice or pension products to market because of insufficient clarity surrounding the regulations that govern their operation. (Paragraph 61)

15. We encountered several examples of regulatory opacity. The boundary between guidance and advice is a mystery to consumers and providers alike. While we welcome the concept of safeguarded benefits, it is imperative that these protections are proportional and clearly bounded. Managing the “insistent client” problem is a delicate balance: consumers must be protected and memories of mis-selling scandals are still fresh. We have yet to be persuaded by the case for relaxing regulation to provide providers and advisers with “safe harbours” from liability. However, for pension freedom to operate effectively, it is necessary to ensure that people can get advice and, once informed, can take decisions contrary to that advice. Greater clarity would be an important first step. (Paragraph 62)
16. Examining the affordable advice gap rightly sits at the top of the priorities of the Financial Advice Market Review. In the pension freedom market, closing the gap should be the first policy objective of Government and regulators. The second, related, policy objective should be clarification and simplification (Paragraph 63)
17. We recommend that the Government and the FCA, as part of the Financial Advice Market Review, clarify:
 - a) the distinction between guidance and advice;
 - b) the definitions of safeguarded benefits; and
 - c) protections in providing advice to insistent clients. (Paragraph 64)
18. Accessible language and transparency about risks and charges should be central to the simplification process. We recommend the FCA bring forward new stronger rules and guidance for standardised language, and transparency in pricing, for pensions and associated advice. Once in place, it is important that these rules are strictly enforced: unnecessary complexity is as much an enemy of a smoothly-functioning market as more obvious regulatory transgression. (Paragraph 65)
19. The Government and FCA have ready access to a wealth of data. Where these data point to clear problems and potential remedies, they should act more quickly than their review timetables imply. Ongoing monitoring will enable such measures to be adjusted over time. (Paragraph 67)

Long-term concerns

20. Default decumulation options would offer protection to those unable or unwilling to engage with their pension choices while retaining for others the opportunity to exercise more active choice. However, their introduction would amount to a philosophical departure from the pension freedom policy. It would risk greater disengagement with saving and enable firms to exploit incumbency further to the potential detriment of consumers. Legislation for default options should only be introduced if long-term monitoring of the consumer outcomes from pension freedom indicates that it is necessary. (Paragraph 75)
21. A watching brief on pension freedom is imperative and we intend to return to this issue over the course of the Parliament. Whether improvements in the quality and take-up of guidance and advice can be achieved will be central to the success of the policy. It is right that people should be able to choose what to do with their retirement savings. However, freedom to choose is not enough; people must have freedom to make informed choices. (Paragraph 77)

Formal Minutes

Wednesday 14 October 2015

Members present:

Frank Field, in the Chair

Heidi Allen
Mhairi Black
Ms Karen Buck
John Glen
Richard Graham

Mrs Emma Lewell-Buck
Craig Mackinlay
Jeremy Quin
Craig Williams

Draft Report (*Pension freedom guidance and advice*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 77 read and agreed to.

Summary agreed to.

Resolved, That the Report be the First Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the Committee's inquiry page at www.parliament.uk/workpencom.

Monday 7 September 2015

Question number

Michelle Cracknell, Chief Executive, The Pensions Advisory Service, **Rachael Badger**, Head of Policy Research, Citizens Advice, **Teresa Fritz**, Financial Services Consumer Panel, and **Chris Curry**, Director, Pensions Policy Institute. [Q1-33](#)

Huw Evans, Director General, Association of British Insurers, **Joanne Segars**, Chief Executive, National Association of Pension Funds, **Tom McPhail**, Head of Pensions Research, Hargreaves Lansdown, **Chris Hannant**, Director General, Association of Professional Advisers. [Q34-56](#)

Wednesday 16 September 2015

David Geale, Director of Policy, Financial Conduct Authority, **Chris Woolard**, Director of Strategy and Competition, Financial Conduct Authority. [Q57-99](#)

Harriett Baldwin MP, Economic Secretary to the Treasury, and **Gwyneth Nurse**, Director, Financial Services, HM Treasury. [Q100-129](#)

Published written evidence

The following written evidence was received and can be viewed on the Committee's inquiry web page at www.parliament.uk/workpencom. PFA numbers are generated by the evidence processing system and so may not be complete.

- 1 Aegon UK ([PFA0036](#))
- 2 Age UK ([PFA0023](#))
- 3 Association of British Insurers ([PFA0029](#))
- 4 Association of Professional Financial Advisers (APFA) ([PFA0021](#))
- 5 Aviva ([PFA0030](#))
- 6 Chartered Trading Standards Institute ([PFA0019](#))
- 7 CIPD ([PFA0013](#))
- 8 Citizens Advice ([PFA0028](#))
- 9 David C. John ([PFA0046](#))
- 10 Dr Moshe Gerstenhaber ([PFA0002](#))
- 11 Dr Stuart Grierson ([PFA0034](#))
- 12 Ferret Information Systems Ltd ([PFA0008](#))
- 13 Fidelity Worldwide Investment ([PFA0027](#))
- 14 Financial Conduct Authority ([PFA0044](#))
- 15 Financial Services Consumer Panel ([PFA0035](#))
- 16 Gresham Financial Planning LLP ([PFA0020](#))
- 17 Hargreaves Lansdown ([PFA0014](#))
- 18 HM Treasury ([PFA0043](#))
- 19 Just Retirement ([PFA0033](#))
- 20 Kelvin Financial Planning ([PFA0007](#))
- 21 Kelvin Financial Planning Ltd ([PFA0006](#))
- 22 Local Government Association ([PFA0011](#))
- 23 Lv= ([PFA0038](#))
- 24 Michael Brown ([PFA0003](#))
- 25 Money Advice Service ([PFA0022](#))
- 26 National Association of Pension Funds ([PFA0042](#))
- 27 Openretirementclub ([PFA0010](#))
- 28 Partnership Assurance Group Plc ([PFA0037](#))
- 29 Pensions Advisory Service ([PFA0049](#))
- 30 Pensions Policy Institute ([PFA0032](#))
- 31 Personal Finance Society ([PFA0017](#))
- 32 Strategic Society Centre ([PFA0012](#))
- 33 The Chartered Insurance Institute ([PFA0048](#))
- 34 The Equity Release Council ([PFA0001](#))

- 35 The Financial Inclusion Centre ([PFA0039](#))
- 36 The Investment Association ([PFA0015](#))
- 37 The Low Incomes Tax Reform Group ([PFA0045](#))
- 38 The Money Charity ([PFA0031](#))
- 39 The Society of Pension Professionals ([PFA0016](#))
- 40 Trades Union Congress ([PFA0009](#))
- 41 True Potential ([PFA0047](#))
- 42 Which? ([PFA0018](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the Committee's website at www.parliament.uk/workpencom.

Session 2015-16

First Report

Pension freedom guidance and advice

HC 371