



# The Pensions Advice Taskforce

Summary Guide to

## **The Pension Transfer Gold Standard**

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## Preface



Welcome to our Summary Guide to the Pension Transfer Gold Standard, the first output from the industry wide representative body The Pensions Advice Taskforce.

In recent years the increased complexity of the pension landscape has continued to present challenges to financial advisers and consumers alike. Whilst many consumers have been positively affected by the introduction of pension freedoms, it has also resulted in unintended and negative consequences, particularly in respect of defined benefit pensions.

In 2018, the closure of the British Steel Pension Scheme illustrated that where a small minority of advisers hide behind such complexities and act inappropriately, or simply do the wrong thing, the financial advice profession as a whole will continue to be undermined in the eyes of the consumer and subject to the prospect of ever greater levels of regulation and oversight, increasing the cost of access to much needed, good quality financial advice.

In direct response, the Personal Finance Society has brought together senior representatives of stakeholder organisations from across the industry in the form of the Pensions Advice Taskforce, to help raise standards and increase consumer protection in respect of the transfer of safeguarded pension benefits via the creation of a set of principles that underpin the Pension Transfer Gold Standard. Working closely with the new Money and Pensions Service, firms who adopt the Gold Standard will be identifiable as such within the Money Advice Service Retirement Adviser Directory. This will provide a list of Gold Standard advisers for pension transfers, one of the key recommendations of the independent review of lessons to be learnt from the restructure of the British Steel Pension Scheme, instigated by The Pensions Regulator.

I should stress, this initiative is not about the creation of a small band of elite advisers via a set of principles that very few firms could apply in practice. Whilst raising overall standards, it is more about raising consumer awareness, empowerment and redressing the knowledge imbalance between firms giving advice and consumers seeking and taking it. Ultimately if it helps consumers better understand what good advice looks like and where they can find it, we believe it will represent significant progress towards avoiding a repeat of the British Steel debacle.

We hope you agree and that if you are a financial advice firm you will sign up and adopt the Gold Standard. If you are a pension provider, scheme administrator, PI Insurer or representative body, we hope you will openly support the aims and objectives of both the Taskforce and Gold Standard.

Keith Richards

CEO of The Personal Finance Society  
MD Engagement, The Chartered Insurance Institute

## Introduction

This document provides a summary of both the Pensions Advice Taskforce and the new Pension Transfer Gold Standard. It should be read in conjunction with the following documents which can be found on the following web links:

[www.thepfs.org/ptgs](http://www.thepfs.org/ptgs)

1. Adviser Guide to Pension Transfer Gold Standard - Introduction and Principles Guide
2. Adviser Guide to Pension Transfer Gold Standard – Practitioner’s Support

[www.thepfs.org/ptgsconsumer](http://www.thepfs.org/ptgsconsumer)

3. Consumer Guide – short version
4. Consumer Guide – long version

## What is the Pensions Advice Taskforce (PAT)?



The Pensions Advice Taskforce is an industry wide representative body whose ultimate purpose is to raise advice standards and enhance consumer protection in complex areas of pension advice. Its initial focus has been on Safeguarded and Defined Benefit Pension Transfers.

Members of the Steering Group are senior individuals who represent consumer bodies, financial advisers (both large and small), scheme administrators, pension providers, PI insurers, Pension Wise, TPAS, Money Advice Service (all now under the banner of the Money and Pensions Service), and compliance consultants all with direct experience of both individual and workplace pensions. (For a full list of members of the Steering Group, please see Appendix 1)

The Financial Conduct Authority and The Pensions Regulator sit on the Steering Group as independent technical observers and have provided valuable commentary during its lengthy deliberations.

## Why has it been created?

In the aftermath of the British Steel Pension Scheme closure, much debate has taken place across the Industry about the extent to which stakeholders involved operated in silos rather than in a co-ordinated and timely manner to prevent detriment of scheme members. We have also seen significant contraction in the PI market both in terms of increases in excess levels, overall premium levels and in some cases availability of cover. These issues have highlighted a relative lack of industry co-ordinated approaches to market, advice standards and consumer protection, against a backdrop of increasing complex pension legislation.

The Pensions Advice Taskforce is a direct response from the Personal Finance Society, bringing together representatives of key stakeholders from across the pension industry to

focus on developing sets of principles underpinning good financial adviser behaviour that exceeds minimum requirements and as such are more likely to deliver consistently good consumer outcomes.

## **What is the Pension Transfer Gold Standard?**



The Gold Standard is a voluntary code of good practice for Safeguarded and Defined Benefit Pension Transfer advice, based around a set of principles. Financial advice firms can adopt and promote this standard by adhering to these principles, so consumers can be more confident they are dealing with a firm that is going beyond minimum requirements when giving financial advice and a personal recommendation as to whether to transfer their pension.

## **What are the principles underpinning the Gold Standard?**

The nine principles are:

1. Helping clients understand when advice is appropriate.
2. Ensuring advice given supports the clients overall financial wellbeing in the context of their stated objectives.
3. Ensuring client understanding and acceptance of all charges
4. Ensuring the most appropriate and updated technical skills are applied
5. Transparent management of Conflicts of Interest
6. Helping clients understanding the cost of transferring benefits
7. Avoiding unregulated investments and introducers
8. Transparency in advice processes and outcomes
9. Promoting the Consumer Guide to the Pension Transfer Gold Standard

Advice Firms wishing to sign up to the Gold Standard should familiarise themselves with the content of the four documents highlighted in the Introduction on page 1.

## **Why has it been created?**

The Gold Standard is primarily about empowering consumers and setting clear expectations of what to expect from financial advice. The success of this initiative will ultimately be measured against the practical extent to which it helps consumers understand what they should expect from good quality advice, how to recognise it and how to access it.

This is not about creating a small band of elite advisers in this market by creating a set of principles that very few could apply in practice, but to raise the overall standards of advice in this area incrementally – essentially a standard that many advisers in this market already adhere to and that with support the majority could and will want to deliver.

## Is my firm eligible to adopt the Gold Standard?

Any financial advice firm can adopt the Gold Standard, regardless of which accredited body they are a member of, so long as they meet the following criteria:

- they have regulatory permissions for provision of pension transfer advice (authorisation as both a Pension Transfer Specialist and as an investment adviser – level 4 minimum)
- they (or any individual within their firm) are not currently undergoing regulatory sanction in respect of this area of advice
- they have Professional Indemnity insurance which meets FCA threshold conditions and that the firm has adequate resources to cover any excesses (or exclusions) under the policy under the relevant sections of IPRU-INV13.0
- they have adopted all the principles of the PTGS (without exception).
- where firms are appointed representatives:
  - their principal has regulatory permissions to provide pensions transfer advice and the agreement with the AR that allows specified individuals within the AR firm to provide such advice under article 53e of the Regulated Activities Order
  - the PII of their principal meets the FCA threshold conditions
  - the AR firm has adopted all the principles of the PTGS and have informed their principle of this

Registration will need to be renewed on an annual basis and adopters should be prepared to provide evidence if called upon by either the CII/Personal Finance Society or a body with delegated authority from the Pension Advice Taskforce they have adopted the principles of the Gold Standard. This may involve evidence of the CDP requirement in Principle 4, Management information to support Principles 1 and 8 and examples supporting Principles 3, 5 and 6.

## How do firms sign up to the Gold Standard?

Go to the sign-up page on the Pension Transfer Gold Standard website. You can find this via the following link: [www.thepfs.org/ptgs](http://www.thepfs.org/ptgs)

Before applying, please make sure that you have read all the adviser literature and all the consumer facing documents as well as the educational material and that you are happy to support all the Principles and to promote the Consumer Guide.

## How can I find out more?

1. Go to the adviser landing page on the Pension Transfer Gold Standard website: [www.thepfs.org/ptgs](http://www.thepfs.org/ptgs)

From here you can access the following:

- a. This Summary Document
- b. All Adviser facing documentation
- c. The adviser sign- up page

2. Take a look at the consumer facing material on the consumer landing page on the Pension Transfer Gold Standard website: [www.thepfs.org/ptgsconsumer](http://www.thepfs.org/ptgsconsumer)

From here you can access the following:

- a. All consumer facing documentation
- b. Educational material to help consumers assess their need for regulated financial advice, including:
  - i. An embedded video from Money Advice.
  - ii. A script based on the Money Advice video
  - iii. A “Statements” document.

3. Contact the Pensions Advice Taskforce via: [Pat@thepfs.org](mailto:Pat@thepfs.org)

### **How will consumers get to hear about the Gold Standard?**

The Taskforce has worked with the Single Finance Guidance Body (now the Money and Pensions Service) via representation on the Steering Group in respect of the creation of the Gold Standard. One further aspect of this collaboration is the adoption and signposting of the Gold Standard within the Money Advice Retirement Adviser Directory and the signposting to adopters following pension guidance sessions where appropriate.

The Taskforce will also be looking to engage with the wider pension market with a view to encouraging all organisations to endorse and promote the aims and objectives of the Gold Standard.

Advice firms who adopt the Gold Standard will be required to promote the consumer guide to existing, prospective and new clients at the earliest opportunity.

They will be able to display the following badges on their correspondence and within their premises:



## How can other organisations support its aims and objectives?

The Pension Transfer Gold Standard website contains a section within which corporate supporters are listed together with a short piece of text and a hyper link to their website. Corporate Supporters will be grouped in several categories, as follows:

- Associations and Membership Bodies
- Pension Providers
- Networks/Service Providers/National Advice Groups
- Compliance Consultancies
- PI Insurers
- Scheme Administrators
- Others

Please be aware that we are simply asking organisations to indicate their support for the aims and objectives of the Pension Transfer Gold Standard. We are **not**:

- asking for any change in what organisations do or how they engage with this market
- asking that organisations treat adopters of the Gold Standard differently from non-adopters, unless an organisation feels they have reason to do so
- asking for sponsorship or any financial support



## Appendix 1 – membership of the Pension Advice Taskforce Steering Group

The following are members of the Steering Group (unless otherwise identified as independent technical support)

Membership of this group was on a personal basis and does not imply or involve any direct or indirect endorsement from any organisation they represent or work for.

Name	Organisation
Philip Brown	Previously Head of Policy Retirement Solutions, LV
Simon Crystal	CEO, UK Workplace Solutions Limited
Liz Coyle	Compliance Policy Manager, Simply Biz Group
Michelle Cracknell	Previously CEO, The Pension Advisory Service
David Craik	Director Financial Planning, Optima Financial Services/Aberdeen
David Flory	Joint Secretariat, Pensions Advice Taskforce
Nick Flynn	MD, LEBC
Paul Freeman	Liberty Global Group
Teresa Fritz	Policy Manager, The Money Advice Service
Tim Harries	Head of Risk, Governance and Compliance at UK Workplace Solutions
Jamey Johnson	Chief Officer, Pensionwise
Sue Lewis	Chair, Financial Services Consumer Panel
Tony Miles	Joint Secretariat, Pensions Advice Taskforce
Russell Newell	Chief Underwriting Officer, AmTrust Europe Ltd
Mark Pearson	Director Business Development, Origen Financial Services
Rory Percival	Rory Percival Consulting / PFS Board Member
Keith Richards	CEO Personal Finance Society/MD Engagement of the CII
Margaret Snowden OBE	Chair, Pension Scams Industry Group (PSIG) and Pensions Administration Standards Association (PASA)
Simon Thomas	Head of Regulatory Policy at Tenet Group
Richard Turnbull	Underwriting Director, Collegiate
Sir Steve Webb	Director of Policy and External Communications, Royal London
Rob Yuille	Head of Retirement Policy at the Association of British Insurers
Julie Sheppard	Policy Lead, The Pension Regulator (Independent technical support)
Sandra Graham	The Financial Conduct Authority (Independent technical support)