

AMPS Response to CP19/10 Publishing and disclosing costs and charges to workplace pension scheme members and amendments to COBS 19.8

Introductory statement

Rather than responding to the specific consultation questions, AMPS has concerns about the potential inclusion of some non-workplace schemes in this consultation by reference to the term 'relevant schemes' and 'direct payment arrangements'.

The following is our response to the consultation and seeks to address our concerns.

Consultation response

AMPS represent member firms that operate in the self invested sector of the financial services industry. Our membership is broad and extends from small SSAS providers and SIPP operators to large insurers and platforms all of whom are providing self invested pension schemes to consumers.

It is noted that the consultation refers to workplace pension schemes and in doing so references the term 'relevant scheme'. 'Relevant scheme' is defined in both the Pension Schemes Act 1993 ('PSA 93') and the Pensions Act 2014 ('PA2014') and includes personal pension schemes where direct payment arrangements are in place.

It is our understanding that the requirements under the PSA 93 relate to the monitoring of payments from an employer, whether this is an employer, employee contribution, or both, and where there is a need to ensure that a contribution payment schedule is appropriately maintained with contributions being paid to the pension scheme in a timely manner. Any late payments are subsequently notified to the Pension Regulator.

We note the earlier Consultation CP16/30 and the follow up policy statement PS17/20 both of which are titled 'Transaction cost disclosure in workplace pensions', each use the term 'relevant scheme'.

Importantly the DWP Command Paper 'Better workplace pensions: further measures for savers' https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/298436/better-workplace-pensions-march-2014.pdf which itself is referenced in CP16/30 states '....schemes that are used as qualifying schemes will need to meet the charges standards proposed in this paper, and all of these schemes used for workplace saving will have to meet the proposed quality and governance standards

This is an important statement from the DWP.

The term qualifying scheme is a term used in establishing auto-enrolment criteria and the infrastructure and regulation around auto-enrolment and workplace pension schemes. Where a scheme does not meet the qualifying scheme criteria we would not consider it to meet the workplace definition albeit we accept that a workplace may divert contributions to an alternative pension scheme either to top up existing pension provision or because a member of staff has opted out of the qualifying auto-enrolment scheme put in place by their employer.

It is likely firms within our membership will be accepting contribution payments from employers, but these are not being accepted into workplace pension schemes as defined by the auto-enrolment qualifying scheme definition.

We seek your confirmation, though this response, that non-workplace pension schemes accepting pension contribution payments as direct payment arrangements are not in scope of the consultation and any made rules that are subsequently published.

About AMPS:

History:

- Founded in 2005 to provide a collective voice and lobbying forum for representatives of the self-invested pensions industry (Self-Invested Personal Pensions, SIPP, and Small Self-Administered Schemes, SSAS)
- Formed by merging the Association of Pensioner Trustees and SIPP Provider Group in anticipation of the simplified pensions regime introduced on 6 April 2006 ("A Day").

Structure:

- Managed by a Committee of elected members
- Monthly Committee meetings with a formal agenda
- Sub-Committees dealing with various key areas: Compliance, HMRC Technical, Legal and Platforms

Membership*:

- Approximately 150 SIPP Operators including James Hay, Suffolk Life and AJ Bell
- Membership operates/administers the vast majority of both SIPP and SSAS
- Number of SIPP under administration: 1m+
- SIPP assets under administration: £125bn+
- Number of SSAS under administration: 16,000
- SSAS assets under administration: £26.5bn+
- Law firms which specialise in pensions and compliance issues
- Information technology firms which provide ancillary services to SIPP/SSAS operators
- Independent compliance firms

Objectives:

- To provide an industry forum for the exchange of views and knowledge for our members
- To interact with government departments and regulators on industry issues
- To liaise with other Industry bodies in areas of mutual interest
- To provide a source of informed comment to the media

Activities:

- Engagement with HM Revenue & Customs, Department for Work and Pensions, The Pensions Regulator, HM Treasury and Financial Conduct Authority
- Providing training to our membership through regular targeted conferences and workshops
- Issuing newsletters to our membership
- Reporting items of interest on the membership website and facilitating open discussion and forums
- Responding to government-led and regulator-led consultations
- Maintaining close links with other industry bodies including the Association of British Insurers (ABI), Tax Incentivised Savings Association (TISA), Investment and Life Assurance Group (ILAG) and Personal Investment Management and Financial Advice Association (PIMFA).

* Membership data based on latest estimates

Distribution

This is a public document available on the AMPS website: www.ampsonline.co.uk

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