

AMPS Response to DP18/5 ‘Discussion Paper on a duty of care and potential alternative approach’

AMPS fully support FCA with the objectives of ensuring that consumers are protected and that markets function as they should, but do not believe that a ‘New Duty’ is a single golden solution for the industry.

We support many of the comments in the discussion paper, as we believe that the current regulatory framework is sufficient and there is no merit in introducing additional rules for the industry to comply with.

In our view, a duty of care already exists and if firms are following existing regulatory rules and principles, then they are TCF compliant and are meeting this duty.

The current regulatory toolbox including the Senior Managers and Certification Regime, Culture and TCF is sufficient to drive cultural change. Running alongside this is the possible introduction of a vulnerability policy that could also drive good behaviours within the industry and provide more certainty regarding regulatory expectations.

AMPS represent the SIPP and SSAS industry, with most of our membership being ‘defined as ‘solo regulated’ firms under SM&CR. We therefore cannot see the benefit of bringing in a new duty whilst SMCR is still in its infancy within the banking industry, is still to be implemented for insurers and solo regulated firms and the effectiveness of this regime is not yet understood or tested.

Finally, we agree with the view that a new duty would be another layer of complexity for firms and consumers to navigate.

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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