

# Pension Schemes Bill

## Brief for House of Lords Second Reading

28<sup>th</sup> January 2020

the  
people's  
pension



### Who we are

B&CE is the provider of the People's Pension, a not-for-profit master trust which delivers a workplace pension to nearly 5 million mostly low and medium income savers. With 90,000 employers and £9bn under management, the People's Pension is the second largest master trust pension scheme and is integral to the success of automatic enrolment.

### Pension Schemes Bill (Pensions Dashboard clauses)

The Pension Schemes Bill lays the legal groundwork for the pensions dashboard, an online information system that will allow people to see details of all their pension entitlements in one place. This online information system will support both a public non-commercial dashboard run by the Money and Pensions Service and commercial dashboards run by pension providers.

We have two main points of concern:

1. The basic legal architecture of the dashboard is set out in the Bill, but much is left to secondary legislation. Legislators will want to be certain that the powers the Bill grants the government to make via secondary legislation are appropriate.
2. Government wants to allow commercial pensions dashboards to be run by pensions providers. These providers will use pensions dashboards as a sales channel. The Bill contains little on consumer protection. We'd like to see reassurance that the dashboard project will protect consumers from mis-selling and other risks often associated with pensions.

### What have I got and where is it?

Auto enrolment has been a resounding success and has brought more than 10 million people into pension saving. However, many people now have more than one pension pot. DWP estimate that people will have an average of 11 jobs in their lifetime with possibly a pension pot for each. Increasingly, people will ask: "what have I got and where is it?"

Consumers who aren't versed in the complexity of the UK pensions landscape simply want a window to their savings, so they can understand what provision they have for their retirement. The proposed pensions dashboard is a welcome

solution to this issue, with one key caveat: we believe that a single public (non-commercial) dashboard should be established first and foremost. Once this dashboard is operational and engendering public trust, then, and only then, should multiple commercial dashboards be considered.

### Protecting consumers?

The Bill makes provision for a consumer protection regime in regulations. As the Bill enables multiple private sector dashboards, tough regulation is essential. There is no detail given of how a consumer protection might work, other than allowing scope in regulations for dashboard operators to be required to meet (as yet unspecified) standards and either provide or not provide unspecified services.

Beyond these broad powers, there is no indication yet as to how a consumer protection regime might function. We believe a tough consumer protection regime will be required to ensure that the dashboard is not used as a sales tool.

### The Regulators' roles

Under the Bill, MaPS (the Money and Pensions Service) will have a role in setting rules that schemes will have to comply with. There will also be new powers for the FCA but no clear role for TPR. It is important that there are accountability measures in place for new bodies that acquire rules making or standard setting powers.

**We hope you will be able to raise some of these points in Tuesday's Second Reading debate. If you have any questions or need any additional information, please contact:**

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