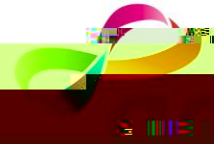


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and far more on how automation can deliver good outcomes across retirement. We believe the role of advice in delivering this will be limited, and much can be achieved by working with the pensions industry to deliver automated 'retirement income' pathways, which would build on the excellent work the FCA has already done.

Similarly, we believe that rather than wholesale reforms to the regulated advice landscape, more should be made of existing initiatives, in particular Pension Wise. Too few people access guidance through this service, in spite of its high customer satisfaction scores. Non-use of such impartial guidance services by non-advised savers increases the risk of badly informed decision making. HMT and FCA should add their backing to calls for a trial to test the impact of auto-booking pension savers into appropriate MaPS pension guidance at earlier ages – we would suggest from age 50. If people subsequently wish to seek support options or advice such as that proposed in the Discussion Paper then they can do so as they wish, but from a better informed position. We do not see how the proposals are likely to deliver solutions for the mass market on their own.

During the Consumer Working Group sessions we expressed some concerns with the overall direction. While the FCA is correct to identify behavioural biases that often prevent consumers from engaging, there are also significant supply side issues that need to be addressed. The lack of supply and seeming reluctance from the industry to engage with moderate and lower earners is, we believe, a significant contributing factor to these groups' lack of access to advice. More work needs to be done on the supply side to address failings before radical steps like removing the suitability requirement



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undermining the fundamental principle of consumer trust in this marketplace. It is likely to enable firms to game the system to push people down specific, commercially beneficial product routes, rolling back the years. We believe that there are solutions to many of the problems already out there (e.g. banks writing to current account customers holding too much cash, or nudging pension customers into Pension Wise) which can make a difference to outcomes without the need for such sweeping reform. Whether HMT/FCA chooses to take forward targeted support or notg reform.