



cutting through complexity

Pension Freedoms

ACA Regional Meeting

June 1st 2015



Agenda

- 1. Pension Freedoms – What happened?**
- 2. Pensions Wise – 60 days in**
- 3. Pensions Freedom / Wider Policy - What challenges does it leave us with?**

Pension Freedoms – What were the key issues facing the industry

1. Customers

- What would they do?

2. Limitations of Legacy

- UFPLS
- Drawdown

3. Regulation – What does compliance look like?

- 2nd line of defence
- Advice boundaries

4. Transfers

- Internal
- External

5. Coverage

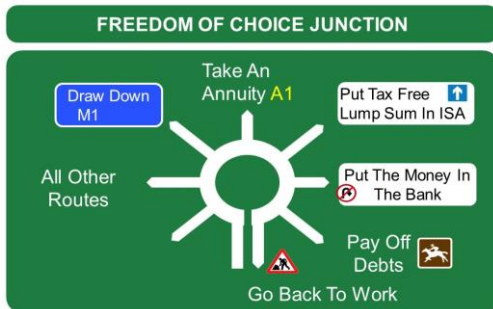
- DB v DC
- Contract v Trust
- Bundled v Unbundled

Pensions Freedom – The story so far...



Cash

- The 'peak' of pent up demand for cash was very short
- Initial demand in life offices was Double/triple the norm
- Very few examples of large pots en-cashing



Customers

- Customers are finding this really hard
- Real challenge is in the mass market – tax, state benefits etc.
- Life Offices, Employers and Trustees under pressure

Industry Response

- Operational Readiness – prioritised
 - Basic IT / CS teams, 2nd LoD
- Customer Decision Support - limited
 - Extension of existing advice / guidance services
- Proposition Enhancements - limited
 - Drawdown > Annuity, Platform, Investment Solutions

Pensions Wise – 60 days later...

Government Design; Advice v Guidance

- Multiple delivery partners
- Central design and governance

First two months:

- Demand
- Changes

Customer reaction:

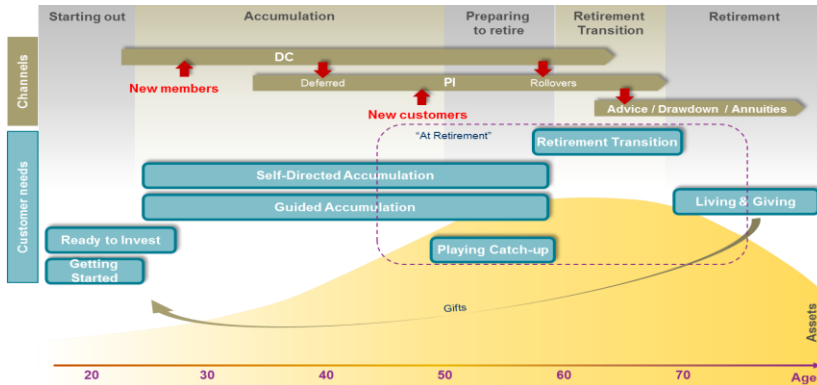
- Journey
- Content

What next:

- Changes
- Beyond 2016

Pensions Freedom – What big challenges are we left with?

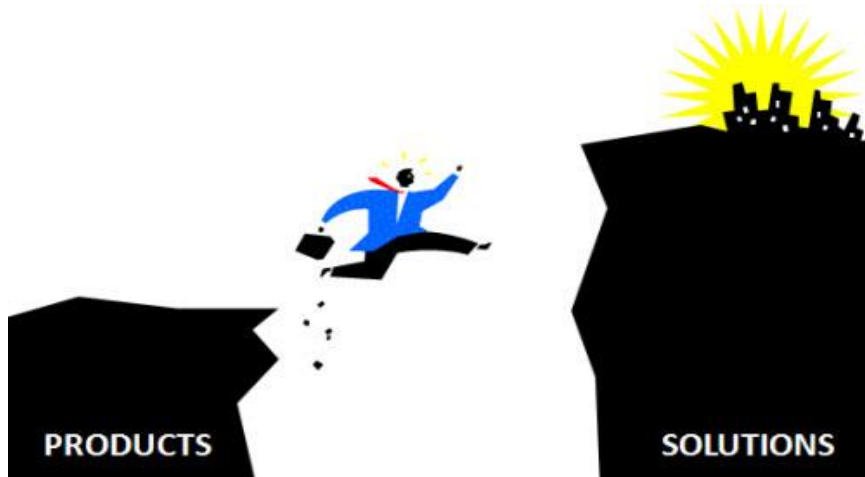
1. Flexibility



2. Helping customers



3. Appropriate Innovation



4. Good customer outcomes





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