

Secretariat to the Review of Pensions Institutions
The Adelphi
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Ref: SW/JV/CB

Dear Secretariat

Age Concern England (the National Council on Ageing) brings together Age Concern organisations working at a local level and 100 national bodies, including charities, professional bodies and representational groups with an interest in older people and ageing issues. Through our national information line, which receives 225,000 telephone and postal enquiries a year, and the information services offered by local Age Concern organisations, we are in day to day contact with older people and their concerns.

Age Concern welcomes the opportunity to comment on issues raised in the Review of Pensions Institutions. While many people who contact Age Concern are already pensioners, we also increasingly work to help younger people make appropriate pension provision for later life. Our main comments relate to The Pensions Advisory Service which currently provides a very valuable service to individuals. We would be concerned if this was affected by changes to the institutions that regulate pensions.

In the time available for comment we are not in a position to put forward a detailed response to the arguments set out for and against bringing regulators and ombudsman services closer together, and we note that as yet you have not been able to take evidence from consumer organisations or to seek views from individual consumers about their experience of using these services. However, we do believe that there should not be major reorganisation without clear evidence of significant benefits. We acknowledge that there may be some overlaps, some areas where there needs greater clarity about responsibilities, or in the case of ombudsman services some occasions where people will contact the wrong body and need to be re-directed. However there are also risks in merging organisations.

For example, whereas in theory mergers might make it easier for consumers to know who to contact, it takes time for people to become aware of new organisations. In 2001 just 9% of people could name the Financial Services Authority as a regulator without being prompted. By 2006 this had only risen to 15% (FSA Consumer Research Paper No. 57, 2006).

The Pensions Advisory Service (TPAS)

Age Concern values the work of The Pensions Advisory Service both in its role of helping with complaints and provision of specialist pension information and generic advice. It is extremely useful for us to be able to draw on their expertise and our staff and volunteers working at a national level and in local Age Concerns find it very useful to be able to refer people to TPAS. With ongoing pensions reform and the introduction of personal accounts in 2012 the need for such a service will increase, particularly in terms of providing information and helping people understand the systems and their options.

The service is valued by voluntary organisations and individuals because TPAS is seen to be independent, has a clear and understandable remit, and has proven expertise in information and support to individuals around pensions. We are concerned that if it became part of The Pensions Regulator some of these benefits would be reduced or at least would not be so apparent to individuals and advisers. In particular, employers might be less inclined to work informally with an organisation that is part of the regulatory structure.

We also have some concerns about how the role of TPAS would fit in with a single ombudsman service. In our view it is helpful for the initial contact to be with an independent voluntary organisation than can refer cases to the Ombudsman where appropriate. It is unclear how this role would fit with the current functions of the Financial Ombudsman Service which, as the review paper points out, also provides information and mediation.

Overall we would like to see the role of TPAS continuing its current, independent form and its capacity increased so that its services could be more widely promoted.