

ADDLESHAW GODDARD

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BY EMAIL

Secretariat to the Review of Pensions Institutions
The Adelphi
Level 3
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Dear Sirs

Paul Thornton's Review of Pensions Institutions

We welcome the opportunity to take part in the Review of Pensions Institutions by Paul Thornton. I found the Stakeholder Event held on 29 March to be a useful and informative opportunity for the various stakeholders to exchange views.

Broadly, we agreed with the conclusions set out in Paul Thornton's March 2007 consultation paper. At the stakeholder event, I agreed to summarise in writing some of the very helpful material points raised at that meeting which were not expressly raised in the published responses or highlighted in the consultation paper and to provide additional emphasis on a couple of points which have been made.

Bringing the PPF and TPR closer together: We agree with those respondents who appreciate the different objectives that the PPF and TPR have and value the opportunity that this affords those organisations to adopt differing approaches. In particular, as the scope of TPR's obligations is not only to protect the PPF but also pension schemes generally, this gives TPR power, where appropriate to consider much wider issues and to act in a manner intended to preserve enterprise value of a company where this is consistent with that objective. This is particularly helpful in reducing the negative impact of the new legislative provisions. Although we greatly value the involvement of the PPF in appropriate circumstances, bearing in mind their much more limited remit it would be inappropriate for them to be more closely involved in matters such as clearance. In fact were they to do so, we feel there would be a good case for their being subject to judicial review.

Bringing the FSA and TPR closer together: We agree with those respondents who saw no merit in this. Although there is some overlap which we agree could cause confusion to consumers, in our view this should be addressed to clarify the boundaries rather than by bringing the two institutions closer together. The objectives and remits of the two organisations are completely different and we see no merit in attempting to increase the extent of any overlap.

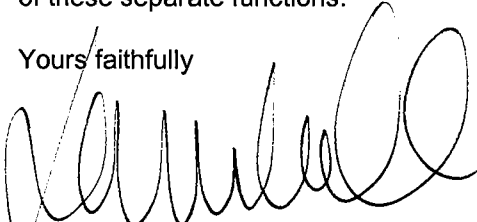
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Bringing PO and FOS closer together: We agree that the concerns of these organisations are completely different. We have no experience of their being any confusion or difficulty in the operation of these separate functions.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Louise Verrill', written in a cursive style.

Louise Verrill
Partner

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cc: Paul Thornton