



The ombudsman's vision

✔ **Since taking on the role in 2015, Pensions Ombudsman Anthony Arter has overhauled the way the service works, implementing his own vision. Natalie Tuck speaks to him about the role and the cases TPO deals with**

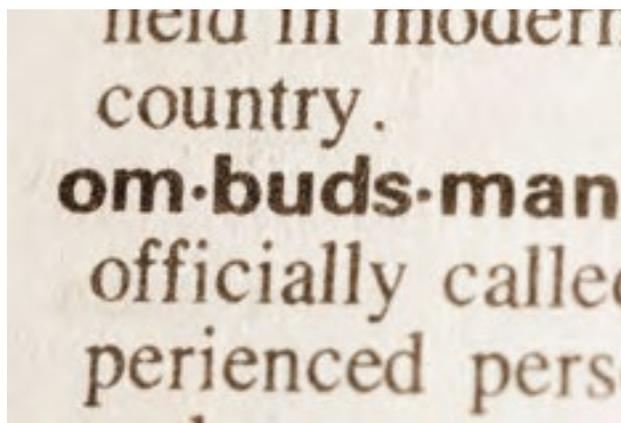
Tell us more about your role as Pensions Ombudsman. You have held other roles within the pensions industry before taking on the ombudsman position; how did they prepare you for the job?

I've been a solicitor and have specialised in pensions since 1996. I was Eversheds LLP's head of pensions from 2005 until 2013 and until 2015 I was an independent member of the Pensions Management Institute Committee overseeing its Accredited Adviser Programme. I have also been an independent trustee for many years.

I have advised both trustees and employers alike, drafting rules for new schemes and updating existing ones. The experience in acting for trustees and employers for many different types of pension arrangements has enabled me to appreciate the frustrations of members and others involved in pension disputes, including the unnecessarily complicated approach to the resolution of pension complaints, and the necessity to simplify, shorten and speed up the process.

Since taking on the role in 2015, what changes have you made to TPO's structure and the way it functions?

Since my appointment in 2015, I began to implement my vision to improve the customer journey by making it quicker and easier for people to resolve their pension disputes. I simplified the internal process reducing the number of ways in which a complaint could be resolved to



either an informal opinion or a formal Ombudsman Determination. This resulted in 70 per cent of all disputes being settled informally, which has now brought the average time down for completion to five months. The second major change is in simplifying the options for the public to make a complaint. Rather than have both The Pensions Advisory Service (TPAS) and The Pensions Ombudsman (TPO) dealing with pension disputes, following discussions and the agreement of Department for Work and Pensions (DWP), the early resolution team from TPAS was transferred to TPO in March this year.

This is something that I have always advocated and was highlighted in the 2014 Triennial Review of Pension Bodies when it stated: "That is because nobody is responsible for the process as a whole and nobody attempts to understand and measure the overall

customer experience." So, I was delighted to welcome 15 members of staff and 250 highly skilled volunteers to our service. It means we are a step closer to being able to provide customers with a one-stop shop for them to resolve their complaints concerning occupational and

personal pension schemes. This not only makes it easier for them to know where to turn when things go wrong but it also streamlines the process and cuts out the duplication of both services providing the informal resolution of pension disputes.

To support this new structure, we have reviewed our systems and processes so that every enquiry or complaint is passed to the team that can most effectively deal with it as quickly as possible, with no loss of quality. This builds on our previous commitment to resolve more cases informally, by picking up the phone and speaking to both sides. We also had a backlog when I took up the post in 2015, but by the end of 2017/18, only 20 remain for reasons outside of our control, for example, where we are awaiting court decisions. But these are not the only changes; TPO has gone through a massive transformation programme. As well as

reviewing our processes and structure we have embraced new technology to help us get the job done quicker while maintaining quality and we have moved to a new government hub that helps us to work smarter and more collaboratively. These changes better enable us to focus on the customer and make further improvements to their experience with us. This is all set out in our annual report 2017/18.

Finally, we have been working with stakeholders across the industry to raise awareness of the work we do, improve signposting to our service and share good practice. One important way we can improve the customer journey is to work together to streamline and standardise the process for all our customers. I am delighted that so many schemes are now introducing a one step internal dispute resolution process. The earlier and quicker we can, as an industry, resolve pension complaints, the more beneficial it is for everyone.

Earlier this year you announced a new ‘information sharing partnership’ with The Pensions Regulator. Can you tell us more about the type of information you will be sharing? How has it helped you so far?

The pensions landscape is forever changing. In recent years, significant policies have been introduced, from auto-enrolment to pension freedom reforms. Along with these changes, there has been a rise in pension scams and therefore there is a greater need for robust governance standards. The ombudsman and the regulator, as key stakeholders, need to work together to protect pension scheme members. We need to support the achievement of higher standards across the industry and ensure a safe pensions saving environment.

In recognition of this, we drafted the information sharing agreement (The Agreement), which came into effect in March this year. It gives details of the principles both organisations will follow when sharing information about complaints and concerns. The type

of information the ombudsman will share includes things like regulatory breaches and any issues that might arise concerning master trusts investigations. This will help both organisations to tackle scams as well as identifying trends and emerging issues.

We recently shared a Determination (PO-16907) with TPR to draw their attention to the issues involved with an issue/recipient scheme that was due to be taken to court by a different member against Zurich/Aviva.

Last year, The Pensions Ombudsman reported a 22 per cent increase in inquiries year-on-year. Do you think there has been a similar increase this year?

Yes, there has been a steady increase in the number of cases we have accepted for investigation – 26 per cent increase in 2017/18.

In terms of the areas of complaints, what are most prominent? Since you have been in the role have you witnessed any trends in changes to the types of complaints TPO receives?

The types of cases I’ve been seeing largely remain the same and in my experience these are: overpayments and underpayments; ill health; and administrative errors. But of course, this doesn’t give the full picture. The move to increased informal resolution means that I do not see all cases. Overall the top subject areas for new investigations in 2017/18 were transfers (general); failure to provide/act on information; and incorrect calculation of benefits. This is broadly the same as the year before.

I have seen fewer pension liberation cases in the last year. This does not mean that scams are not happening, the loss of pension monies may not come to light for many years when these too ‘good to be true’ investments prove to be too good to be true!

You previously stated that you are investigating a large group of complaints in relation to the British Steel Pension Scheme. Are you able to

provide an update on this?

Obviously, this is an ongoing investigation, which is extremely complex and is taking time to investigate. There are four categories of complaints being considered by us. Category one – concerning Early Retirement Factors (ERFs), (50 complaints) and categories two, three and four – are about Cash Equivalent Transfer Values (CETVs), (175 complaints). We are in active communication with the trustees of British Steel, and have published a FAQ document for members who have a complaint with us as part of a news item, which you can find at www.pensions-ombudsman.org.uk/2018/02/british-steel-update/.

What is next on the agenda for TPO?

There has been a great deal of change over the last year and it is my intention to allow these to embed properly while we monitor the new systems and processes to ensure they are delivering on our expectations. But in simplifying and shortening the customer journey, we need to make sure we are reaching the right outcome and maintaining quality, so we intend to set up a consumer panel to give customers a voice. We want to hear their views on how they want their complaints handled and how we can improve our service to them.

We will also be delivering phase two of our Digitalisation Programme (Phase one involved new technology for our staff including a new cloud platform, innovative softphone technology and collaboration tools). Phase two will help our customers, stakeholders, staff and volunteers by giving everyone access to a more interactive website including smart forms, improved search functionality and the ability to upload and share

Written by Natalie Tuck

