

New beginnings: TPAS

✔ **The Pensions Advisory Service is set for a shake up as the Chancellor announced in the Budget that it is to merge with Pension Wise, for which it is already a delivery partner. Natalie Tuck speaks to TPAS' chief executive Michelle Cracknell on the merger and how TPAS has adapted to the changing world of pensions**

➤ **It was announced in the Budget that TPAS is to merge with Pension Wise to create a new pensions guidance body. How does TPAS feel about the merger? Do you know any details, as of yet, on how the merger will change the internal running of TPAS and Pension Wise?**

We are pleased that the importance of pensions guidance and its special requirements have been recognised. This is an essential public service in order to support people in making proper provision for their retirement. The Department for Work and Pensions will be working on the building of the new organisation and we look forward to helping them with this important work.

➤ **The Pensions Advisory Service has been in existence for over 30 years but what does the modern day TPAS offer to people? How many people does TPAS help on average each year?**

After 32 years, TPAS continues to offer an impartial and invaluable service to the public. Our staff of pension specialists, whose vocation and training enables them to apply their knowledge to help our customers, are ideally placed to support people in making the most of their pensions. Through our service, we answer questions about all types of pension arrangements and deliver guidance that is tailored to an individual's personal circumstances. Where appropriate, we offer our resolution service if a saver finds

themselves in a dispute. We listen, we diagnose and we support, but the most important part of our role is to ensure customers think about what they need and want in respect of their retirement, so that we can guide and help them. So far this year we have looked after more than 60 per cent more people than last year and we estimate that by the end of March we will have helped around 180,000 customers since April 2015.

➤ **Following the introduction of the pension freedoms, has TPAS seen a significant increase in the number of people accessing the service? And have you seen a change in what people are wanting to know since the introduction of the freedoms?**

The freedoms introduced last year have propelled the world of pensions directly into the spotlight, causing more people to start thinking about their pension provision. However, not all questions we received are about the pension freedoms, but the media coverage about them appeared to have provoked a big growth in people's curiosity about all things pension related. While we have seen an increase in volumes across our service, it is important to note that the major culture change from the freedoms is the shift to personal responsibility to make provision for retirement income, where it is essential that people feel empowered and are equipped with the tools required to make informed choices. This will generate even greater need and

demand for pension guidance.

➤ **You are also currently a Pension Wise delivery partner, how does it differ to the normal service you provide? Are you happy with the number of people using Pension Wise?**

Pension Wise is designed by the HM Treasury team and provides guidance in the area of retirement options from defined contribution plans. It is an appointment based service. We are very happy with the number of people that have used all of TPAS' services this year. We do believe that everyone benefits from pensions guidance and we will continue to work to grow our customer volumes.

➤ **There has been a lot of buzz recently around the introduction of technology such as robo-advice/guidance, as well as general online advice/guidance. How have you integrated the web and new technology into your services? Do you have plans to develop any robo-guidance?**

As technology develops, it is clear that the way in which savers access information and guidance around their pension provision will also change. We have offered pension savers a number of online channels to allow them to get their pension questions answered. This includes a live webchat service, available Monday- Friday 9-5 and an extended service every Tuesday

evening from 7-9. Additionally, we have our online form where users can send us their queries direct. The form is available 24 hours a day, seven days a week. As well as our digital channels, we redeveloped our existing website just over a year ago, with the goal of providing users with a comprehensive service ensuring that pension information is easily accessed to allow customers to investigate their pension queries in their own time, as often as they like. We're currently developing tools that will feature on our website aiding customers in properly preparing for their retirement, by creating interactive and visual guides.

➤ **The recent Financial Advice Markets Review looked at ways to bridge the 'advice-gap' to encourage people with more moderate size pots to take advice. It has been identified that it exists because of high costs and lack of accessibility. Does TPAS get many enquiries into the cost of advice and where to find it?**

We receive a range of questions from customers on getting regulated advice, ranging from how to find an adviser through to cost. Where appropriate, we signpost customers to get advice and explain to them the value it can add.

➤ **It has been said that more should be done in the way of guidance to younger people to increase engagement earlier on in the retirement savings process. What does TPAS think about this?**

The ideal is a future where people are empowered to make the most of their pension savings and it is our mission to make it the 'norm' for people to seek out regular 'health checks' on their pensions in the same way as people are invited for NHS checks at relevant ages. We want more people to start thinking about their pension provision as soon as possible, and then continue to check and be aware of their future financial position throughout their working life.



TPAS chief executive Michelle Cadenall

➤ **The merger: What do we know so far?**

The government plans to restructure the financial guidance providers, which will replace the Money Advisory Service and merge the functions of The Pensions Advisory Service and Pension Wise, to ensure "consumers can access the help they need to make effective financial decisions".

Budget documents revealed the restructured delivery model will include a new pensions guidance body, "to make sure that consumers can get all their pensions questions answered in one place, at all stages of their lives".

It will be set up to offer guidance through multiple channels, such as phone, face to face and online. According to the government, there will be clear signposting and 'warm handoffs' for further pensions guidance and for a seamless transfer between different organisations to deal with non-pensions related queries, such as debt advice and benefits.

The restructure will also feature a

"new, slimmed down money guidance body charged with identifying gaps in the financial guidance market" and will commission providers to "fill these gaps to ensure that consumers can access the debt advice and money guidance they need".

The new pensions guidance body and the new money guidance body will be funded by levies on the financial services and pensions sectors. A partnership agreement will sit between the pensions guidance body and the money guidance body to ensure that consumers who need broader financial guidance on both pensions and money issues can be directed to the right places. The links between the two bodies will be strengthened by cross membership of boards so that the business strategies can be aligned.

The government said the earliest date the new pensions guidance and money guidance bodies will launch is April 2018.

➤ **Written by Natalie Tuck**