



Group work

✚ **The number of pension industry working groups seems to have increased in recent years. Is this beneficial for the industry, with a more dedicated focus on a variety of issues, or is there a risk of there being too many of these groups to make an impact? *Pensions Age* asks your views**

to recognise when their objective is unrealistic, or is being met in some other way, and disband.

Aon head of UK retirement policy
Matthew Arends

The increase in the number of pension industry working groups is a general reflection of the increasing complexity of UK pensions. Take GMP equalisation. That is an issue that we have been able to avoid for almost three decades but, now that it is live, we need to consider data quality and record keeping, trustee fiduciary duties and data tolerances. The Pensions Administration Standards Association (Pasa) industry group will be reporting on all these points.

It also seems quite possible that further working groups will be formed

in future, for example, to consider tax issues. This seems like an efficient route to achieving sensible ways forward – and it is pleasing to see an industry in which so many people will volunteer their efforts for the benefit of all.

Occasionally, the industry needs a definitive view when there is a range of opinion, and I see this as being a role primarily for The Pensions Regulator.

Of more concern is whether industry groups always recognise when they have achieved their objectives and wind-up, rather than continuing to exist for the sake of it. Similarly, groups need



We support the concept of working groups within the pensions industry to help navigate important areas of development, drive innovation and position the area of pensions to effectively meet the evolving needs of members. However, I believe that in order for working groups to be as successful and effective as possible, they could leverage a new approach. The current Achilles heel for some working groups is the lack of diversity. It's often the case that the same individuals within the pensions industry sit on the current roster of working groups, giving rise to groupthink, which potentially limits the number of new ideas; an area that is fundamental to their ongoing success.

Furthermore, there is an opportunity for working groups to incorporate the views from members, ensuring their needs are kept front and centre to any future developments. Integrating external input will better ensure that the right member outcomes are delivered, which I believe is an important area of responsibility for the pensions industry. Finally, working groups can be more strategic – and discuss the big themes that are likely to influence the pensions

industry in the next few years, such as technology, how to engage across the generations and the evolution of retirement in the future.

Kas Bank managing director UK Pat Sharman

Working groups 'work' when they are tasked with looking at specific issues and have the appropriate skills/resources/willingness to deliver. That's why Pasa ensures there's no re-inventing of wheels and, when we're looking at the required skills, we have the ability to go beyond our membership if we need to for our working groups. This ensures we have an enriched, but focused, approach.

As long as each working group has an agreed objective, is accountable for delivery and assuming there isn't another group already seeking to deliver the same thing – I think they are beneficial.

Pasa chair Kim Gubler

It is difficult to generalise, because of the variety of working groups in the industry, and effectiveness varies. Industry groups that are set up with a very specific focus on difficult issues, such as the Pension Scams Industry Group, can be hugely beneficial in pooling expertise from across the industry and gathering different perspectives (legal, actuarial, administration etc). Working together, often in instances where the legal or regulatory position is complex or unclear, allows the sharing of ideas and testing of solutions to reach pragmatic outcomes

such as the setting of industry standards eg the industry Code of Practice on Combatting Pension Scams. Occasionally there may be working groups that do not appear to work so well, eg where they are slow to assemble/produce output, lack focus/clear objectives/encounter competing objectives, or overlap with the work of other groups, which can be confusing. Such groups may not appear to add value in the same way. However, in general, the collegiate nature of the pensions industry is a good thing that benefits both the industry and the pension scheme members it serves.

Sackers partner Caroline Legg

