



# A guiding influence

➤ **Tom Dunstan speaks to Pasa board director, Gary Evans, about the association's new defined contribution (DC) transfer guidance, what the guidance is, what its aims are, and how it was created**

➤ **What prompted the DC transfers guidance?**

Two things, firstly there was a desire across the industry to try and improve the member experience for transfers. Secondly, there have been a number of regulatory changes recently so an additional prompt was to review what best practice looked like in this space.

➤ **Can you elaborate on what the aims of the guidance are?**

The aims of the guidance are to improve the speed of transfers to make it a better experience for members, and to provide guidance to administrators, both large and small, on how to deliver that best practice and what to include in that best practice. Also, as part of that, to provide template letters and transfer forms to smooth the process.

➤ **How does the guidance hope to achieve its aims?**

It helps to achieve these aims by setting out the process with straightforward and easy-to-follow flows, along with an explanation for administrators and trustees to better understand those flows. So, whilst the guidance is not being prescriptive, it's absolutely trying to show what best practice would look like.

➤ **Can you give a brief overview of what the guidance says?**

The guidance sets out that, in processing a DC transfer, you should look firstly at whether the transfer is standardised or not and, if it's standardised, then we expect you to have agreed service levels of delivering that with individual scheme trustees and to deliver them promptly.

Where it's not standard, what we're looking for is that administrators and trustees manage that process as quickly as they can but with improved communications for members so that members understand what's happening. Improved communication is a key part of anything that is done standard but particularly here.

➤ **Why was the decision made for the guidance not to be prescriptive?**

With Pasa, the way we approach any of the work we do on behalf of the industry is that we set standards for accreditation, so if you are an organisation who wants to become accredited by Pasa then we have prescriptive standards that you have to meet. However, we recognise that not everyone has access to good practice as not everyone is a large

third-party administrator or insurer who has technical teams. Our guidance is intended to share best practice throughout the industry and make sure everyone has access to it. We don't make that prescriptive as we want to increase the size of the coalition of the willing. We want to get more people who want to do better, and we don't think you achieve that by trying to be prescriptive. We do that by providing guidance and best practice examples to anyone who might need them.

➤ **Are there any areas where you think the guidance could have been developed further?**

As I said before, we are working on a coalition of the willing. We are trying to get the industry to raise standards all round and I think setting standardised service levels for transfers is something that we'll look to return to in subsequent iterations, but we need to bring the industry with us.

➤ **Are there any parts of the guidance that you would identify as most important?**

There's a couple of places in the guidance where we explicitly call out member communication as being required so I think that aspect of the guidance is very important. I think a lot of dissatisfaction we see with transfers throughout the industry is members complaining about things that can be explained very easily but hasn't yet happened.

➤ **Written by Tom Dunstan**

