One wish

If you could change one thing about the UK pensions industry to improve it for the future, what would it be? *Pensions Age* finds out

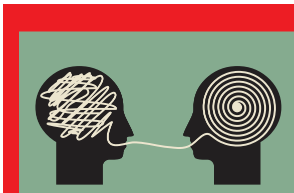
"As an industry we should improve our willingness to embrace novel approaches – especially if they have been successful in other markets – and be braver implementing such opportunities in a timely manner, without citing regulations or long track records as a reason to delay. Clear prioritisation and strong leadership are needed."
Lombard Odier Investment Managers head of UK and Ireland institutional clients and solutions Ritesh Bamania

"The following need to become core elements of company disclosures:

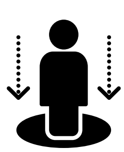
1. The TP funding position, details of the associated recovery plan duration and contributions agreed. This shows the actual cash funding commitments to the scheme and will point towards those who need longer to pay.
2. A standard basis for the disclosure of pension scheme funding volatility. While Value at Risk (VaR) has many detractors, we believe it can be useful if modelled correctly and understood appropriately by its users.
3. A more prudent and comparable funding target (eg self-sufficiency, risk free or solvency) to enable true comparisons between companies. This will also provide a clearer sense of longer term funding targets as well as revealing the full reliance being placed upon the employer covenant."

Lincoln Pensions' managing director Richard Farr

"The one thing to change is to make it a minimum requirement for trustees to have to meet a certain standard of competency on sustainability and how this relates directly to all things economic and financial. No competency, no role. The quality of the environment that beneficiaries will retire into cannot be treated as an irrelevance or merely a function of an asset's price."
First State Investments global head of responsible investment Will Oulton



"I would like to see less jargon and clearer language everyone can understand because ultimately our clients may not always have the greatest confidence in what they have seen of our industry. The pension fund industry needs to express itself in a universally-accessible language as this improves transparency and trust from those who have entrusted their financial plans for retirement in our hands. It is our responsibility to ensure we communicate with pension fund trustees in a clear way so that they can feel more confident in the communication they receive and have greater ownership of the investment decision making."
M&G director of fixed income Annabel Gillard



"The DC industry needs to provide modern, flexible, non-advised retirement solutions. Since pension freedoms, there has been a seismic shift in the way people saving into a pension can access their money; while there is plenty of product choice, our research shows that members are no clearer on how to plan for old age in the way that's best for them. I believe we need to revolutionise the way members engage with their pensions, by offering a tailored approach that takes into account an individual's circumstances and desires, rather than 'one size fits all'."
LGIM head of DC Emma Douglas

"I would want a much smaller number of larger, better managed funds – both DB and DC. Too many DC funds have been set up to serve the interests of the corporate entity that set them up rather than the interests of the members. Too many funds support a small army of providers and pension managers who have a strong vested interest in maintaining the fragmented market. Larger, better governed and properly resourced funds are more likely to deliver safer pensions and better outcomes for members."
CEM Benchmarking principal John Simmonds

"I would like to see more apps and mobile-friendly sites developed to access and explain a member's benefits and options. Having a clean, streamlined way to track finances on a mobile is something I've come to expect, but the pensions industry is dawdling."
Trafalgar House business analyst Aidan McGlennon

“If we could change only one thing, I would opt for simplification (i.e. standardisation) of benefits for DB schemes. This one step could be achieved fairly simply with absolutely no detriment to member benefits, but would lower the costs of administration and management, increase the level of understanding, reduce the number of errors and improve trust in the system.”
PASA chair Margaret Snowdon

“The change I would most like to see is a culture shift, away from ‘customer and provider’ to a collective ethos. Mutuality has been disdained in recent decades, steamrollered by selfish interests antipathetic to the enduring trust required to secure a long-term future. There is abundant evidence that mutual collaboration is more likely than ‘everyone for themselves’ to secure a stable future society.”
Aries Insight director Ian Neale

“The one thing I would change in the pensions industry would be generating greater engagement amongst scheme members by taking full advantage of the available technology tools and solutions. While there’s no technology silver bullet that will solve all the industry’s challenges, if the industry adopted the technology sector’s mindset it would prove invaluable. Adopting behaviours that embrace the ability to respond rapidly and recognises the power of partnerships will all help.”
Simplitum head of pensions product development Stewart Bevan

“I would introduce financial education to the National Curriculum, covering pensions as part of education on all aspects of personal finance. My purpose would be to give teenagers a good grounding in financial planning for the future and the understanding of the nature of financial risks. So, school leavers would not only have an appreciation of their life expectancy and saving for the long term, but also, for example, the cost of credit card debt and mobile phone contracts.”
Aon head of UK retirement policy Matthew Arends

“The introduction and adoption of more common standards would help drive efficiency, simplicity and give members an all-around better experience of the pensions industry. Even with technology doing more of the heavy lifting we’re still bogged down with huge amounts of duplicated effort and single-use development. If more common standards were adopted for data exchanges, reporting, asset and record movements then the orchestra could produce a symphony rather than a cacophony of confusion, costs and complication.”
Trafalgar House client director Daniel Taylor

“New disclosure standards by asset managers providing pension arrangements will significantly improve the information available to actual pension providers and members, including disclosing the cost breakdown between investment and other costs. Transparency is key to delivering the outcome members expect and building trust with the growing number of DC savers.”
AllianceBernstein head of multi asset EMEA David Hutchins

“I think as an industry we collectively have a significant amount of knowledge but we could be a lot better at sharing that knowledge. There is a huge amount of intel collected by administrators carrying out thorough due dilligence. If there was a way that could be disseminated there could be a significant reduction in transfers to scammers.”
@EveK1979

“One area where we are still flagging is the approach to data and reporting. In the pensions industry we need to make it easier for trustees to manage their institutional affairs. While I’m not suggesting a mobile approach, trustees should be able to access all of their data and reports on one platform, in a consistent, accurate and easy-to-understand format. This will build trust, strengthen trustee engagement and, crucially, ensure our industry is ready for the next generation.”
AMX chief technology officer Bill Jooste

“One of the main things I’d want to improve about the pensions industry is how we think about default design within defined contribution pensions. No default will provide the perfect strategy for every individual, but poorly considered defaults can increase the potential for employees to undershoot their desired outcomes. Schemes may

differ but a good starting point for effective default design is understanding how the British public earn, save and spend throughout their lives – and how portfolios can help build and then provide retirement income.”
BlackRock head of UK DC Claire Felgate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“Take politics out of the ticking timebomb we have in the UK, with an increasingly ageing work force and fewer workers coupled with increased life expectancy. Government on all sides has a very poor track record here, with almost 20 ministers in as many years. The retirement health of the nation should be independent of government. The overall strategy that exists today in the UK favours middle age, high-earning men.”
Salvus Master Trust MD Graham Peacock

“The one thing we would change is UX testing on every piece of communication from a pension product provider or scheme (excepting individual correspondence). So for example, on a scheme application, the scheme application form/process should be tested by a sample of the type of person most likely to be in receipt of it to see what they understand by it. Until 90 per cent of the group correctly understand what is meant by the communication it should be sent back and worked on until it hits this benchmark.”
@MyMoneyAlive

“The one thing I would change about the pensions industry would be for the government to step in and take responsibility of ensuring everyone has a suitable living wage in retirement – the employed and self-employed. The retirement crisis edges closer for millions so government ownership would not only benefit retirees, but the country as a whole. With the use of proper collectivisation through the state (a sovereign fund), investment in infrastructure could make the UK a better place. It would also support corporate longevity. By divorcing the company from the responsibility of pensions, they can focus on business strategy and supporting the economy.”
Barnett Waddingham partner and head of workplace health and wealth Damian Stancombe

“We believe that national retirement income targets, like the system already used in Australia, would be a major help to savers. Three-quarters say retirement planning would be much easier if the UK had retirement income targets and, if targets were integrated with the pensions dashboard, we believe they would give people a much better understanding of their future financial position.”
PLSA policy lead, engagement, EU and regulation, James Walsh

“Research from The Pensions Regulator reveals that a large number of pension schemes have poor standards of governance. The regulator says that these are often smaller schemes. Many of them are said not to realise that they are deficient. What is needed now is some proactive outreach work to correct this situation. It is probably not sufficient just to issue codes of guidance or levy fines on defaulters. It would help to supplement these approaches by some positive actions to ensure that competent board members are put in place. Pension scheme members should be entitled to the same level of protection whether they are in small schemes or big schemes.”
AMNT co-chair David Weeks

“Change UK law to facilitate AI systems providing financial advice to the public, companies and pension scheme trustees, to improve savers’/members’ benefit outcomes. Much of the work could at least be guided by well-written AI systems, and in some cases could ultimately be taken over completely by AI algorithms.”
Lane Clark & Peacock partner Alex Waite

“Five things I would like the industry to do but know they never will.
1. Tell people how much they are being charged in total. At the moment it’s all broken down into platform fees, fund fees etc.
2. Never ever use one word of jargon.
3. Be simple about investments. Use the same language as you would about runners in the grand national because at the end of the day investments are a gamble.
4. Don’t patronise people and don’t shout regulation at them. Of course they need to be made aware that investments can go up as well as down. But it doesn’t need to be so scary. Even lethal medicines don’t have the very stark warnings that institutions adopt.
5. Give people a rough idea how much money their pension will pay out in retirement. Eg, work out how long you think you will live, then divide that final sum by the number of years you think you will go on for.”
Flagship Consulting chairman Diana Stephenson

“Australian style system, with compulsion, higher employer contribution rates and decent adequacy.” **@sarabenwell**