Dear Mr Field

Recommendations from the Independent Review of communications and support given to British Steel Pension Scheme members

Thank you for your letter of 24 January regarding the Independent Review of communications and support given to British Steel Pension Scheme members which has been welcomed by us and our partner bodies. We are working closely with the FCA, the SFGB and the PPF to implement the recommendations and plan to publish a plan of action by the end of April 2019.

As set out in my letter of January 22, we had already taken action which addresses issues raised in the report including:

- Agreeing a new joint protocol with the FCA and TPAS (now SFGB)
- Setting up systems to ensure early intervention and the sharing of information
- Developing written materials for trustees to ensure high quality communications with pension scheme members.

The review broke down the recommendations into five distinct areas and we have sought to summarise our current activity and plans in each category.

1. Legislative change

Where legislative change has been recommended we will be discussing this further with the Department for Work and Pensions (DWP) and we note the current pressures on parliamentary time. We would make the following observations on two areas:

- On the issue of changing legislation to simplify the choices in the event of restructuring, the DWP considered the issue of legislating to allow bulk transfers without member consent in its 2016 consultation and we remain concerned that this type of change could have an unintended consequence of undermining member protections in future if sponsoring employers were able to move members into a new scheme without member consultation.
- The introduction of a power to stop or pause consultations would require careful consideration of the potential implications which we will discuss with DWP.
2. **Early intervention and intelligence sharing**

In keeping with the recently agreed joint protocol, TPR, the FCA, the SFGB and the PPF are sharing intelligence and information on an ongoing basis and have also put in place a quarterly meeting to discuss issues and coordinate action.

As the committee is aware, we have been using this shared intelligence picture to proactively contact pension trustees where there are concerns or speculation in relation to the scheme or sponsor and providing trustees with information to provide to help members requesting a cash-equivalent transfer value (CETV) to understand the risks associated with giving up guaranteed DB benefits and make an informed choice.

3. **Guidance for trustees facing restructure and other major changes**

Working with our partners, we plan to address the report’s recommendations by creating new clearly-signposted online guidance for trustees to help them communicate clearly and in a timely fashion with members in the event of a pension restructuring, or other event that may trigger members to consider future membership of a DB pension scheme. We expect this to include materials and templates that trustees can download from our website and tailor to their members’ communication needs.

We recognise the importance of providing examples of ‘what good looks like’ and plan to build upon what we have learned from previous trusteeship campaigns in which we have used a range of communications tools such as case studies, good practice examples and quick guides to highlight our expectations.

4. **Message content and clarity**

We have provided good quality written materials to 32 sets of trustees to help them share important information with their pension scheme members. We agree that a suite of communication techniques is the best way to meet the needs of different members. An integrated communications plan from trustees should consider social media and ‘town hall’ type meetings in addition to printed letters and information packs.

Because of this we are checking the legislative and regulatory requirements with DWP and HMT to ensure that digital communications can be used properly and effectively as part of trustees’ communications plans.

We will work with FCA the SFGB and the PPF to ensure that each organisation’s website includes consistency of messaging, cross referrals and ease of use at its core.

5. **Cash transfers**

Some of the recommendations in this section focus on the role of the FCA and SFGB but we are working with our partners on two key areas:

- Supporting members who want to transfer out with guidance and information we are already providing trustees with good quality communications materials. However, we will be liaising closely with the FCA through the work of their Behavioural Insights team to develop even better collateral and processes in future.
- We are reviewing our existing guidance for DB to DC transfers and developing next steps with our policy and communications teams.
I hope this summary of activity will reassure the Committee that TPR and our partners have already taken action that addresses constructively a number of the report’s recommendations and are working together to develop plans to protect members faced with similar decisions in the future.

Yours sincerely

Lesley Titcomb
Chief Executive

cc: FCA, SFGB & PPF