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By email: ppsd.triennialreviews@dwp.gsi.gov.uk

Dear Ms Lloyd

Triennial Review of Pensions Bodies

ICAEW welcomes the opportunity to comment on the consultation paper *Triennial Review of Pensions Bodies: Call for evidence* published by the Department for Work and Pensions on 27 June 2013, a copy of which is available from this [link](#).

ICAEW is a world-leading professional accountancy body. We operate under a Royal Charter, working in the public interest. ICAEW's regulation of its members, in particular its responsibilities in respect of auditors, is overseen by the UK Financial Reporting Council. We provide leadership and practical support to over 140,000 member chartered accountants in more than 160 countries, working with governments, regulators and industry in order to ensure that the highest standards are maintained.

ICAEW members operate across a wide range of areas in business, practice and the public sector. They provide financial expertise and guidance based on the highest professional, technical and ethical standards. They are trained to provide clarity and apply rigour, and so help create long-term sustainable economic value.

This response reflects consultation with the ICAEW Pensions Committee which includes representatives from public practice and the business community. The Committee is responsible for ICAEW policy on pension law issues and related submissions to legislators, regulators and other external bodies.

MAJOR POINTS

1. The following comments concern the Pensions Regulator (TPR). We do not comment on the other three bodies covered by the review.
2. Our main concern is that the remit of TPR is limited to oversight of trust-based pension schemes. Contract-based pension schemes are regulated by the Financial Conduct Authority (FCA), which has a different focus from TPR so that there is not a level playing field between trust-based and contract-based schemes. We expressed our concern earlier this year in our [response to the consultation on *Regulating work-based defined contribution \(DC\) pension schemes*](#). The FCA's regulation of contract-based schemes focuses on investor protection at point of sale and looks at 'provider' level, not at 'scheme' level, whereas the focus of TPR is more on scheme governance, and this results in significant differences in the two regulatory regimes. We therefore recommend

that, in order for there to be greater consistency of protection across both types of scheme, they should be subject to a single regulatory framework.

3. Indeed, we consider that a single regulatory framework is essential because, over their working lives, people are likely to accumulate pension savings in both trust-based and contract-based arrangements, and it is not helpful from the perspective of the individual member for these arrangements to be subject to two different regimes. Whether the funds are in a trust or under the control of an insurer is a fine distinction which many members will not understand.

Please contact me should you wish to discuss any of the points raised in this response.

Yours sincerely

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