



Press Release

For immediate release

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TISA Exchange ('TeX') calls for electronic pension cash transfers to reduce costs to savers

Electronic transfer of assets will improve competition, drive-up standards and reduce costs for consumers and providers

TISA Exchange ('TeX'), the cross-industry 'transfer club', is calling for the UK financial services industry to adopt electronic pension cash transfers and to improve transfer times. TeX, industry funded and not-for-profit, estimates that industry costs from pension transfers and consolidation will amount to tens of millions of pounds during 2015. But it will be savers and investors who lose out as providers seek to recover these charges from their clients.

TeX is warning that without a commitment to electronic pension transfers from pension providers and investment managers, savers will continue to suffer from mixed outcomes including a risk to their assets and rising levels of complaints.

Hargreaves Lansdown's Tom McPhail, who is also a director of TeX (TISA Exchange) said, *"We owe it to savers to ensure that they can quickly and easily transfer their pension assets and that the process is as cost-effective as possible. At present there is limited choice in the pension transfer market and while there are standards in place, these are not open and do not adequately protect the consumer when things go wrong. This is wholly unacceptable and not in the best interests of consumers or the industry. If the industry does not act quickly enough, we believe the regulator will, as it has already threatened to do so with investment transfers and re-registrations."*

Currently around half a million pension transfers are made per year and the number is forecast to rise to over one and a half million in 2015 as a result of more SIPP transfers, pension consolidations and 'pot follows members' activity. TeX believes that the current manual system, which is form-based, is outdated and can be streamlined to significantly reduce the cost of transfers. Reducing the cost will also be essential if the transfer of small pots is to be commercially viable.

Tom McPhail continues, *“A lack of uniformity around service levels means that for some savers transfers can take days, whilst for others it can take months to complete. This is not good enough in a world where we can now make immediate cash transfers between banks and bank accounts. As a minimum, we are calling for a Service Level Agreement between providers for transfers to take no more than eight days.”*

In just two years since launch, TeX membership has grown to cover asset managers responsible for the management of 89% of industry funds and platforms managing 95% of platform assets.

In response to member demand, in April 2014 TeX introduced a new member category for pension providers based on a set of open standards together with supporting contracts and services that facilitate the automated, rapid and secure transfer of a client’s pension assets between providers.

The first transfer to use the new service was initiated by Hargreaves Lansdown. It is designed to provide consumers with a higher level of service and security in the way their savings and investments are managed.

Ends.....

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Notes for Editors

TeX

TISA Exchange Limited (TeX) has been established to help facilitate the electronic transfer of wrappers and assets between fund managers, platforms, wealth managers and any firm which holds assets on behalf of investors. www.tisaexchange.co.uk

TISA

TISA is a not-for-profit membership association operating within the financial services industry. We represent the interests of over 145 member firms involved in the supply and distribution of savings and investment products and services.

TISA has a highly successful track record in working cooperatively with government, regulators, HMT, DWP and HMRC to improve the performance of the industry and the outcomes for consumers. Policy and regulation continues to be the major focus for our members with regard to corporate responsibility.

TISA and its members' remit is evolving into a clearer focus on pro-active consultation in the regulatory world in order to influence policy and associated regulation before its creation, rather than reacting to issued policy directives. This will help to ensure a more considered policy creation from the authorities. www.tisa.uk.com