



13 September 2018

Notice: Signposting to The Pensions Ombudsman (TPO) and to The Pensions Advisory Service (TPAS)

The purpose of this note is to clarify signposting provisions to TPO and to TPAS primarily in respect of occupational pension schemes.

Following the transfer of the dispute resolution function from TPAS to TPO earlier this year, schemes should be aware that all complaints and disputes about occupational and personal pension schemes go to TPO and general requests for information and guidance to TPAS.

With effect from 1 April 2018, the Financial Conduct Authority has updated its Handbook to reflect that complaints about occupational pension schemes should be referred to TPO and general requests for information or guidance to TPAS. In addition, for personal pension arrangements, firms can make their consumers aware of the availability of signposting complaints to TPO as well as to the Financial Ombudsman Service. For more information, download <https://www.fca.org.uk/publication/handbook/handbook-notice-53.pdf>.

Background

In 2016, the then Minister for Pensions, the Rt Hon. Richard Harrington, determined that TPAS' dispute resolution function should be centralised with TPO to avoid duplication of services. In March 2018, that function transferred to TPO. TPAS staff engaged in that function, together with TPAS advisers who accepted the invitation to work as volunteers for TPO, moved to TPO.

TPAS and TPO agreed signposting, reflecting the transfer to TPO, to clarify that TPO would deal with complaints and disputes and that TPAS would deal with information and guidance. The service now provided by TPAS will transfer to the new Single Financial Guidance Body (**SFGB**) shortly, where its function will continue to be limited to information and guidance only.

TPO now operates an Early Resolution Service (**ERS**) in addition to its normal Adjudication Service (which comprises informal and formal adjudication).

The aim of TPO's ERS is to provide a quick, informal and streamlined process. Accordingly, TPO will not expect complainants wishing to use that service to first use the scheme's internal dispute resolution procedure (**IDRP**), or if applicable such other similar process. However, it is still a matter of choice for the parties concerned. Should a complaint not be resolved and the complainant wishes to use TPO's Adjudication Service, TPO would expect the scheme's IDRP to be completed, unless discretionary provisions in the current regulations apply, or if applicable such other similar process.

Legislation

A significant amount of primary legislation has been required in this Parliamentary session to deliver a smooth and orderly exit from the European Union. This means that all other legislation will be introduced when parliamentary time allows.

Accordingly, it has not been possible to reflect recent events in the relevant provisions, for example: The Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008 and The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, or scheme specific statutory instruments.

The intention is to modify relevant legislation to reflect that:

- Signposting of complaints or disputes concerning occupational or personal pension arrangements, including any difficulty with the scheme that cannot be resolved or that might become a complaint or dispute, should be referred to TPO; and pure requests for information or guidance should be referred to TPAS/SFGB; and
- Complaints going to TPO that are intended for ERS, or looked at by ERS, will not be expected by TPO to have first been through the scheme's IDRP.

It is expected that legislative changes will be made at the latest by April 2020.

Meanwhile, the feedback received concerning the transfer of the dispute resolution function to TPO is that the current signposting is unclear. It is understood that schemes are concerned about changing their existing signposting provisions because new legislative provisions have yet to be implemented and TPAS as a body is still in existence (until the establishment of the SFGB).

Department for Work and Pensions (DWP) and The Pensions Regulator (TPR) message

With the aim of improving the customer journey and resolving matters earlier, DWP and TPR recognise that schemes do not want to wait until legislative provisions are in place and wish to update their signposting now to reflect that:

- Complaints or disputes concerning workplace or personal pension arrangements should be referred to TPO; and
- General requests for information or guidance should be referred to TPAS.

TPR is satisfied that there would be no purposed served in considering whether to apply penalties in respect of non-compliance with existing legislation where signposting has been updated to clearly reflect the current position, as outlined above, that disputes and complaints should be referred to TPO, and general requests for information or guidance to TPAS, because:

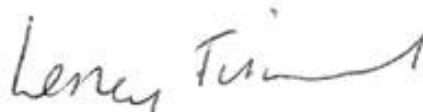
- It was decided at ministerial level that the dispute resolution function would transfer from TPAS to TPO (which took place in March this year);
- DWP has announced its intention to update the legislation to reflect this; and
- TPO has in place safeguard processes so that IDRPs are not undermined.

We trust this clarifies the position in advance to legislation being made.

Signatories:

A handwritten signature in blue ink, appearing to read 'Guy Opperman', with a horizontal line underneath.

Guy Opperman MP
Minister for Pensions and Financial Inclusion

A handwritten signature in black ink, appearing to read 'Lesley Titcomb', with a horizontal line underneath.

Lesley Titcomb
Chief Executive, the Pensions Regulator