



Financial Conduct Authority
12 Endeavour Square
London E20 1JN

By email

3 May 2024

Dear Sir/Madam,

CP24/4: Further consultation on the regulatory framework for pensions dashboard service (PDS) firms

The Panel is supportive of the proposals set out in this consultation, including the introduction of choice architecture requirements and the revised data export proposals. We welcome that the proposals actively encourage innovation and would encourage the FCA to be more expansive in a number of areas, while exercising caution as to which firms are authorised to carry out this activity as the new system is embedded.

We welcome that the choice architecture requirements are not overly prescriptive, and that there is freedom for PDS firms to iterate the design, format, language and mechanism for presenting the choices to the consumer, using the Consumer Duty as a mainstay. It will be important that PDS firms have the flexibility to innovate solutions that are tailored to consumer journeys and consistent with the Consumer Duty. The proposals for signposting of 'post-view' services of the pension schemes are also helpful. The aim should be to ensure that access to these services is frictionless and intuitive from a consumer perspective to help drive positive customer outcomes through a self-service model.

We are also supportive of the revised data export proposals. Making this process as straightforward as possible will be important so that consumers who consent to share their data with providers can do so in a frictionless manner. Enabling financial advisers to have real-time access to information with minimised data-gathering overhead will greatly enhance levels of engagement, knowledge and support while also reducing cost.

We recommend that the proposed conditions for entities wishing to operate a pensions dashboard service specify that FCA-authorized entities must have a permission relating to a relevant activity such as pensions or financial advice. These protections will help minimise the risk of fraud as the new ecosystem is established.

It is helpful that the proposals set out the wider context in which dashboards will operate including consistency with the Consumer Duty, ongoing work on the thematic review of retirement advice and how the proposals will promote effective competition. We also encourage the FCA to consider how the three approaches laid out in the Advice Guidance Boundary Review proposals (Targeted Support, Simplified Advice and Holistic advice) are to be addressed in this work. This clarification will be vital to give providers confidence in developing dashboards and choice architecture recognising that consumers will expect a seamless end to end journey (with appropriate consent given and understood).

Alongside this we would encourage the FCA to further develop the outcomes it wants to see for PDS aligned with the Consumer Duty. There is an opportunity to highlight what "good" might look like in the context of products and services, price and value, consumer understanding and consumer support, and provide insight and consideration as to what constitutes greater value for money. It is important to be clear that offering lower prices for products and services is only one aspect of value for money, and that focus is also needed on building greater engagement and innovation to provide consumers with better support.

We would be happy to discuss any of these points further.

Yours faithfully,

[signed]

Matt Hammerstein
Chair, FCA Practitioner Panel