Retirement Outcomes Review
Interim Report: Annex 6 – List of consultation questions on potential remedies

July 2017
Annex 6: List of consultation questions on potential remedies

1. This Annex sets out the list of consultation questions on potential remedies (as set out in Chapter 8 of the interim report).

Summary of our interim findings

Q1: Do you agree with our interim findings as set out here and throughout the report? If not, why not? Can you provide any relevant evidence to support your views?

Our approach to developing potential interventions

Q2: Do you agree with our overall approach to intervening in this market? In particular, do you have views on whether our proposed remedies strike the appropriate balance between:

- intervening early but also giving the market time to adjust
- measures aimed at protecting consumers and promoting more effective competition

Remedy 1: Additional consumer protections for consumers who buy a drawdown product without advice

Q3: Do you consider we should introduce further consumer protections for consumers who buy drawdown without taking advice to ensure consumers are not at risk of choosing particularly unsuitable investment strategies?

- Should we explore the possibility of default investment pathways?
- Should a charge cap also be considered for default investment pathways?
- Should the role of IGCs be extended to decumulation products?
- Do you agree with the decision not to pursue the option of introducing an appropriateness test for non-advised drawdown at this stage?

Remedy 2: Enabling consumers to access some of their savings early without having to buy a drawdown product

Q4: Do you believe the market can deliver ‘decoupling’ without regulatory intervention?

Remedy 3: Shopping around remedies

Q5: Do you consider it proportionate for us to pursue remedies to make it easier for consumers to shop around for drawdown? In particular:

- Do you consider that the introduction of drawdown comparison tools should be left to the market or is more proactive intervention needed?
• What are your views on the benefits and costs of mandating the use of a summary cost metric in customer’s communications?
• Do you agree with the decision not to pursue the alternative measures we considered at this stage?

Remedy 4: Helping consumers understand their options after the pension freedoms

Q6: Do you agree we should act to make existing information more impactful and effective rather than introducing new disclosure? In particular what are your views and suggestions on our proposals to:
• Improve the effectiveness of communications sent to consumers before and when they access their pension pots?
• Explore the feasibility of introducing tools that compare different products and options?
• Raise consumer awareness of potential eligibility to purchase an enhanced annuity earlier in the consumer journey? Is there a better way of ensuring consumers are made aware?

Areas where we are not proposing specific remedies at this stage

Q7: Do you agree that we should not be intervening in these areas at this stage? If not:
• Why do you consider we should be intervening?
• What interventions should we be pursuing?