PIMFA
Personal Investment Management & Financial Advice Association

22 City Road
Finsbury Square
London EC1Y 2AJ

Tel: +44 (0) 20 7448 7100
Email: info@pimfa.co.uk
Website: www.pimfa.co.uk

Sandra Graham and David Berenbaum
Financial Conduct Authority
12 Endeavour Square
London
E20 1JN

Dear Policy Team,

RE: PIMFA response to Pension transfer advice: contingent charging and other proposed changes

The introduction of pension freedoms has in many respects exacerbated the information asymmetries that exist between providers and consumers. For those that can afford to – or those legally obliged to – financial advice plays a valuable role in supporting people as they transition from accumulation into decumulation. This reliance on the advisory profession requires the consumer to invest their trust in them and unfortunately a small proportion of advisers have abused this trust.

Broadly speaking, we agree with your assertion that too many people have transferred from their pension over the preceding 4 years. Implicit in that conclusion is a recognition that this has been a result of poor advice being offered to clients. However, this also needs to be met with a recognition that the ongoing provision of poor advice has been allowed to be perpetuated by a lack of regulatory oversight and is, as a result, being addressed after the fact. Taking a backward looking approach towards regulation is all the more confusing given that recent data released suggests a significant drop off in the number of pension transfers since your most recent intervention into this market[1][2].

It is unclear to us that the headline proposal of this consultation, a ban on contingent charging, will ultimately lead to an improvement of the quality of advice offered in this area. To this end, our view has been consistent across this particular debate: the primary cause of poor pension transfer advice is that bad advisers continue to be allowed to give bad advice, not how they charge for it. To suggest that an individual would otherwise be minded to give prudent financial advice only to be swayed by the comparatively small financial incentive to not do so confers more faith in them than they are deserving.

[1] https://www.fca.org.uk/data/retirement-income-market-data
[2] https://www.fca.org.uk/publication/policy/ps18-20.pdf

We believe that it is important to point to the current regulatory landscape because beyond the adviser's duty to consider individual best interests, there is clearly a consideration of the regulatory risk they are undertaking when advising on a pension transfer. Implicit in this consideration is that if an adviser is minded to advise on a transfer in pursuit of payment, they are either not concerned by the regulatory constraints which are there to guide them or confident enough that the constraints will not be applied to them.

Our opposition to a ban is ultimately rooted in the fact that whilst we accept that contingent charging may be a symptom to the provision of poor advice, it is not the underlying cause. It is, as you set out in your original policy statement and in this consultation document, 'difficult to prove a clear link between contingent charging and unsuitable advice'. It is therefore somewhat confusing that your proposed action in this area has changed dramatically given that the conclusion that you have reached remains the same.

We would expect, given such a drastic change in your preferred regulatory approach, that the evidence that you have gathered since the previous consultation exercise would provide a compelling argument for the implementation of a ban. Unfortunately, we do not consider this to be the case.

In our view, the evidence base that you have used to make this judgement is largely the same as the evidence base you used during the previous consultation exercise. Indeed, the evidence base that you use is incomplete to the extent that your statement 'most consumers are advised on a contingent basis' is ultimately based on an assumption of the percentage of consumers who are advised on a contingent basis. It is also unclear to us to what extent you have taken into account many of the welcome introductions from your previous policy statement. As above, since the publication of this consultation document, we have seen that the number of pension transfers have decreased by 24% since the introduction of those reforms.

Further, you have been unable to differentiate between consumers who have transferred out as part of their holistic advice relationships with the adviser and those who have either approached the adviser with an express wish to transfer or in some cases, been approached by the adviser. We would suggest that it is the latter type of behaviour which demands significant focus from the Regulator. We would suggest that if this sort of behaviour continues to be perpetuated, the charging structure is of little significance.

More broadly, in our view, we consider it reasonable to suggest that at the point at which an individual has sought out an adviser and agreed to the potential costs involved it is very likely that they are of the mind to transfer. We would therefore suggest that whilst the headline conversion rate which you have outlined in this consultation document – a rate which reduces significantly after clients have gone through the triage process – in reality the number of individuals transferring their DB pension entitlement remains low[3].

Ultimately you are suggesting a significant market intervention into the financial advice market. In our view, in order to justify such a significant intervention, the bar should be significantly higher than you appear to have set it. From your own conclusions, it is impossible to know that a ban on contingent charging will improve the quality of pension advice and as a result, it is reasonable to conclude that you are proposing a ban because you think it *might*. This sets a precedent for regulatory intervention which we believe would

[3] The PPF estimates that there are currently 10.4m DB scheme members in the UK. Whilst, as above, we agree that the number of members transferring is high, in reality the percentage of people who have sought out DB transfer advice since the introduction of pension freedoms is between 2-3% of the DB population as a whole.

be both troublesome and against the principles of ‘evidence based’ regulation. We would urge you to reconsider your approach in this area.

In the event of you pursuing this ban, we agree with your analysis that this will lead to a reduction of advisory businesses active in the market. Whilst you consider this to be an acceptable consequence of the ban, we would also argue that a reduction of firms active is not necessarily conducive to good outcomes. By reducing the number of firms which provide pension transfer advice, ultimately these proposals – allied to continued issues in obtaining Professional Indemnity Insurance - will lead to consolidation in the market. Whilst this may be conceptually attractive as it makes the market easier to regulate, it does not necessarily follow that larger firms provide better advice than smaller firms. Indeed, in some cases, the inverse is true.

In the event of you pursuing a ban on contingent charging, we would ask you to reconsider the extension of this to implementation charges. Whilst we reject your logic for a ban on contingent charging, it is not immediately clear to us how this could be extrapolated to implementation fees. The existence of implementation fees reflect the fact that the action of implementing a pension transfer is not simply an administrative process. The process itself is both time consuming and requires significant knowledge of the market conditions into which an individual will transfer. Whilst in many circumstances it represents a reasonably small proportion of the fee for pension transfer advice, it is still significant.

Removing implementation fees will ultimately make the cost of advice more expensive for a number of savers. It is at odds with any pronouncements you have made about a desire to close the advice gap and will ensure that pension transfer advice is solely the preserve of the wealthy. Whilst in the vast majority of cases we do not consider your baseline assumption of the cost of advice being £2,500 – £3,500 realistic, banning implementation fees for the vast majority of clients will push the cost of pension transfer advice well beyond that.

Finally, as we have set out to you privately, whilst we do appreciate that you recognise arguments about the impact of a ban and have sought to mitigate them through the provision of both the contingent charging carve-out and abridged advice. Whilst the practical application of abridged advice may be challenging, we cannot conceive of any scenario in which an individual would be able to seek an exemption from the ban.

We also have some concerns around the impact of abridged advice on the PI market which, for the purposes of firm clarity, we would appreciate feedback on. You will be aware of the broader impact on the PI market arising from your regrettable decision to increase the FOS limit to £350,000 a decision which we consider to be attributable to a failure to engage fully with the broader PI market. As a direct result, firms are currently finding it extremely difficult to find cover DB transfers at a cost which is economic and as a result are withdrawing from the market.

We have raised queries below about the exact nature of abridged advice. Our understanding is that abridged advice as envisaged, is not the same as full advice and out perception therefore is that the potential risks in providing abridged advice is lower than providing full advice on a DB transfer. In contrast, the proposals regarding arranging a transfer for a client without making a personal recommendation places onerous obligations on firms particularly where a client has received a recommendation not to transfer. In our view, the new rules on arranging a transfer make this a high risk activity.

If underwriters do not share out view on abridged advice and price the risk at the same level of DB transfer advice, then the number of firms being able to offer abridged advice is likely to be low. Equally, if underwriters share out view that arranging a transfer for a client without making a personal recommendation places onerous obligations on firms particularly where a client has received a recommendation they may be unwilling to offer cover for. We are particularly concerned that some firms may assume their existing cover will automatically cover abridged advice and the administration of transfers when the proposals are implemented. We are unclear as to whether or not this will be the case.

We would, as a result, expect the FCA to have engaged with the insurance industry in respect to the proposals set out in the consultation. Further we would be grateful if you could provide further feedback on this issue in the policy statement.

The pension transfer market remains one that requires a significant amount of oversight. Advisers need robust guidance from the regulator and the market more generally needs robust regulation. We welcome many of the interventions that you have outlined in this paper, but question whether or not your decision to implement a ban on contingent charging is the right rather than the easy thing to do.

We would be happy to discuss this response with you further.

Best regards,

Simon Harrington, Senior Policy Adviser, PIMFA

1. **Do you have any comments on the intended commencement dates of our proposals or the draft Handbook text set out in Appendix 1?**

   We do not believe that the intended commencement dates are reasonable, and show little understanding of how firms can both operationally prepare and implement these proposals. With respect to the implementation of a proposed ban, we would argue that a longer implementation period is required in order to ensure that firms are able to both update their systems as well as their marketing material. In the case of larger firms in particular the timeframe is significantly longer than one week and the process will carry significant cost which will ultimately be passed on to the consumer in the long run.

   We take the view that a 6 month period for the implementation of multiple processes and documentation changes will be required.

2. **Do you agree that a ban on contingent charging is likely to be effective in reducing the number of consumers receiving unsuitable advice? If not, how would you suggest we effectively reduce the numbers of consumers receiving unsuitable advice? Do you think we should address the conflict of interest issues differently?**

   We do not agree that a proposed ban on contingent charging will be effective in reducing the number of consumers receiving unsuitable advice. As we set out above, and previously, there is no clear link between the use of contingent charging and the provision of poor advice. You agree with this conclusion.

   Individuals who are minded to give unsuitable advice for the purposes of their own financial gain will continue to do so even in a scenario where their transfer fee is contingent upon the transfer going through. As we set out above, it is reasonable to assume that by the time an individual has approached an adviser with the intention of transferring their pension, their preferred outcome would be for it to go through and to therefore pay for it. If the adviser is minded to enact the transfer regardless, the payment structure is moot.

   We take the view that in order to effectively reduce the number of consumers receiving unsuitable advice, the transfer market requires proactive and targeted regulation. In this respect, we would suggest that the FCA could seek to identify schemes where unusually high amounts of transfer activity are happening. By doing this, and working collaboratively with the tPR – as per your joint strategy – and pension trustees, you could identify groups of advisers who are active in this area and assess whether the advice being given is suitable. Such an approach would have been extremely welcome, for example, during the British Steel Pension crisis in Port Talbot.

3. **Do you agree that the way in which we have set out the ban should be effective and adequately reduces scope for gaming? If not, how should we amend it?**

   Whilst we oppose a ban in the strongest terms, we do believe that that the way in which the ban could be implemented would be reasonably effective. However, without effective regulation and targeted supervision of firms in this area, the clear parameters in place to reduce the scope for gaming will be ultimately meaningless.

This is particularly the case for advisers who currently and may continue to levy a token fee for advice to transfer. We do not consider that this will necessarily deter adviser business which has been set up with the explicit intent of accepting transfer business and managing funds whilst it remains unclear to us how the FCA intends to differentiate and monitor different sets of transacted investment advice and at what cost.

4. **Do you agree with the scope of the proposed carve-out and our proposals for monitoring its use? If not, how would you change it?**

   Whilst we understand the logic to these proposals, we do not believe that these proposed carve-outs are in any way practical. We cannot conceive of a situation where a medical professional would be willing to allot a timeframe to an individual's lifespan for the purposes of them receiving regulated financial advice. Nor is it clear what engagement (if any) the FCA undertook with the medical professional to reach this outcome.

   Irrespective of the practicality of seeking confirmation of a limited lifespan, we would raise further concerns about the impact of this on a client's decision making. Getting such medical information for carve out purposes with a CETV that may be valid for a limited period of time put undue pressure on timeframes. As a consequence, we are concerned that this could put pressure on individuals to make decisions that may be unsuitable for them.

   Finally, in the event of you progressing with this proposal, we believe that many advisers would appreciate a reminder that in all likelihood, individuals able to use the carve out may be subject to Inheritance Tax given their likely terminal illness and reduced longevity.

5. **Do you agree with our decision not to propose a price cap? If not, how could the shortcomings of a price cap be overcome?**

   We agree with this proposal although we reject the principle implicit in its construction – that those who charge on a contingent basis are motivated solely by financial greed. Whilst we are happy to see that you will not be introducing a price cap – you have stressed at length that you are not a price regulator – we would question the broader assumption of the value of pension transfer advice being no more than the £3,000 you quote.

   The ability to reflect risk premiums associated with DB transfers and the complexity of the advice needed ultimately needs to be retained within the fees. Proposing a price cap, given the cost of PI insurance, could narrow the providers of advice within the market.

   We understand that your assumption of the average time it takes to enact a pension transfer is 25 hours. This equates to £120 per hour which we consider to be extremely low (assuming that the 25 hour estimate is correct). Whilst we accept the oft quoted figure of £150 per hour for financial advice, we would suggest that the level of advice required to assess a client's suitability for a pension transfer goes far beyond the accepted average. Aside from the regulatory barriers (which we welcome) which prevent a number of firms from applying for transfer permissions, there is also a broader consideration of having the technical skill which we believe the figure of £120 fails to recognise.

6. **Do you agree that changes to our existing conflict of interest and accountability rules would not effectively address the harm to consumers occurring in this market? If not, what changes to systems and controls would be most effective?**

   Yes. There are requirements in place for firms to follow and it should be self-evident if the advice was suitable which includes if the charging process applied was far and in the best interests of the consumer. However, we would note that the existing conflict of interest and accountability rules were conceived and have been operated under in a regime in which contingent charging has been permissible. It follows therefore that should a firm follow the rules as they should, the way in which they charge should be irrelevant.

   It is clear from the data collected that firms are not following existing conflict of interest and accountability rules – the FCA should question why this is the case, or more pertinently: why they have been allowed to do so.

7. **Do you agree that separating responsibility for transfer advice potentially has unintended consequences that may not be in clients' best interests? Are there any ways in which a separation of advice or independent checking of transfer advice could work effectively?**

   Yes. We believe such a proposal would place too much onus on the consumer to check if the advice they have received is suitable and demarcated correctly. A reputable firm should be able to manage its business in a profitable way.

   Clearly there are a rare exceptions to this where very technical specialist advice is needed – however, well run firms should be able to recognise these requirements and act accordingly as a result.

8. **Do you agree that banning percentage charging is unlikely to have a significant impact on consumer outcomes? If not, how could it be used effectively?**

   We agree with your analysis. Charges should be based on cost incurred and a quantifiable return.

9. **What are your views on the potential for 'scheme pays', changes to the pension advice allowance and partial transfers to improve the quality of advice or address conflict of interest adequately, or both?**

   We would be extremely supportive of moves to introduce scheme pays and changes to the pension advice allowance more broadly. Whilst not in the scope of this consultation, we take the view that the advice allowance as currently constructed and the requirements to both advertise and use it are not fit for purpose. It remains a source of enormous frustration that the FCA has a tool to encourage people to access advice and doesn't see fit to use it. We would welcome further discussion on this as a broad point, but consider that there is significant scope to explore whether or not this advice allowance could be extended to DB schemes.

10. **Given the timeframes that apply to guaranteed transfer values, what are your views on the need to provide guidance to members considering a pension transfer? Should guidance be mandatory and, if so, who should deliver it?**

    In principle we are of the view that it is reasonable for there to be an impartial third party delivering a simple and basic form of communication for all scheme members. In practice we are uncertain about the efficacy of these delivery bodies and would question whether or not it is really their role. We strongly support the work that MAPS and its delivery bodies undertake, but consider that it unreasonable to expect them to fully appreciate the intricacies of the benefits of any particular scheme at any given time.

    We would, however, be more supportive of trustees playing a more active role in supporting scheme members. We would encourage trustees in future to identify groups of advisers which may be able to support scheme members by undertaking a due diligence exercise on their activities. By doing so, they would be able to recommend which advisers scheme members may wish to approach in helping them plan their financial affairs.

11. **Do you agree with our additional guidance on triage services? If not, please indicate alternative ways of addressing the issue?**

    No. We strongly believe that you should reconsider your approach to triage. As we set out in our original response to the previous consultation on improving pension transfer advice, we believe that it is reasonable for triage to be extended to allow the adviser to gain a broad understanding of the consumer's position before making an assessment of whether or not the individual should proceed to full advice on a transfer. If it is the FCA's view that too many transfers are being enacted, it seems odd that it isn't providing the opportunity for more advisers to shut down the pension transfer process at an earlier stage.

    More broadly, we believe that decision trees are a useful education tool. If triage is considered to be part of an educational process, it is reasonable that decision trees should be part of this process. We would invite you to consider whether or not there is scope to consider what role you could play in the roll out of, for example, a standardised approach to triage using decision trees as an effective tool to support the process. This would be a welcome intervention in the market.

12. **Do you agree that our proposed abridged advice service will enable firms to provide a low-cost alternative to full advice for those consumers that need it? If not, how would you suggest we amend it?**

    In principle, we are broadly supportive of the concept of abridged advice but have some concerns as we have outlined above as well as below.

    The proposed handbook text defines abridged advice as '*advice* in relation to a *pension transfer* that is not *full pension transfer or conversion advice* (see COBS 19.1A (Special rules for giving abridged advice)).' The term '*advice'* is in italics indicating it is a defined term however the term is not shown in FCA's existing Handbook nor in the proposed amendments set out in the CP.

    We are seeking further clarification on the regulatory outcomes that can arise from abridged advice.

The rule states:-

Options when providing abridged advice
19.1A.3 R A firm giving a retail client abridged advice must:
(1) make a personal recommendation that the client remains in their ceding arrangement; or
(2) all of:
(a) inform the client that they are unable to take a view on whether it is in the client's best interests to transfer or convert without undertaking full pension transfer or conversion advice, even when the firm considers that it may be in the client's best interests;
(b) check if the client wants the firm to provide full pension transfer or conversion advice and check that the client understands the associated cost; and
(c) (if the firm has reason to believe that the client is suffering serious ill-health or experiencing serious financial hardship) make the client aware of the implications for the level of adviser charges if the client proceeded to full pension transfer or conversion advice.

As drafted under 19.1A 3 R a client could receive a personal recommendation to remain in their ceding arrangements. However, an insistent client would have to pay for a full transfer process in order to receive presumably another personal recommendation. We are unclear from a regulatory perspective as to what the difference is between the personal recommendation to remain in a ceding arrangement arising from the abridged advice process and the personal recommendation to remain in a ceding arrangement arising from a full transfer process. An insistent client is likely to ask why they have to pay twice for the same personal recommendation. Clearly firms will need to able to explain this issue to an insistent client and it is important that all stakeholders, FCA, FOS, regulated firms, and the professional press are clear on this issue.

19.1.7C R 1B place obligations upon firms where they are administering a transfer in respect of a client who has received a recommendation not to transfer. Our understanding is that arranging a pension transfer need not be done by a pension transfer specialist. The rules provide that where the recommendation is not to transfer or convert the retail client's subsisting rights in respect of safeguarded benefits the firm arranging the pension transfer or pension conversion must:

> (a) warn the retail client that they are acting against advice not to transfer or convert;
> (b) ask the retail client whether they understand the consequences of acting against advice;
> (c) where the retail client does not understand the consequences of acting against advice, refuse to arrange the pension transfer or conversion and instead refer the retail client back to the firm that advised them not to transfer for an explanation of that advice; and
> (d) retain a record of the communications with the retail client that evidence compliance with the requirements in (a) to (c).

The obligations set out at b are, in our view, difficult for firms to adequately demonstrate. Whilst PIMFA will engage further with it members once the rules are finalised our initial reaction is that firms should not arrange pension transfers where they have not made a personal recommendation. In addition, we are concerned that

firms arranging a transfer without a personal recommendation will not adequately meet this obligation which will result in further claims in due course on FSCS.

13. **Do you agree that requiring firms to demonstrate that an alternative scheme is more suitable than a WPS is the most effective way to reduce the numbers of consumers being transferred into schemes that do not meet their needs and limit unnecessary charges paid? If not, how would you suggest we address this issue more effectively?**

    Whilst we remain extremely supportive of workplace pension schemes and the broader 'white knight effect' of many of the more popular automatic enrolment schemes which have contributed to the reduction in charges, it remains unclear to us how a scheme designed to meet the needs of millions of pension savers will be more suitable than a bespoke solution for any one individual saver – this is particularly the case with respect to decumulation and the provision of guided pathways. We do concede that it is certainly more likely to be the case for a 'young' saver transferring their pension but would argue that in the majority of cases the individual in question probably should not be transferring.

    In the event of you proceeding with this proposal, we would appreciate further clarity on the level of diligence expected of the adviser on the proposed workplace pension scheme in terms of its suitability as well as, for example, its key features.

14. **Do you agree with our proposals for requiring the disclosure of charges in engagement letters? If not, please indicate what alternatives should be considered.**

    In principle, yes. However, these charges should be disclosed in the right context and given on the understanding the client will receive a professional service going forward. Cost is a consideration of the value an individual will receive from a service, but it is not the only one.

15. **Do you agree with our proposals to introduce a one-page summary at the front of a suitability report? If not, please indicate what alternatives should be considered to improve disclosures to consumers.**

    Yes. However, we are uncomfortable with this being too prescriptive. There are clearly cases where the nature of the advice given and the clients' circumstances may be complex, in these cases, the adviser may be unable to adequately summarise suitability in one page.

16. **Do you agree with our proposal to require that suitability reports are always provided before a transaction is undertaken?**

    Yes. We take the view that the consumer should have sufficient information provided to them in order to make an informed choice. As you know, it is not best practice to provide material information that the consumer needs to know if the transaction is suitable, after the event even if the consumer has the right to cancel. Consumers are reasonably more inclined to disregard information provided after the transaction process has started or completed and that exposes the consumer to an avoidable risk. This is a welcome proposal.

17. **Do you agree with our approach to checking that the client has a reasonable understanding of the risks of proceeding? If not, what alternative approaches might achieve the same outcome?**

    Yes. You are right in stating a number of firms undertake a process similar to this and we do not believe that such a proposal would be in any way onerous for firms.

    However, we would again point to the fact that many of these proposals put the onus on advisers rather than, for example, the Regulator itself. We believe there could be significant value in the FCA determining a simple, and direct box checking process separate to the long version of a suitability report.

    The FCA could, for example, devise a form or communication that is issued by the Scheme separate to the adviser indicating ‘yes’ or ‘no’ to closed questions such as ‘do you know you DB income is guaranteed’; ‘do you know you are losing that guarantee’ and questions of that ilk. This information would both help the consumer understand what they are embarking upon as well, you would hope, providing a robust piece of evidence to both the Regulator as well as the Ombudsman Service in the event of a complaint.

18. **Do you agree with our proposals to introduce CPD requirements for PTSs? If not, what other approaches could be used to help PTSs maintain knowledge?**

    Whilst we broadly agree with CPD requirements that you have proposed, we do consider that 15 hours is excessive. More broadly, it is unclear to us what value can be gained from the provision of external CPD training given that in the vast majority of cases, internal processes which govern pension transfers will be specific to the firm.

    Whilst not within the scope of the consultation, we would encourage you to consider your approach to CPD more broadly. You will be aware of CPD requirements brought in by IDD in addition to these. Consideration should be given to how much CPD is weighted to certain areas and whether or not this is valuable to both the profession and conducive to better outcomes for clients.

19. **Do you agree with the data we propose to collect in RMA-M? If not, what amendments would you suggest?**

    Yes. We would question why this has not been done before now.

20. **Do you agree with the data we propose to collect RMA-E, FSA032 and FIN-APF? If not, what amendments would you suggest?**

    Yes. We have broader concerns about the provision of PI cover as we have outlined above. We do not believe that reducing the number of firms who able to operate in this market will necessarily engender better outcomes for consumers. It will ultimately restrict the amount of choice they have available to them, and inevitably drive charges higher than they currently are.

21. **Do you have any comments on the proposed guidance for completing RMA-M and revised guidance for completing RMA-E, FSA031. FSA032 and FIN-APF?**

We have no further comments.

22. Do you agree with our proposed changes to the pension transfer definition?

We believe that there is merit in expanding the definition to include all pension benefit transfers and include, for example, dividing pension assets following a divorce.

23. Have we identified all the protections that would be lose for some categories of pension transfer and addressed these adequately?

No. As a pension sharing order is not a regulated activity it exposes consumers to a risk of losing benefits and their retirement income. In our view, this should be brought within the remit of a regulated activity.

24. Do you agree with our proposed changes and clarifications to the TVC rules? If not, please indicate how we should change our approach?

Consideration should be given to funds not being left in a cash or gilt linked holding and whether transferred capital will need to be invested at a later date. Further, we take the view the view the consumers should be made aware that their capital should not be left in a deposit type account.

25. Do you agree with our proposals when cashflow modelling is used in an APTA? If not, how do you suggest we amend it?

Yes.

26. Do you agree with our approach of clarifying that retirement annuity contracts should be treated in the same way as contracts with guaranteed annuity rates? If not, please state why?

Yes.

27. Do you agree with our proposed guidance on how advisers should give advice when only an estimated transfer value is available? If not, how would you change it?

No. A transfer value is not always required to be able to give advice. In some cases it can be evident that the consumer risk profile would not warrant a transfer even if there is no up to date transfer value available.

28. Do you agree with our proposals to amend the application of the adviser charging and inducement rules to include advice on pension transfers and conversions in all circumstances (other than proposed exclusion of an "employer funded pension advice charge" from the application of the adviser charging rules)? If not, please state why.

Yes.

29. Do you agree with the change in application of COBS 19.1 to capture arranging a transfer or conversion? If not, please explain why.

Yes.

30. Do you have any comments on our cost benefit analysis?

The cost benefit analysis does not appear to address the issue of administering a transfer in respect of a client who has received a recommendation not to transfer. If firms choose to arrange a transfer in a compliant manner there will in our view be a costs in meeting their obligations which will be reflected in the fee charged to clients. We would also refer you to our comments regarding PII cover in respect of this activity.