IFF Research

Perceptions of The Pensions Regulator

A report on the 2015 perceptions tracker survey

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1. Executive summary

1.1 Introduction

This report provides the key findings of the 2014-15 annual survey exploring perceptions of The Pensions Regulator ('the regulator'). This latest annual survey was conducted by IFF Research, an independent market research organisation, among a sample of the regulator's key audiences.

The main objective of the survey was to understand how effectively the regulator is perceived to be fulfilling its statutory objectives from the perspective of the regulator's principal audiences.

In addition, the survey this year sought to understand awareness and experiences in relation to pension scams and to understand perceptions of those audiences the regulator engaged with regarding DB recovery plan cases that were opened, comparing schemes in tranche 7[1] with those in tranche 8[2].

This document summarises the latest wave of research, carried out during August 2014 and March to April 2015, among eleven discrete audiences, both in-house (ie audiences who undertake activities on behalf of an occupational pension scheme) and external (ie audiences appointed by the trustees or managers of an occupational pension scheme to carry out activities for the scheme).

1.2 Key findings

1.2.1 77% rate the regulator's performance over the last twelve months as 'very good' or 'good', significantly higher than in the 2014 survey

Almost eight in ten respondents (77%) considered the regulator's performance over the last twelve months to be 'very good' or 'good' – an increase from 69% in the 2014 survey and significantly higher than all waves of research since 2010.

Around eight in ten of both external audiences (78%) and in-house audiences (76%) rated the regulator's performance as 'very good' or 'good'. The rating among in-house audiences was significantly higher than in 2014 (67%) and it is this group, and employers in particular, which has driven the improvement in the overall perception of the regulator.

Around three quarters (75%) of employers rated the regulator's performance as 'very good' or 'good', compared to just over half (52%) in 2014. This shift is due to a significantly smaller proportion of employers giving a 'don't know' response to this question than last year (1% versus 15% respectively), no doubt due to the regulator's increasing engagement with employers through automatic enrolment.

[1] These are schemes with valuation dates between September 2011 and September 2012
[2] These are schemes with valuation dates between September 2012 and September 2013

When asked how they would compare the regulator's performance with that of the previous year, almost one in five (18%) said that the performance has improved, a drop from 24% in 2014, although back in line with 2010 to 2013 ratings. The proportion reporting that the regulator's performance has worsened remains low at 2%.

Among DB schemes where the regulator opened a recovery plan case, almost two fifths (38%) said the regulator's performance was better than last year, while a very small proportion (2%) said it was worse.

1.2.2 The regulator continues to be rated positively with regard to its statutory objectives

When asked to rate the regulator's effectiveness in carrying out key areas of its remit, eight in ten (80%) agreed that the regulator is effective in protecting the benefits of DB scheme members[3] and just over seven in ten (74%) agreed that the regulator is effective in protecting the benefits of DC scheme members[4]. Both results are consistent with the 2014 survey results.

The proportion of respondents rating the regulator as being effective at improving standards in scheme governance and administration in 2015 was in line with 2014 results and maintains the significant increase in results from 2013 (86% in 2015, 87% in 2014, up from 84% in 2013).

More than seven in ten respondents (71%) considered the regulator effective in maximising employer compliance with their automatic enrolment duties. Employers (81%) were significantly more likely than all other audiences to rate the regulator as being effective on this aspect.

Two new ratings were included in the survey relating to the regulator's new statutory objective to minimise any adverse impact on the sustainable growth of an employer. The ratings for these were similarly high to those relating to the regulator's other statutory objectives. Almost two thirds (65%) agreed that 'the regulator takes into account the needs of the scheme and the employer in a balanced way' and around three quarters (76%) agreed that 'the regulator supports schemes to have a strong and ongoing employer'. Among DB schemes where the regulator opened a recovery plan case the ratings were similarly high: 63% agreed with the first statement regarding balancing the needs of both parties, while 78% agreed with the statement that the regulator supports schemes to have a strong and ongoing employer.

1.2.3 The regulator continues to exceed the target of 70% average agreement with the 'PACTT Better Regulation' Principles

[3] Asked of those involved with DB schemes
[4] Asked of those involved with DC schemes

In 2015, the average rating on the 'PACTT Better Regulation' principles was 72%, in line with the 2014 and 2013 survey result of 73%. Lay trustees, employers and pension professionals[5] all met the target in 2015, with average scores of 75%, 72% and 73% respectively. While in the 2014 survey the employer ratings were lower than the overall average, in 2015 the score increased and now meets the target.

Non-pension professionals[6] gave a poorer average rating of 67%, driven mainly by a lower rating on whether the regulator 'explains clearly why decisions have been made' (50%) and if the regulator's 'actions are proportionate to the risk posed' (54%).

Around nine in ten respondents (91%) agreed that the regulator is a 'trusted source of information', with agreement with the other six statements ranging between 64% and 74%.

1.2.4 A majority of respondents continue to perceive the regulator as an informative, independent, authoritative and respected organisation

As in previous years, the regulator's audiences were most likely to agree that the regulator is 'informative' (90%), 'independent' (88%), 'authoritative' (86%) and 'respected' (81%). Compared with the 2014 survey, there has been a significant increase in one attribute: 'approachable', up from 65% to 72%.

Employers were less likely than the average of all other groups to see the regulator as independent (82%) and lay trustees were less likely to see the regulator as approachable (61%) but there were very few differences by scheme type.

1.2.5 Around three quarters of respondents had regularly accessed information on pensions via the regulator's website (76%) and emails sent by the regulator (72%), with this information predominantly viewed as useful

The website is the most commonly accessed resource with around three quarters (76%) having accessed it at least quarterly and one in five (20%) having done so on a weekly basis. Emails from the regulator were also widely accessed, with 71% reporting they access these at least quarterly. Around nine in ten said they found the website (92%) and emails (89%) fairly or very useful.

E-learning via the Trustee toolkit has been used at least quarterly by 23% of respondents, although usage is significantly higher among trustees, with 32% of lay and professional trustees having used the toolkit at least quarterly. Where this was used it was perceived to be useful by around nine in ten (89%).

[5] Includes: pension scheme managers, in-house administrators, professional trustees, pension scheme lawyers, actuaries, auditors and third party administrators

[6] Includes: IFAs/EBCs and accountants

1.2.6 A fifth (20%) of relevant audiences have experienced pension scams, with this figure higher among large schemes

A minority (3%) of relevant audiences (including lay trustees, in-house administrators, pension scheme managers and third party administrators) had never heard of pension scams. Around three quarters (76%) had heard of pension scams but not experienced them and a fifth (20%) have had direct experience of them. Among relevant audiences who were aware of pension scams, around two thirds (67%) discuss the subject at trustee meetings and more than four in ten (44%) have added pension scams to their risk register.

More than eight in ten (85%) relevant audiences agreed that they understand what actions are needed if they suspect a pension scam and almost nine in ten (88%) were confident that the trustee board knows what action needs to be taken if a scam is suspected.

2. Survey background and objectives

2.1 Introduction

This is the eleventh annual perceptions tracking survey, exploring the perceptions of the regulator among a sample of its key audiences. The overall aim of the survey was to determine how effectively the regulator is perceived to be fulfilling its statutory objectives from the perspective of its principal audiences. The specific aims of the survey were to track the following:

- The regulator's overall performance as a regulatory body in the last twelve months;
- Views on how effectively the regulator carries out its core roles;
- The regulator's performance against the 'Better Regulation' principles, that is to be: proportionate, accountable, consistent, transparent and targeted;
- Perceptions of the regulator against a set of descriptive attributes.

This latest survey included three additional objectives, specifically:

- To understand awareness and the experiences of schemes and other relevant audiences in relation to pension scams;
- To understand perceptions of those audiences the regulator engaged with regarding DB recovery plan cases that were opened, comparing those schemes in tranche 7[7] with. those in tranche 8[8];
- To determine audiences' preferred ways of receiving information and communications from the regulator.

2.2 Methodology

The research comprised a quantitative telephone survey of 563 respondents, interviewed from 5 to 31 August 2014 (wave one) and 4 March to 9 April 2015 (wave two).

The research was undertaken on behalf of the regulator by IFF Research, an independent market research organisation.

The sample was made up of eleven audiences, categorised at the highest level into in-house and external audiences. The main units of analysis were the following audience groups: lay trustees, employers, pension professionals and non-pension

[7] These are schemes with valuation dates between September 2011 and September 2012
[8] These are schemes with valuation dates between September 2012 and September 2013

professionals. Additionally analysis was carried out on the basis of whether schemes were being used for automatic enrolment or not.

Table 2.1 shows the 563 interviews broken down by audience type.

Table 2.1: Number of interviews conducted by audience type and scheme size (where relevant)

Analysis group		Audience type	Total
In-house	Lay trustees	All lay trustees	123
		Small schemes	39
		Medium schemes	46
		Large schemes	38
	Employers	All employers	118
		Small schemes	28
		Medium schemes	57
		Large schemes	33
	Pension professionals	All pension scheme managers	31
		All in-house administrators	47
External		Professional trustees	49
		Pension scheme lawyers	20
		Pension scheme actuaries	30
		Pension scheme auditors	44
		Third party administrators	41
	Non-pension professionals	IFAs/EBCs	50
		Accountants	10
TOTAL			**563**

Samples for the research came from a number of different sources. Trustees, pension administrators, scheme managers, actuaries and auditors were sampled from the regulator's scheme registry database. Employers were sourced from a combination of the regulator's database and Experian's business database. independent financial advisers (IFAs), employee benefit consultants (EBCs), lawyers and accountants were sourced from desk research.

The data was weighted to reflect the target quotas in order that the proportions of the audiences were comparable with previous survey waves.

Table 2.2 outlines the achieved proportion of total interviews by audience and scheme size (where relevant), compared to the final weighted proportion of all interviews.

Table 2.2: Achieved proportion of interviews by audience type and scheme size (where relevant) versus weighted proportion of interviews

Analysis group		Audience type	Achieved proportion	Weighted proportion
In-house	**Lay trustees**	Small schemes	7%	6.2%
		Medium schemes	8%	6.2%
		Large schemes	7%	6.2%
	Employers	Small schemes	5%	6.2%
		Medium schemes	10%	6.2%
		Large schemes	6%	6.2%
	Pension professionals	All pension scheme managers	6%	9.3%
		All in-house administrators	8%	9.3%
External		Professional trustees	9%	7.4%
		Pension scheme lawyers	4%	6.2%
		Pension scheme actuaries	5%	6.2%
		Pension scheme auditors	8%	6.2%
		Third party administrators	7%	6.2%
	Non-pension professionals	IFAs/EBCs	9%	6.2%
		Accountants	2%	6.2%
TOTAL			100%	100%

When respondents requested confirmation of the legitimacy of the research, IFF Research sent out an email from the regulator, giving some background to the survey and asking for their participation in the research.

The average interview length was 20 minutes.

2.3 Reporting conventions and statistically significant differences

The responses given in the survey reflect the respondents' attitudes towards the regulator based on their role within the pensions industry, rather than being specific to any individual scheme.

The survey data is based on a sample, rather than the entire population of the employer groups. Therefore, results are subject to sampling tolerances, and not all differences are statistically significant. Throughout this report, where differences are noted (between sub-groups or over time) they are statistically significant at the 95% level of confidence[9].

On charts, where a figure is shown in a box, for example: $\boxed{25}$, this means there is a statistically significant difference compared to the other sub-groups or to the previous year's data. In tables, where a figure is emboldened, this also represents a statistically significant difference compared to other sub-groups or the previous year's data.

Where a group is labelled as 'more' or 'less' likely in relation to a particular finding, this indicates they are 'more' or 'less' likely compared to the overall average (minus their own group), unless it is specifically stated otherwise.

[9] Strictly speaking, calculations of statistical significance apply only to samples that have been selected using probability sampling methods. However, in practice it is reasonable to assume that these calculations provide a good indication of significant differences in quota surveys like this one.

3. Research findings

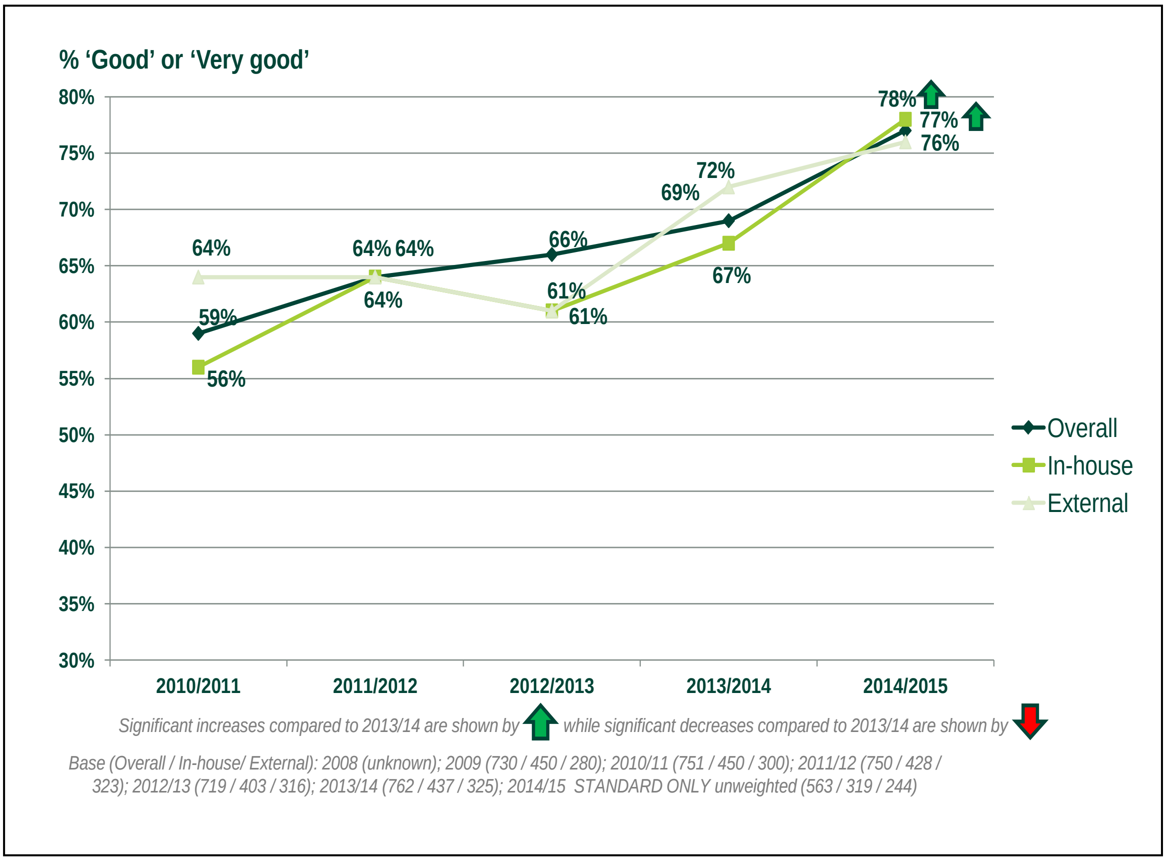
3.1 Perceptions of the regulator's overall performance in the last twelve months

As shown in figure 3.1 below, almost eight in ten (77%) of all respondents interviewed considered the regulator's overall performance over the last twelve months to be either 'good' or 'very good'. The 77% is comprised of 59% giving a rating of 'good' and 18% a rating of 'very good'. Of in-house respondents[10], 78% rated the regulator positively (ie gave a 'very good' or 'good' response, while a very similar proportion (76%) of external audiences[11] did so.

It can be seen that there has been a steady improvement in the overall perception of the regulator over time since 2010.

The proportion of the total sample who rated the regulator's performance positively (77%) was statistically higher than the 69% with this view in last year's survey.

Figure 3.1: The proportion rating the regulator's performance overall as 'very good' or 'good' over the past twelve months, over time



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[10] As per table 2.2 on page 9 in-house audiences comprise lay trustees, employers, pension scheme managers and in-house administrators.

[11] External audiences comprise professional trustees, pension scheme lawyers, pension scheme actuaries, pension scheme auditors, third party administrators, IFAs/EBCs and accountants.

The proportion of in-house audiences who rated the regulator positively rose from 67% last year to 78% this year, a statistically significant improvement,

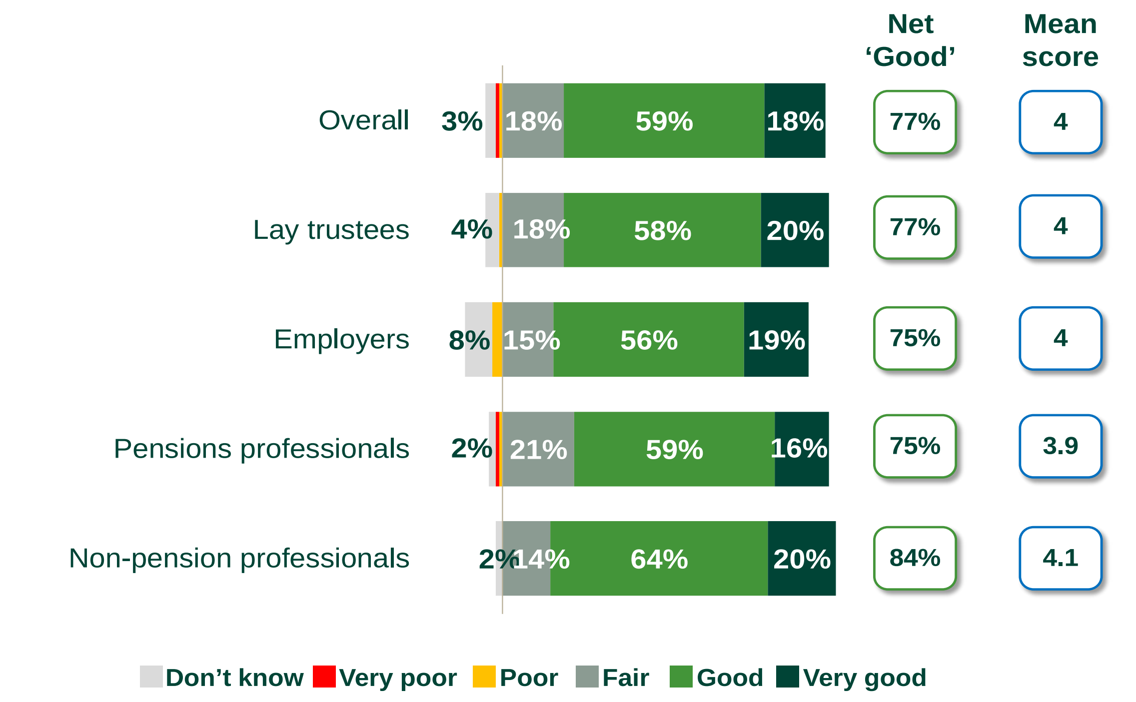
Among external audiences, the rating of the regulator was similar (not statistically different) to last year: 76% this year versus 72% last year.

The top three reasons given for rating the regulator as ‘good’ or ‘very good’ were that it provides up-to-date guidance (25% of those rating regulator positively), that dealings with the regulator have generally been good (18% of those rating the regulator positively), and that it provides good customer service (17% of those rating the regulator positively).

The proportion rating the regulator’s performance as ‘poor’ or ‘very poor’ remains low, with a net figure of 1% (overall and among in-house and external audiences).

Figure 3.2 shows satisfaction with the regulator, analysed by the four key groups: lay trustees, employers, pension professionals (including professional trustees, pension lawyers, actuaries, auditors, scheme managers, in-house pensions administrators and third party administrators) and non-pension professionals (accountants and IFAs/EBCs).

Figure 3.2: Rating of the regulator's performance overall over the past twelve months, by audience type



Base: Overall (563); Lay trustees (123); Employers (118); Pensions professionals (262); Non-pension professionals (60)

As can be seen in figure 3.2, lay trustees, employers and pension professionals rated the regulator's performance in line with the overall average. Although more than eight in ten (84%) non-pension professionals rate the regulator's performance as 'good' or 'very good', this is not a statistically significant difference when compared to the other audience groups.

Table 3.1 shows the rating of the regulator's performance by in-house audiences over time. It shows that ratings for all individual in-house groups were generally consistent compared to 2014, with the exception of employers. A significantly higher proportion of employers rated the regulator's performance as 'very good' or 'good' in 2015 (75%) compared to 2014 (52%), which contributed to the significant increase in ratings among in-house audiences overall. This shift is due to a significantly smaller proportion of employers giving a 'don't know' response to this question than last year (1% versus 15% respectively).

Table 3.1: In-house audiences: the proportion rating the regulator's performance overall as 'very good' or 'good' over the past twelve months

	2008 (430)	2009 (450)	2010 (450)	2011-12 (428)	2013 (403)	2014 (437)	2015 (319)
All in-house	55%	58%	56%	64%	61%	67%	**78%**
In-house administrators	67%	60%	52%	61%	73%	76%	83%
Pension scheme managers	62%	64%	61%	77%	73%	74%	84%
Lay trustees	58%	56%	56%	65%	60%	73%	77%
Employers	58%	55%	55%	56%	45%	52%	**75%**

NB Figures in bold denote a significant improvement in the rating vs. the 2014 wave.

Table 3.2 shows the rating of the regulator's performance by external audiences, over time. The results were generally consistent with the 2014 survey, except for IFAs/EBCs, with a significantly higher proportion (88%) rating the regulator as 'very good' or 'good' compared to 2014 (74%).

Table 3.2: External audiences: the proportion rating the regulator's performance overall as 'very good' or 'good' over the past twelve months

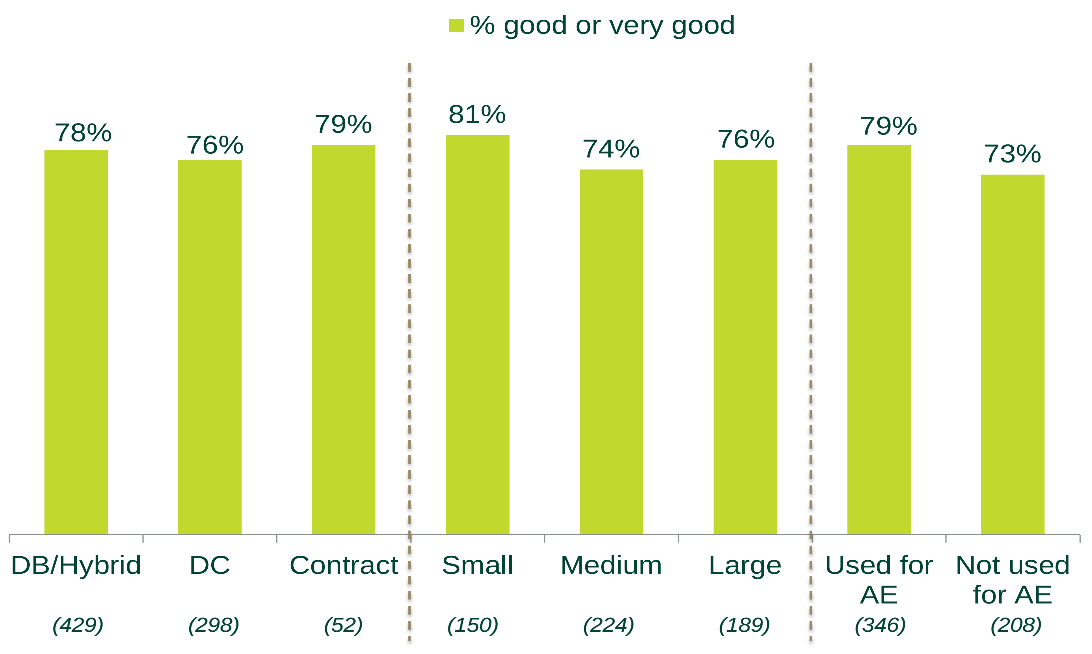
	2008 (283)	2009 (280)	2010 (300)	2011-12 (323)	2013 (316)	2014 (325)	2015 (244)
All external	63%	72%	64%	64%	72%	72%	76%
Professional trustees	58%	66%	74%	55%	67%	68%	80%
Lawyers	66%	80%	58%	70%	65%	80%	65%
Actuaries	64%	82%	66%	50%	60%	68%	73%
Auditors	62%	77%	68%	74%	56%	62%	70%
IFAs/EBCs	62%	55%	52%	68%	90%	74%	88%
Third party administrators	68%	70%	64%	74%	90%	88%	76%
Accountants	n/a	n/a	n/a	56%	79%	60%	80%[12]

NB Figures in bold denote a significant improvement in the rating versus the 2014 wave.

[12] Please note: small base (10)

Figure 3.3 shows ratings of the regulator's performance analysed by scheme type, scheme size and whether the respondent is involved with scheme(s) used for automatic enrolment. This is based on each respondent's own view of the scheme(s) with which they are involved.

Figure 3.3: The proportion rating the regulator's performance overall as 'very good' or 'good' over the past twelve months, by scheme type and scheme size and involvement with automatic enrolment



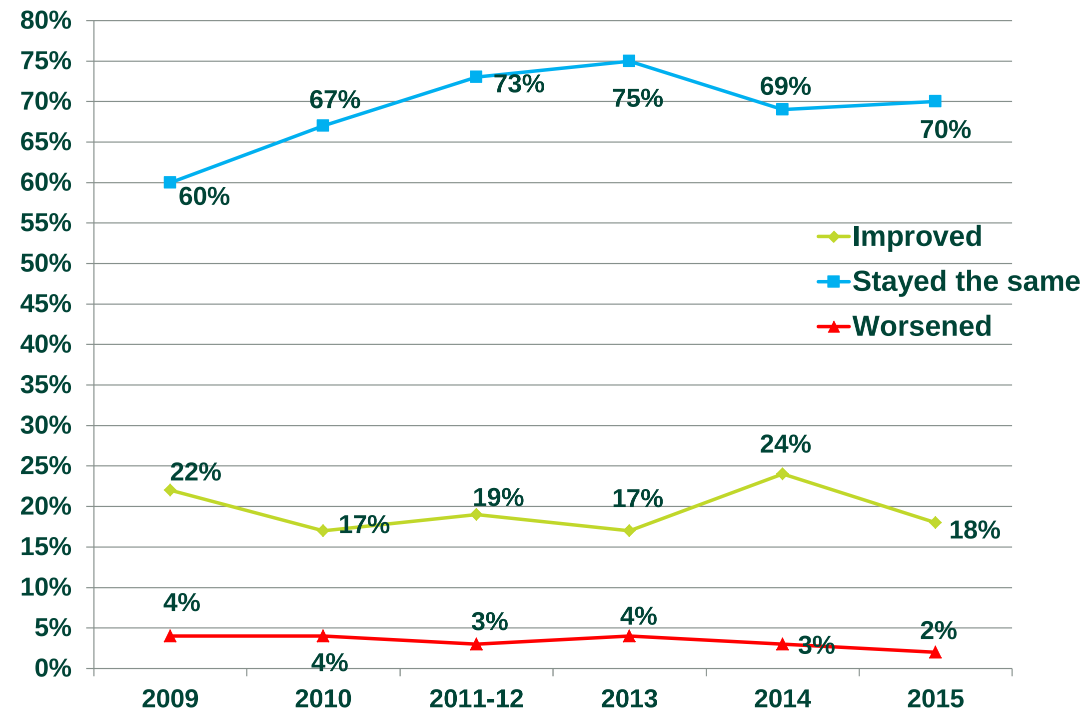
Base: Shown in brackets above

Ratings of the regulator's performance as 'good' or 'very good' over the last year, were consistent across scheme type, scheme size and whether or not the scheme(s) is used for automatic enrolment.

Respondents involved with DC schemes, however, were more likely than in 2014 to rate the regulator's performance as 'good' or 'very good' (76%, up from 65%). In addition, respondents involved with small schemes (81%, up from 66%) and respondents involved with schemes not being used for automatic enrolment (79%, up from 67%) were more likely than in 2014 to rate the regulator's performance as 'good' or 'very good'.

Respondents were asked how the regulator's performance has changed, compared to twelve months previously. Overall, as shown in figure 3.4, 18% felt that the regulator's performance had improved, with seven in ten (70%) saying that it had stayed the same and two percent saying it had worsened. One in ten (10%) were unsure.

Figure 3.4: The regulator's performance compared to twelve months ago



Base: 2009 (730); 2010 (750); 2011-12 (688); 2013 (647); 2014 (704); 2015 (563)

Compared with 2014, there was a significant decrease in the proportion of respondents who believed that the regulator's performance had improved compared to the previous year, down from 24% to 18%. This drop, however, was due to a higher proportion of respondents now unsure about whether the regulator's performance had changed over the last twelve months, rather than an increase in those feeling the performance had worsened. Furthermore, the proportion feeling the regulator's performance had improved reverted to the pattern of findings found in the 2010 to 2013 waves of research.

Among DB schemes with whom the regulator opened a recovery plan case, around two fifths (38%) said its performance was better than last year, while a very small proportion (2%) said it was worse.

3.2 Perceptions of the regulator's effectiveness in carrying out its core roles

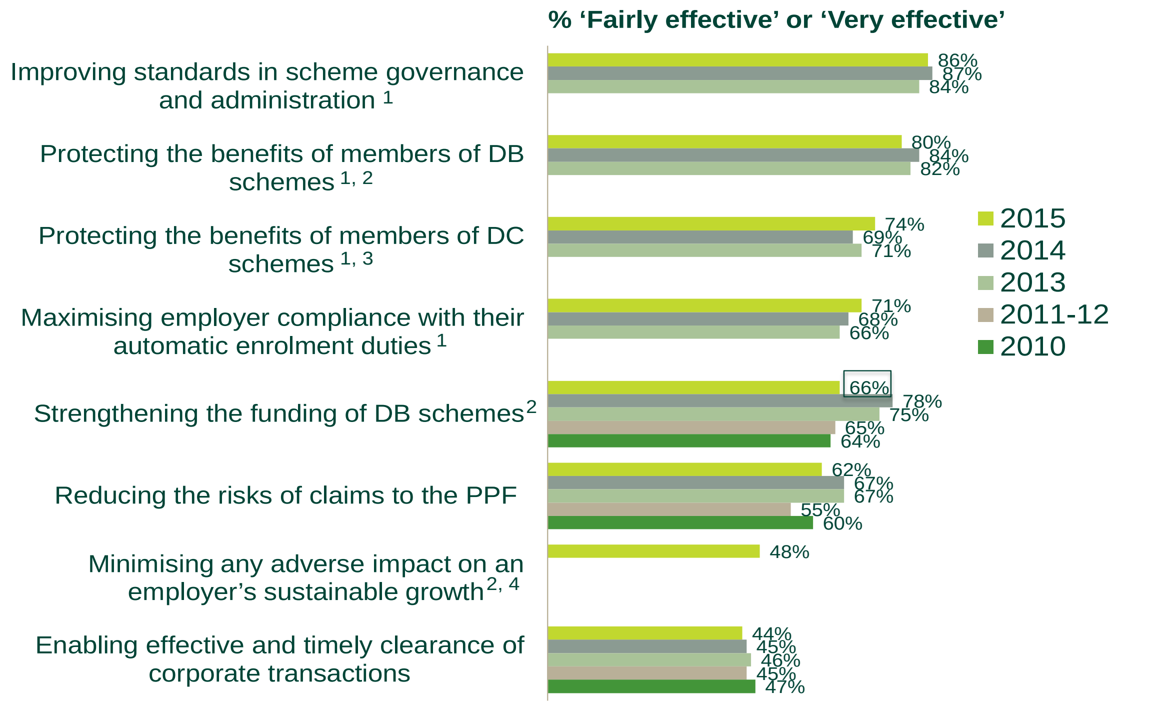
Respondents were asked to rate the regulator's effectiveness in carrying out key areas of its remit.

More than eight in ten agreed that the regulator is effective in improving standards in scheme governance and administration (86%); eight in ten of those involved with DB schemes agreed that the regulator is effective in protecting the benefits of members of DB schemes (80%) and around three quarters (74%) of those involved with DC schemes agreed that the regulator is effective in protecting the benefits of members of DC schemes.

The attribute on which the regulator's performance continues to be deemed to be less effective related to the 'clearance' process, where the score has remained less than 50% over the past five years, as is shown in figure 3.5 below. This is due, in part at least, to the higher proportion of respondents who were unable to comment on the regulator's activities in this area (29% don't know and 25% rate them as neither effective nor ineffective).

Ratings of the regulator's effectiveness remained in line with previous years, with the exception of strengthening the funding of DB schemes, for which the proportion giving a rating of effective dropped from 78% to 66%.

Figure 3.5: Rating of the regulator in the effective performance of its role and function, over time



[1] New statement in 2013; [2] Asked of those involved with DB schemes only; [3] Asked of those involved with DC schemes only; [4] New statement in 2015.

Base: 2010 (751); 2011-12 (750); 2013 (719); 2014 (762); 2015 (563)

Table 3.3 below shows the effectiveness rating of the regulator, analysed by the four main audience groupings.

Table 3.3: Proportion rating the regulator's performance as fairly or very effective in its role and function, by audience type

	A Lay trustees (123)	B Employers (118)	C Pensions professionals (262)	C Non-pensions professionals (60)
Improving standards of scheme governance and administration	88%	84%	87%	84%
Protecting the benefits of members of DB schemes [1]	84%	83%	81%	68%
Protecting the benefits of members of DC schemes [2]	66%	**60%**	75%	82%
Maximising employer compliance with their automatic enrolment duties	**56%**	**81%** A C	71% A	75% A
Strengthening the funding of DB schemes [1]	64%	68%	69%	**44%**
Reducing the risks of claims to the Pension Protection Fund (PPF)	58%	60%	63%	63%
Minimising any adverse impact on an employer's sustainable growth [1]	53%	43%	49%	34%
Enabling effective and timely clearance of corporate transactions	39%	36%	46%	49%

[1] Asked of DB schemes only
[2] Asked of DC schemes only
[NB] Figures in bold denote a statistically significant difference from the overall average
[NB] Letters denote statistically significant subgroup differences

Employers were most likely to feel that the regulator was effective in 'maximising employer compliance with their automatic enrolment duties' (81%), trustees were the least, with just over half (56%) feeling that the regulator did this effectively.

Conversely, employers involved with DC schemes were less likely to rate the regulator as effective in 'protecting the benefits of members of DC schemes', with six in ten (60%) doing so, compared to 66% of lay trustees involved with DC schemes, three quarters (75%) of pensions professionals involved with DC schemes and more than eight in ten (82%) non-pension professionals involved with DC schemes.

Respondents who were involved with schemes being used for automatic enrolment were significantly more likely than those who were not to rate the regulator as being effective in maximising employer compliance with their automatic enrolment duties (77% and 61% respectively). However, those not involved with automatic enrolment were more likely to rate the regulator as effective in protecting the benefits of members of DB schemes (85%, compared to 78% with schemes being used for AE).

Small schemes were less likely than medium and large schemes to rate the regulator as effective in terms of:

- 'Minimising any adverse impact on an employer's sustainable growth' (38%) compared to half of medium (49%) and large (51%) schemes;
- 'Improving standards of scheme governance and administration' (81%) compared to almost nine-in-ten medium (89%) and large (88%) schemes;

Large schemes were more likely to rate the regulator as effective in 'reducing the risks of claims to the PPF' (69%), compared to 59% of small and 58% of medium schemes.

3.3 Perceptions of the regulator and the way in which it works

As set out in the regulator's Corporate Plan for 2014-2017[13], the regulator continues to be committed to the PACTT Principles of Better Regulation, specifically: to be Proportionate, Accountable, Consistent, Transparent and Targeted.

Across the collective results of the questions relating to these principles, the Corporate Plan sets out a target of an average of 70% of respondents agreeing that the regulator meets these principles.

The six statements used in the research to assess the extent to which the regulator adheres to the PACTT Principles are:

- The regulator is a trusted source of information
- The regulator's actions are proportionate to the risk posed
- The regulator is focused on the most important risks to members' benefits
- The regulator is proactive in reducing serious risks to members' benefits
- The regulator explains clearly why decisions affecting occupational pension schemes have been made
- The regulator is consistent in its approach to pension scheme regulation

The regulator exceeded the target set in the Corporate Plan in the previous three years' surveys, and continued to do so again in 2015, with an average agreement score of 72%, consistent with 2014.

As shown in table 3.4, levels of agreement across the PACTT statements are broadly similar to the results of the 2014 survey. The exception to this is agreement for the regulator being 'a trusted source of information'; although the level of endorsement for this remains higher than the other statements, there has been a drop from 94% in 2014 to 91% in 2015. This brings the level of agreement back in line with 2009 to 2013 ratings.

[13] http://www.thepensionsregulator.gov.uk/docs/corporate-plan-2014-2017.pdf

Table 3.4: Rating of the regulator according to the 'PACTT Better Regulation' Principles, % agreeing over time

% who agree strongly or agree that the regulator...	**2009 (730)**	**2010 (750)**	**2011-12 (751)**	**2013 (719)**	**2014 (762)**	**2015 (563)**
Is a trusted source of information	91%	88%	91%	92%	94%	**91%**
Is focused on the most important risks to members' benefits	69%	73%	70%	74%	75%	74%
Is proactive in reducing serious risks to members' benefits	65%	67%	70%	68%	69%	64%
Is consistent in its approach to regulation	64%	63%	64%	68%	69%	72%
Explains clearly why decisions have been made	65%	61%	66%	71%	67%	64%
Actions are proportionate to the risk posed	54%	54%	67%	66%	65%	66%
Average PACTT Principles score	68%	68%	71%	73%	73%	72%

[NB] Figures in bold denote a statistically significant decrease from 2014 wave

Those respondents who were involved in schemes being used for automatic enrolment were less likely than those who were not involved in automatic enrolment to agree that:

- The 'regulator's actions are proportionate to the risk posed' (63% compared to 71%); and

Those respondents who were not involved in schemes being used for automatic enrolment were less likely than those who were to agree that:

- The 'regulator is consistent in its approach to regulation' (66% compared to 75%).

Table 3.5 shows the proportion of respondents who agreed with each of the statements, analysed by the four audience types (lay trustees, employers, pension professionals and non-pension professionals).

Table 3.5: Rating of the regulator according to the 'PACTT Better Regulation' Principles, % agreeing by audience type

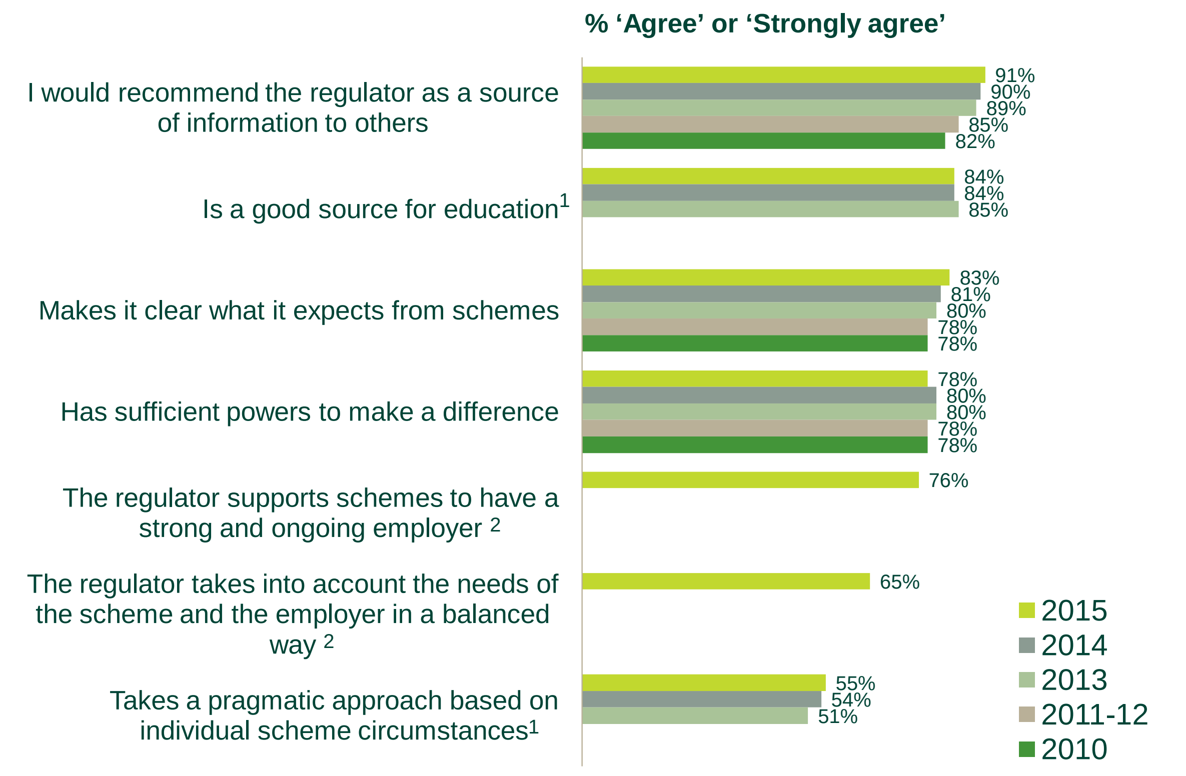
% who agree strongly or agree that the regulator...	A Lay trustees (123)	B Employers (118)	C Pension professionals (262)	D Non-pension professionals (60)
Is a trusted source of information	95%[C]	89%	**89%**	**99%**[B C]
Is focused on the most important risks to members' benefits	74%	73%	76%	70%
Is proactive in reducing serious risks to members' benefits	**73%**[D]	65%	65%	54%
Is consistent in its approach to regulation	**70%**	71%	72%	76%
Explains clearly why decisions have been made	**67%**[D]	64%	67%[D]	**50%**
Actions are proportionate to the risk posed	70%[D]	69%[D]	69%[D]	**54%**
Average PACTT Principles score	75%	72%	73%	67%

[NB] Figures in bold denote a statistically significant difference from the overall average
[NB] Letters denote statistically significant subgroup differences

Non-pension professionals had the lowest average agreement score across all statements, falling slightly short of the 70% average agreement target (67%). This was driven by non-pension professionals being less likely than the other audience groups to agree that the regulator 'explains clearly why decisions have been made' (50%) and that their 'actions are proportionate to the risk posed' (54%).

In addition to the statements which comprise the PACTT Principles, there were five additional statements which all respondents were asked to rate their level of agreement with.

Figure 3.6: Rating of the regulator on other (non-PACTT) statements, % agreeing over time



[1]New statement in 2013 [2]New statement in 2015 and only asked of DB and Hybrid schemes (429)

Base: 2010 (751); 2011-12 (750); 2013 (719); 2014 (762); 2015 (563)

As figure 3.6 shows, advocacy of the regulator as a source of information remained high, with around nine in ten (91%) agreeing that they 'would recommend the regulator as a source of information to others', in line with the 2014 survey.

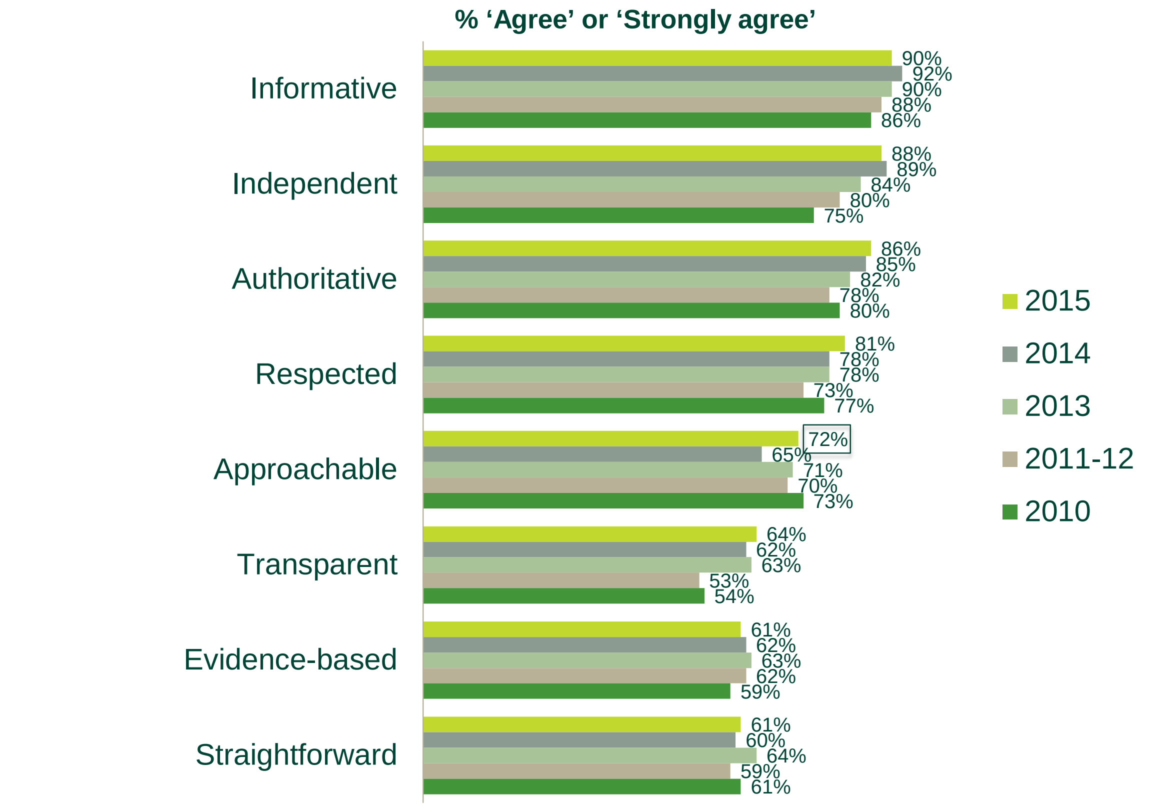
Agreement with all statements remained in line with previous years, including just over half of respondents (55%) agreeing that 'the regulator takes a pragmatic approach, based on individual scheme circumstances'. This is the lowest level of endorsement for any of the statements asked, due in part to the higher level of 'neutral' responses and the higher proportion of respondents unable to give an opinion (24% neither agree nor disagree and 12% don't know).

Two new ratings were included in the survey relating to the regulator's new statutory objective to minimise any adverse impact on the sustainable growth of an employer, and the ratings for these were similarly high to those relating to its other statutory objectives. Two thirds (65%) agreed that 'the regulator takes into account the needs of the scheme and the employer in a balanced way' and around three-quarters (76%) agreed that 'the regulator supports schemes to have a strong and ongoing employer'. Among DB schemes where the regulator opened a recovery plan case the ratings were similarly high: 63% agreed with the first statement regarding balancing the needs of both parties, while 78% agreed with the statement that the regulator supports schemes to have a strong and ongoing employer.

3.4 Descriptors of the regulator

Respondents were asked to agree or disagree with some words or phrases to describe the regulator. Figure 3.7 shows the trend in terms of agreement ('strongly agree' or 'agree') over the past five waves of the research.

Figure 3.7: Descriptors of the regulator, over time



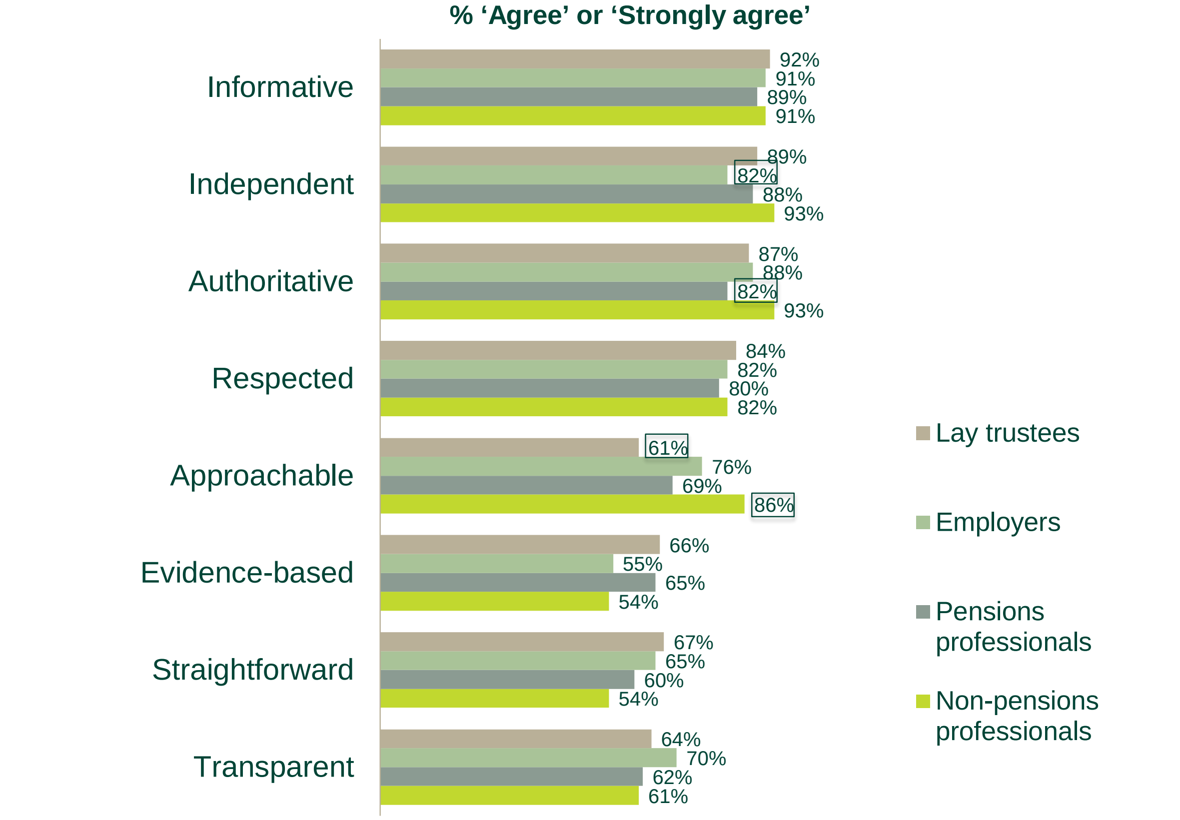
Base: 2010 (751); 2011-12 (750); 2013 (719); 2014 (762); 2015 (563)

Ratings for the attributes were consistent with 2014, with the exception of:

- 'Approachable': up by seven percentage points from 65% in 2014 to 72% in 2015 (but back in line with 2010 to 2013).

Figure 3.8 shows the proportions of respondents who agreed with each of the descriptors, analysed by the four key audience groups.

Figure 3.8: Perceptions of the regulator, by audience type



Base: Lay trustees (123); Employers (118); Pensions professionals (262); Non-pension professionals (60)

As shown in figure 3.8, ratings of the regulator against the descriptors were typically consistent by audience type. Saying this, employers were least likely to agree that the regulator is 'independent' (82%) and non-pension professionals were least likely to rate the regulator as 'authoritative' (82%). In addition, whereas fewer than two thirds (61%) of lay trustees agreed that the regulator was 'approachable', making them the least likely audience to endorse the regulator on this attribute, non-pension professionals were the most likely to feel the regulator was 'approachable', with more than eight in ten (86%) agreeing this was an accurate descriptor.

There were very few differences when looking at these attributes analysed by scheme type, with the only notable differences being that small schemes were more likely than medium and large schemes to consider the regulator to be authoritative (91% small, compared to 83% medium and 84 % large), and large schemes were more likely than small schemes to consider the regulator to be 'evidence-based' (71% compared to 49% respectively).

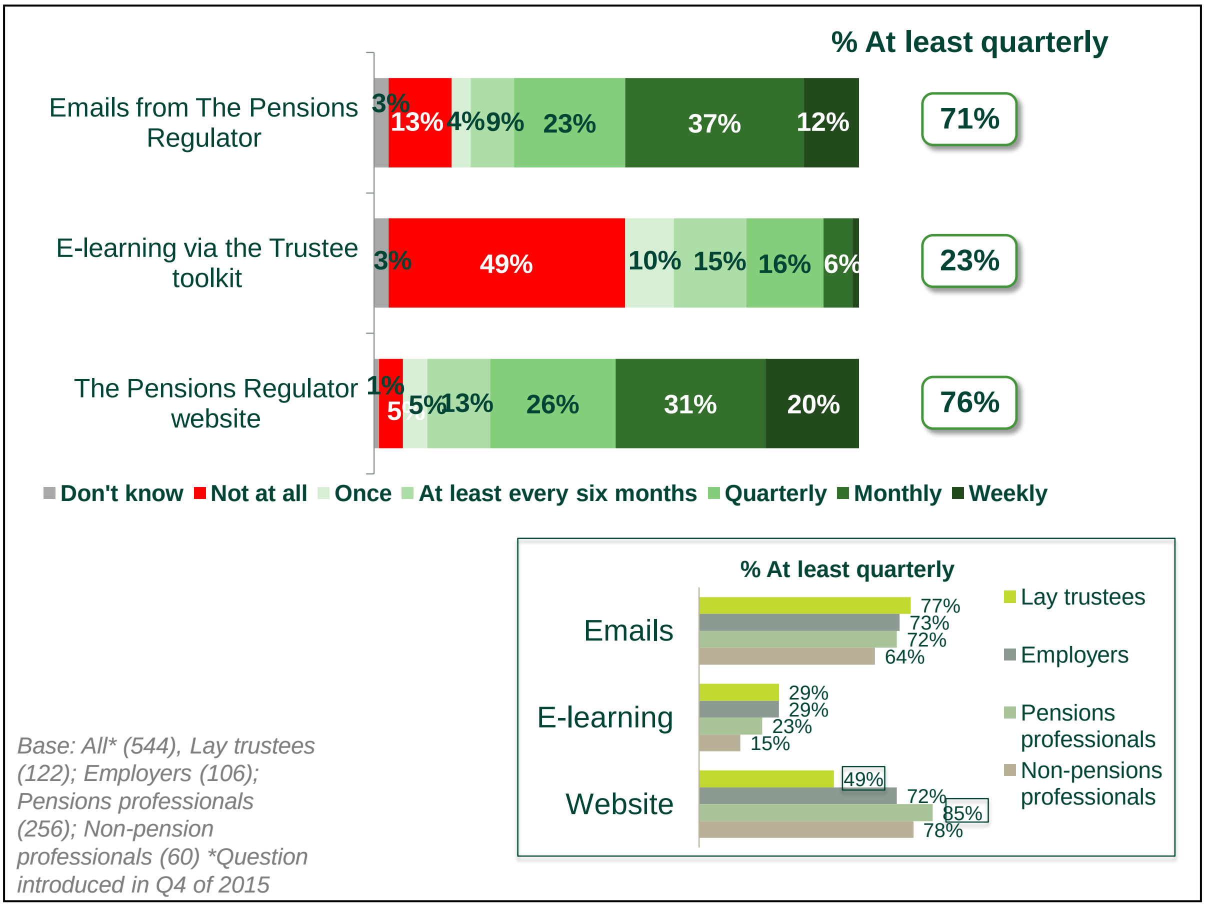
3.5 Communication with the regulator

Respondents in 2015 were asked how frequently they accessed information from the regulator through the following contact points; emails from the regulator, e-learning via the Trustee toolkit and the regulator's website.

Figure 3.9 shows the frequency with which these contact points were accessed in the last 12 months, and highlights that the regulator's website is the most frequently accessed touch point, with around three quarters (76%) having accessed this on a weekly, monthly or quarterly basis. Almost as many accessed emails from the regulator at least quarterly (71%).

E-learning via the Trustee toolkit is the least accessed touch point, with around half (49%) never having accessed this, although this was significantly lower among trustees (21%).

Figure 3.9: Frequency with which the regulator's contact points were accessed in the last 12 months, overall and by audience

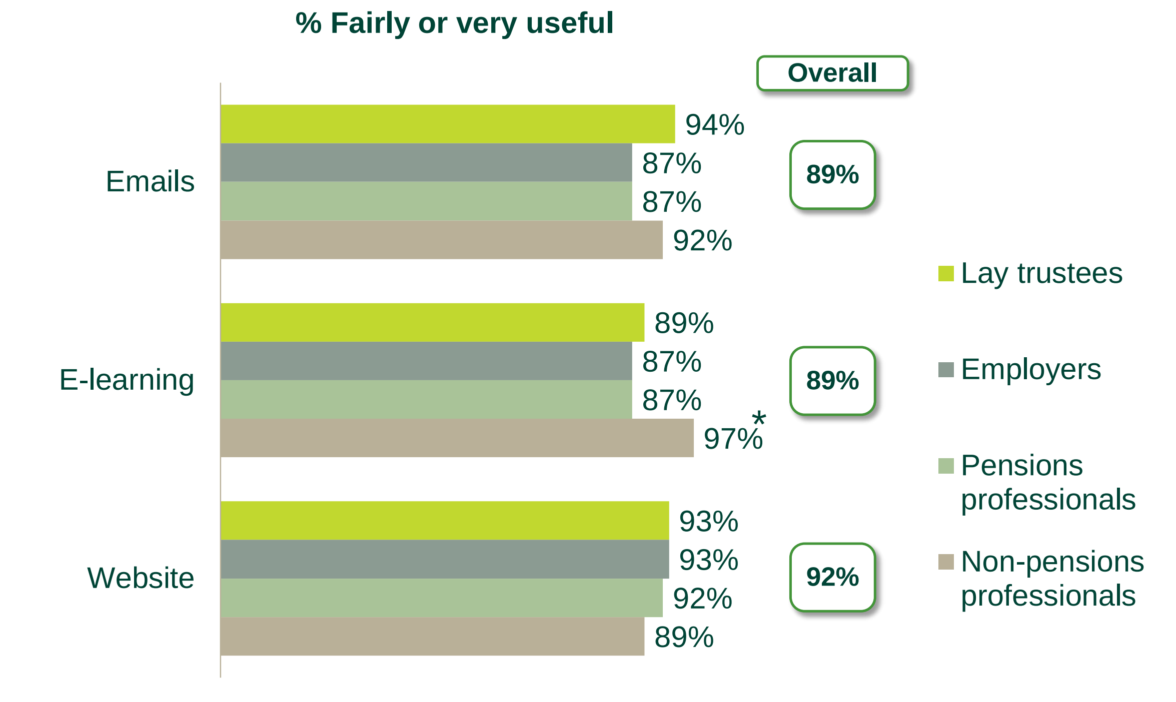


Three in ten lay trustees (29%) and employers (29%) accessed e-learning via the Trustee toolkit at least quarterly, although a similar proportion of lay trustees (27%) have never accessed it, along with four-in-ten (40%) employers. Lay trustees were the least likely to access the regulator's website at least quarterly (49%), whereas pension professionals were the most likely (85%), with three in ten (30%) saying they access it on a weekly basis.

The majority of those who accessed information from the regulator found it useful, with around nine in ten saying the emails (89%), e-learning (89%) and website (92%) were fairly or very useful for getting information about pensions.

As shown in Figure 3.10, perceived usefulness of information provided by the regulator did not vary by audience, with the exception of non-pension professionals being more likely to rate e-learning highly; almost all (97%) found it useful, compared to just under nine in ten lay trustees (89%), employers (87%) and pension professionals (87%). It also did not vary by scheme type.

Figure 3.10: Rating of the regulator's contact points, overall and by audience



Base:
Those who accessed email; All (457); Lay trustees (105); Employers (92); Pensions professionals (212); Non-pension professionals (48). Those who accessed e-learning; All (289); Lay trustees (88); Employers (60); Pensions professionals (123); Non-pension professionals (18 **caution low base**). Those who accessed website; All (504); Lay trustees (100); Employers (97); Pensions professionals (249); Non-pension professionals (58)*

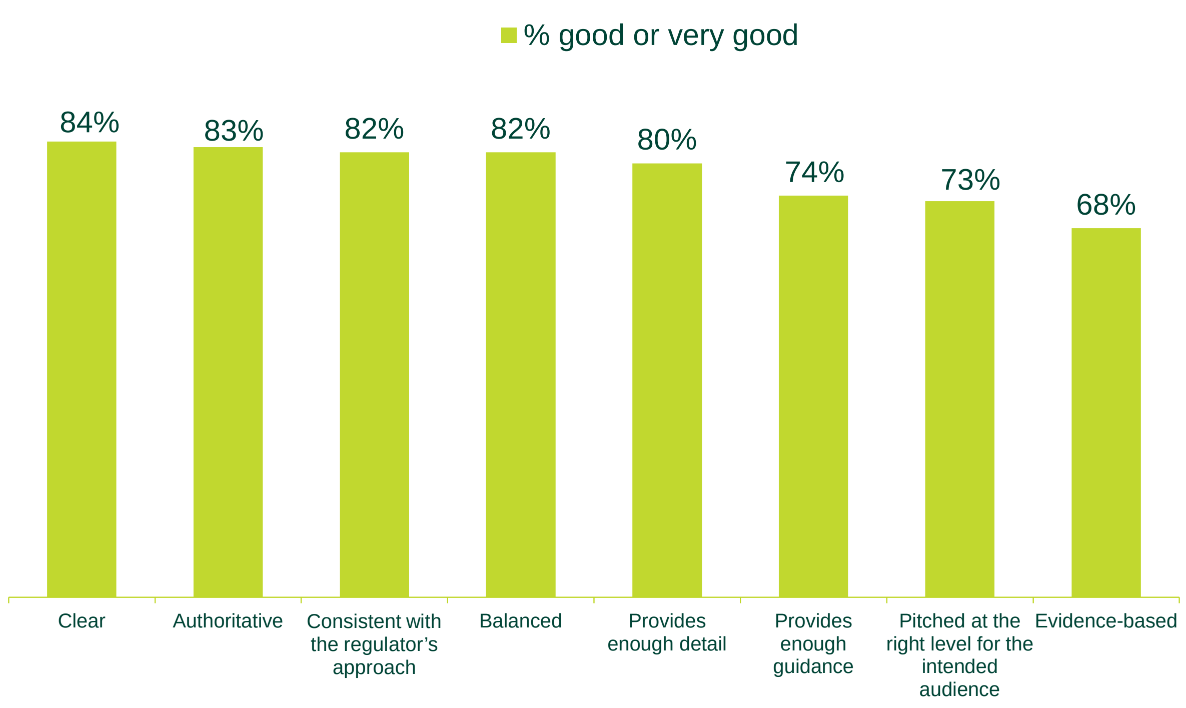
Those that had used the website were also asked to rate the information they had received on the website on various attributes. Figure 3.11 details how respondents rated the regulator's website and shows that more than eight in ten believed the website is 'clear' (84%), 'authoritative' (83%), 'consistent with the regulator's approach' (82%) and 'balanced' (82%). The regulator's website performed less well in terms of being seen as 'evidence-based', with around seven in ten (68%) feeling this attribute applies.

There were no significant differences in how the website was rated by audience type, however, small schemes and those associated with a DC scheme were less likely to perceive the website as:

- 'Clear' (76% small, compared to 87% medium and 88% large and 81% DC, compared to 87% DB/Hybrid);
- 'Pitched at the right level of intended audience' (59% small compared to 81% medium and 79% large and 70% DC compared to 77% DB/Hybrid).

Small schemes were also less likely to view information on the website as balanced (74%, compared to 86% of medium and large schemes).

Figure 3.11: Rating of the regulator's website



Base: All who accessed the regulator's website (504)

The majority (89%) of respondents who have visited the regulator's website preferred to do so on a PC or laptop, compared to a tablet (4%) or smartphone (1%) and typically accessed the website at work (93%), with seven per cent saying they accessed it more frequently at home. However, among lay trustees, the proportion more frequently accessing the website at home rose significantly, to four in ten (40%).

When it comes to receiving emails from the regulator, almost all (98%) respondents say they prefer to access them on a PC or laptop. Preferences for the format of online content was more mixed; around half (47%) preferred to download a PDF file to read or print out, around a quarter (27%) preferred to read content on a webpage in HTML format, 6% prefer new updates via email and 2% prefer to use more interactive tools such as webinars and podcasts.

3.6 Pension scams

All respondents were given a brief definition of pension scams[14] and asked whether they had experience of these scams, had no personal experience of them but were aware they existed, or had not heard of these scams before.

Of relevant audiences (lay trustees, in-house administrators, pension scheme managers and third party administrators) one in five (20%) had experience of these scams (Figure 3.12).

Figure 3.12: Awareness and experience of pension scams

Base: All relevant audiences (including lay trustees, in-house administrators, pension scheme managers and third party administrators) (242)

Relevant audiences most likely to have experienced scams were those:

- Associated with large schemes (37% compared to 9% medium and 5% small);
- In an external role (39% compared to 15% in an in-house role);

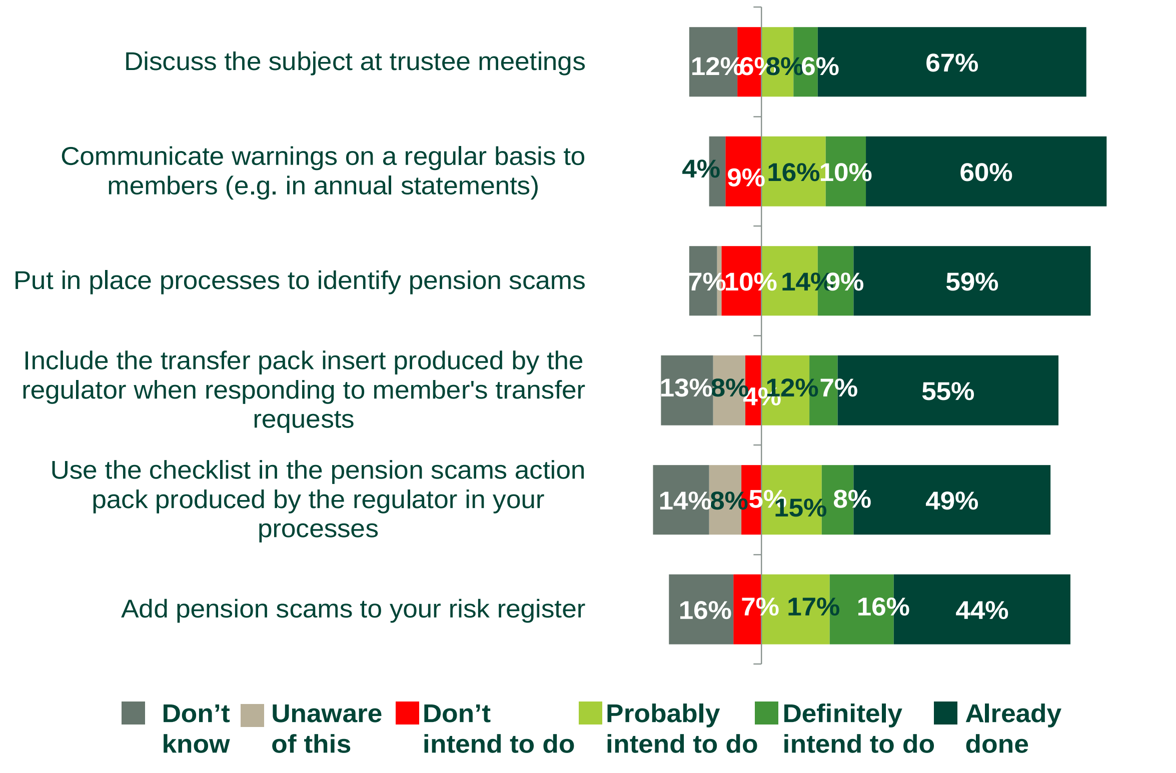
[14] Pension scams can occur when people with a pension are targeted by organisations who claim they can help them cash in their pension early. Typically, 'pension loans' or 'cash incentives' are offered, along with misleading information, to entice savers to request a transfer out of their workplace pension. This can result in them losing a substantial part of their pension fund and facing a large tax bill.

- Pension scheme managers (39%) and third party administrators (39%); compared to lay trustees (11%) and in-house administrators (6%).

When it comes to members' knowledge of pension scams, relevant audiences largely feel they were not well informed; two thirds (66%) report that generally members only know a little about them and 13% feel they are not aware of them at all.

Figure 3.13 shows what actions relevant audiences have taken in order to combat pension scam activity. The most reported measure already undertaken was a discussion of pension scams at trustee meetings, with two thirds (67%) of those who were aware of pension scams saying this has already been done. Schemes were least likely to have added pension scams to their risk register (44%) or to have used the checklist in the pension scams action pack (49%), although 16% and 8% respectively said they definitely intend to do this.

Figure 3.13: Actions taken by schemes to combat pension scam activity



Base: All relevant audiences (including lay trustees, in-house administrators, pension scheme managers and third party administrators) that have experienced scams or are aware of them (233)

Around a third (36%) of relevant audiences reported that the scheme has suspected members' transfer requests were associated with pension scam activity. Where this had occurred, it was most commonly reported to have happened once (27%) or twice (18%) in the previous twelve months. However 15% said this had occurred more than five times in the previous twelve months.

Schemes that had been suspicious of pension scam activity typically withheld or delayed members' transfer requests owing to such suspicions (80%). In one in five cases (19%) suspicions had not led to a member's transfer request being refused.

Where schemes have refused or delayed members' transfer requests owing to suspicions of scam activity, this had typically happened once (32%) or twice (16%).

The two primary ways in which relevant audiences aware of pension scams had seen or heard about them was via printed media such as newspapers or trade magazines (76%, rising to 78% when prompted as to whether they have heard about scams via the press) or through the regulator (58%). Relevant audiences associated with large schemes were more likely to have heard about scams through the regulator (69%). Around three in ten had heard about scams on the television (35%, rising to 53% when prompted), through professional advisers (32%) or via the internet (30%). Around two in ten have heard about pension scams through their pension provider (23%), through colleagues or in the workplace (22%), via a trade or professional body (21%) or over the radio (19%, rising to 42% when prompted).

When relevant audiences were asked if they could recall seeing regulator specific communication on pension scams; six in ten (60%) could remember seeing an email from the regulator about pension scams and just under six in ten (56%) could remember seeing a leaflet about pension scams[15]. Half (51%) of relevant audiences reported they have read the regulator's action pack on pension scams.

Table 3.5 breaks down the penetration rate of the regulator's pension scams material by relevant audience type and shows that pension scheme managers and third party administrators were most likely to access regulator communications on pension scams; 77% and 75% respectively recall seeing the leaflet (compared to a third of lay trustees, 32%) and 68% and 73% respectively had read the regulator's action pack (compared to a third of lay trustees, 34%).

Table 3.5: Recall and readership of regulator communications on pension scams by audience type

	A Lay trustees (117)	**B In-house administrators (45)**	**C Scheme managers (31)[16]**	**D Third party administrators (40)[17]**
Remember seeing leaflet about pension scams	**32%**	64%[A]	**77%**[A]	**75%**[A]
Remember receiving an email from the regulator about pension scams	52%	60%	55%	**78%**[A C]

[15] Respondents were given a description of this leaflet as 'it has a picture of a man sitting on the ground with his head in one of his hands and there is a scorpion next to him'.
[16] Please note: small base
[17] Please note: small base

Read the regulator's action pack about pension scams	**34%**	49%	**68%**[A]	**73%**[A B]

Respondents that could recall either the email, leaflet, or action pack were asked the extent to which they agreed that it had helped them to understand what actions were needed if they should suspect a pension scam. More than eight in ten (85%) of relevant audiences 'agreed' or 'strongly agreed' that they did understand what actions were needed, with most of the remainder unsure of their level of understanding (10% neither agree nor disagree, 3% don't know). This did not vary by audience type but small schemes were less likely to agree they understood what actions were needed (65% compared to 84% medium and 92% large).

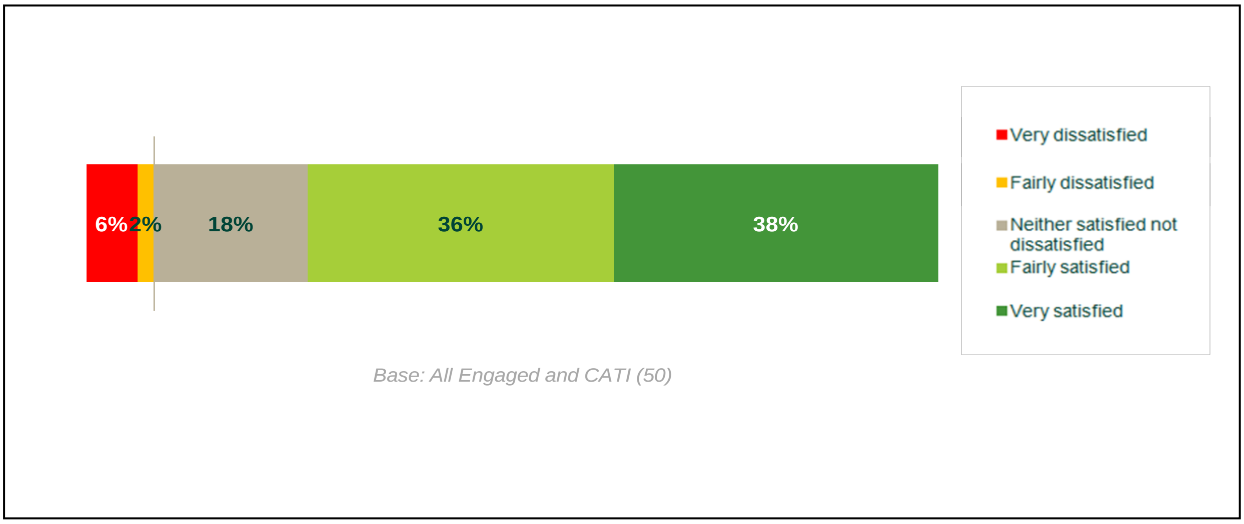
Almost nine in ten (88%) of relevant audiences aware of pension scams also said their trustee board was confident of what action it needs to take if it suspects a pensions scam. Once again, there was no significant variation by audience type, but DC schemes were less likely to agree (83%, compared to 90% of DB/Hybrid schemes).

3.7 Perceptions of engagement with DB case teams on recovery plans

In the 2015 Perceptions Tracker survey interviews were conducted with schemes who had been the subject of a case intervention in relation to their recovery plan submission. The purpose of these interviews was to gain an understanding of the perceptions of the recovery plan case process among trustees, actuaries and employers associated with DB schemes.

Figure 3.14 shows the level of satisfaction with the regulator's management of the case among those schemes who had been the subject of a recovery plan case and highlights that almost three quarters of those subject to a case (74%) were satisfied with how this was managed by the regulator. A minority of schemes subject to a recovery plan case were not satisfied with how the case was managed by the regulator (8%).

Figure 3.14: Satisfaction with the regulator's engagement on recovery plan cases



Of those who were satisfied with the regulator's management of a case, the main reasons were that the outcome of the case was satisfactory (mentioned by 47% of those satisfied), that the process was quick and efficient (27%), that the regulator's approach was practical/appropriate (16%) and that everything was explained clearly (14%).

Reasons for dissatisfaction[18] with the regulator's management of a case include the regulator's approach not being reasonable or proportionate (mentioned by 3 of the 9 respondents who were dissatisfied with the regulator's management of a case), other case specific reasons (mentioned by 3 of 9), staff lacking knowledge or having limited knowledge (mentioned by 2 of 9), the process taking too long (mentioned by 2 of 9) and poor communication (mentioned by 2 of 9).

[18] Please note: Small base