

National LGPS Technical Group

Agenda item

The following should be completed by a member of the National LGPS Technical Group and sent to Kelly.Scotford@royalgreenwich.gov.uk the Secretary and jayne.wiberg@local.gov.uk LGA by no later than 5.00 pm on the date shown in the minutes.

For meeting to be held on: 10 December 2020

Raised by: Ian Howe

Pension Officer Group: EMPOG

Description of agenda item to be discussed: Eversheds Presentation at Virtual Torquay Conference (CMCs and IFAs)

Colleagues,

Eversheds provided a thought-provoking presentation at last week's Virtual Torquay Conference.

The topic covered two key points that I wanted to raise at Technical Group for wider discussion;

- Pension Scams are allegedly on the rise and Claims Management Companies (CMCs) are becoming more active in the LGPS market place and are starting to "cold contact" Funds, sometimes with a Data Subject Request.

This raises several questions on how Funds are dealing with such requests and "should all LG Funds have an agreed standard action" for these cases.

One idea was for the Fund to contact the ex LGPS scheme member directly to see if they are aware and in agreement with this enquiry, and to point out the “complaint” is outside of the 6-month IDRPs complaint procedure.

It was considered sensible for all funds to use the same approach, otherwise CMCs could start to target Funds who take a more relaxed approach.

- Bad advice and IFAs

Apparently more and more private schemes are working with an IFA. This is off the back of greater scrutiny on Funds to ensure people receive advice, especially before transferring out, but could also be expanded in the LGPS to options around the exit cap and pension taxation.

One idea (which is a rather radical change for the LGPS) is for Funds to also work with an IFA, noting the tender requirements that would be involved in choosing an IFA. It was suggested, if Funds simply direct scheme members to a list of unbiased IFAs this may not be enough, and if this ended in a member receiving bad advice the question was “has the Fund done enough” and “could the Fund be challenged”.

I wanted to bring these points to the Technical Group for discussion.

Questions

- 1) - Does Technical Group agree a standard approach for dealing with CMCs should be agreed, and if so, what should this include?
- 2) - Does Technical Group agree further investigation is carried out to see if LGPS Funds can and should be encouraged to have an IFA?
- 3) (if Q2 is yes) Does Technical Group feel a National Framework should be developed for Funds to pick an IFA from?
- 4) I also wondered if Technical Group may wish to consider inviting Eversheds to a future meeting to discuss this collectively with them?

Regards,

Ian

25/11/2020

