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FROM THE DEPUTY CHIEF WHIP AND
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Deu Sall,

I am writing to you in relation to the amendment you brought during Lords Committee of the Pension Schemes Bill, pertaining to guidance. Specifically you were keen to ensure that State Pension was considered as a factor relevant to a consumer's decision about taking their pension pot. I said that I would take it back to the Financial Conduct Authority (FCA) to clarify that the standards for the guidance, as they are, are intended to ensure the consumer considers relevant factors to their retirement decision, including their State Pension entitlement.

The FCA, in its near-final standards for the guidance, sets out that the guidance must request relevant information about the consumer's personal and financial circumstances. It has also outlined such information as it would expect to fall under those categories, including a person's entitlement to state benefits (current and future).

My officials have raised this matter with the FCA and I can confirm that a consumer's entitlement to State Pension is expected to be covered under the bracket of 'state benefits'. As you may be aware, guidance will be tailored to consumers' needs, thus it is appropriate for the FCA standards to retain the flexibility this phrasing allows. I should also be clear here that it is for the Treasury, working with delivery partners, to work up the detail of the guidance in adherence with these standards. Indeed, the Treasury is currently working with the Department of Work and Pensions to ensure that those using the guidance are told how they can acquire a State Pension forecast.

The Government is committed to ensuring that individuals are equipped and empowered to make informed decisions about how to use their pension savings. I would like to thank you for bringing this matter to the floor of the House.

The Baroness Greengross OBE
House of Lords

I hope you find this letter helpful. I have copied it to all Peers who spoke during Committee and have placed a copy in the Library.

All good wishes
Yours,
L. Newby

LORD NEWBY