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FROM THE DEPUTY CHIEF WHIP AND  
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*Dear Mike,*

I am writing to you in relation to the matters raised during the Lords Committee of the Pension Schemes Bill, pertaining to guidance. Specifically you spoke in support of the Noble Lady Baroness Greengross's amendment that would ensure an individual's assets, notably housing wealth, are taken into account properly.

In responding to the Noble Baroness and your own points raised, 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 housing wealth.

I agree that, while it must be focused on the decision the consumer has to make with regard to their pension pot, the guidance must ensure consumers consider relevant issues related to their pension decision. 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 whether a person is a home owner or renting.

My officials have raised this matter with the FCA and I can confirm that the purpose of requesting this information under the standards is to ensure that consumers consider the relevant factors in their pension decision, as appropriate for the individual. As you may be aware, guidance will be tailored to consumers, prompting them to consider factors relevant to them, thus it is appropriate for the FCA standards to retain this flexibility. 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.

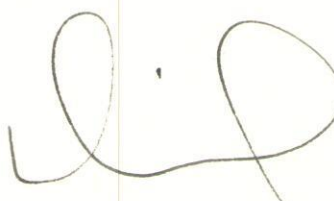
The Lord German OBE  
House of Lords

Equity release can be a complicated matter and not appropriate for everyone. I would also like to be clear here that if consumers want or need further help with their retirement decision, or finances as a whole, the guidance will signpost consumers to relevant sources of further information. The guidance will help consumers understand the value of regulated financial advice, and how they can find a regulated financial adviser that suits their needs.

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.

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,* 

**LORD NEWBY**