

Peter Swan  
Competition and Markets Authority  
Victoria House  
37 Southampton Row  
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12 April 2018

Dear Peter

**RESPONSE TO WORKING PAPER ON THE SUPPLY OF FIDUCIARY MANAGEMENT SERVICES BY INVESTMENT CONSULTANCY FIRMS DATED 29 MARCH 2018 IN RELATION TO THE CMA'S MARKET INVESTIGATION INTO INVESTMENT CONSULTANCY AND FIDUCIARY MANAGEMENT SERVICES**

We have considered the contents of the CMA's working paper on the supply of fiduciary management services by investment consultancy firms dated 29 March 2018 and set out our thoughts below in relation to tendering as we believe that an open and objective tendering process will address the other issues identified in the paper.

As noted in our response dated 12 October 2017 to the Issues Statement, we are supportive of measures to strengthen the demand side. We believe there are benefits in continuing trustee education and having a professional trustee on the trustees' board: both of which will help trustees understand whether the advice they are getting delivers value and what other alternative options are available.

We agree with the CMA's proposal that trustees should follow an open and objective tendering process when appointing a fiduciary manager for the first time. Having an open and objective tendering process would help manage conflicts of interest, especially where a pension scheme's existing investment consultant can provide fiduciary management services. We therefore support guidance setting out best practices for trustees to follow in relation to how open and objective tenders can be achieved which they can adapt to best suit their size, resources and needs.

Following the appointment of a fiduciary manager, we believe it is equally important that trustees have the ability to monitor and assess the performance of that provider in an independent and objective manner. We have good working relationships with third party evaluators and believe that they offer good oversight for the benefit of trustees.

We would be happy to discuss our comments in further detail.

Yours sincerely

**Charles Prideaux**  
Global Head of Product and Solutions