

Retirement Income Data Requests

Financial Conduct Authority

RPC rating: **validated**

Description of the measure

The introduction of new pension freedoms has increased the FCA's need to collect data on the retirement income market for supervision, policy and competition purposes. As a result, the FCA began making data requests¹ to larger pension firms and a sample of smaller firms in summer 2015. This was repeated quarterly until spring 2016, when the frequency was reduced to six months. The FCA is planning to replace the data request with a new regulatory return from April 2018.

Impacts of the measure

The assessment states that the data request is completed by up to 59 firm groups. The FCA has gathered estimates of the cost of completing the data request from 34 firm groups and has used this to estimate the average cost to all 59 firm groups. Using the data gathered, it estimates the average cost to be £1,700 for small firms, £4,100 for medium-sized firms, and £10,000 for large firms. Overall, the FCA estimates the total cost of complying with a data request to be £335,000. In addition, the FCA estimates that firms will face one-off familiarisation costs. It estimates these to be 50 per cent of the cost of completing a return. Familiarisation costs are, therefore, £168,000 in year one.

The RPC verifies the estimated equivalent annual net direct cost to business (EANDCB) of £0.6 million. This will be a qualifying regulatory provision that will score under the business impact target.

Quality of submission

The FCA has consulted industry to identify the potential costs of the proposal and received a high level of response. As such, the validation assessment provides sufficient information to support the majority of the cost estimates and for the RPC to validate the cost to business. However, the assessment would have benefited from providing further evidence to support the estimates of the familiarisation costs, which the RPC acknowledges are materially relatively low.

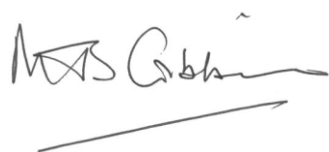
¹ The Retirement Income Data Request

Departmental assessment

Classification	Qualifying regulatory provision
Equivalent annual net direct cost to business (EANDCB)	£0.6 million
Business net present value	-£2.4 million

RPC assessment

Classification	Qualifying regulatory provision
EANCB – RPC validated ²	£0.6 million
Business Impact Target (BIT) Score ¹	£2.4 million



Michael Gibbons CBE, Chairman

² For reporting purposes, the RPC validates EANCB and BIT score figures to the nearest £100,000.