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**Consultation Questions: Consultation on Value for Money: A framework on metrics, standards and disclosures**

Name of respondent/s / organisation (please provide):

|  |  |
| --- | --- |
| **Pension Scheme type(s) (please cross all those that apply)** | |
| Master Trust (500 or more employers approx.) |  |
| Master Trust (fewer than 500 employers) |  |
| Single-employer trust-based defined contribution (DC) workplace pension scheme |  |
| Contract-based DC workplace pension scheme (500 or more employers approx.) |  |
| Contract-based DC workplace pension scheme (fewer than 500 employers) |  |
| Contract-based DC non workplace pensions |  |
| Defined benefit pension scheme |  |
| Hybrid pension scheme |  |
| **Your role (please cross all those that apply)** |  |
| DC pension scheme trustee or manager |  |
| Member of Independent Governance Committee (IGC) or Governance Advisory Arrangement (GAA) |  |
| Administrator |  |
| Investment consultant |  |
| Financial advisor |  |
| Employer |  |
| Employee benefit consultant |  |
| Consumer organisation |  |
| Law firm |  |
| Pension saver |  |
| Other (please state) |  |

*Responses to consultation questions are optional. We ask that you provide your reasoning for your answers to the consultation questions that you respond to.*

*Please indicate, next to any responses given, if you are* ***not*** *content for DWP to publish relevant sections of your responses in the future. Without a specific request for anonymity, we reserve the right to publish your response in full.*

**Chapter 3: Scope, criteria, and outcomes**

**Question 1:**Do you agree with the proposed phased approach?

**Chapter 4: Investment performance**

**Question 2:** Do you agree with our focus on and approach to developing backward-looking investment performance metrics?

**Question 3**: Do you agree with our proposals to use Maximum Drawdown and/or ASD as risk-based metrics for each reporting period and age cohort?

**Question 4:** Do you agree with our proposals on “chain-linking” data on past historic performance where changes have been made to the portfolio composition or strategy of the default arrangement?

**Question 5:** Do you agree with proposals for the additional disclosure of returns net of investment charges only?

**Question 6:**Do you agree with requiring disclosure of asset allocation under the eight existing categories for all in-scope default arrangements?

**Question 7:** Do you think we should require a forward-looking performance and risk metric, and if so, which model would you propose and why?

**Chapter 5: Costs and charges**

**Question 8:**Are there any barriers to separating out charges in order to disclose the amount paid for services?

**Question 9:** Do you have any suggestions for converting combination charges into an annual percentage? How would you address charging structures for legacy schemes?

**Question 10:** Do you agree with our proposal to provide greater transparency where charging levels vary by employer? Do you agree that this is best achieved by breaking down into cohorts of employers or would it be sufficient to simply state the range of charges?

**Chapter 6: Quality of services**

**Question 11:**Are these the right metrics to include as options for assessing effective communications? Are there any other communication metrics that are readily quantifiable and comparable that would capture service to vulnerable or different kinds of savers?

**Question 12:**Are these the right metrics to include as options for assessing the effectiveness of administration and/or are there any other areas of administration that are readily quantifiable and comparable?

**Chapter 7: Disclosure templates and publication timings**

**Question 13:** Do you agree with a decentralised or a centralised approach for the publication of the framework data? Do you have any other suggestions for the publication of the framework data?

**Question 14:**Do you agree with the proposed deadlines for both the publication of the framework data and VFM assessment reports?

**Chapter 8: Assessing Value for Money**

**Question 15:**Do you think we should require comparisons against regulator-defined benchmarks or comparisons against other schemes and industry benchmarks?

**Question 16:** Do you agree with the step-by-step process we have outlined, including the additional consideration?

**Question 17:** Do you agree with a ‘three categories’ / RAG rating approach for the result of the VFM assessment?

**Question 18:** How should we take into account the specific challenges of contract-based schemes while ensuring equivalent outcomes for pension savers?

**Question 19:** Do you agree with our proposals on next steps to take following VFM assessment results, including on communications?

**Chapter 9: The VFM framework and Chair’s Statement**

**Question 20:**If the Chair’s Statement was split into two separate documents, what information do you think would be beneficial in a member-facing document?

**Question 21:**Is there any duplication between the VFM framework proposals and current Chair’s Statement disclosure requirements?

**Chapter 10: FCA specific issues**

**Question 22:** Should individual SIPP arrangements be excluded from the requirement on providers to establish an IGC/GAA and to publicly disclose costs and charges and, if so, under what circumstances?

**Question 23:** Do you think there would be merit in a proposal to mandate the inclusion of a pension saver-focused summary alongside the IGC Chair’s Report?

**Question 24:**Do you think the provider or the IGC should be responsible under FCA rules for the publication of framework data?

**Chapter 11: Impacts**

**Question 25:** Which of the metrics do you not currently produce? (This could be for either internal reports or published data). Do you envisage any problems in producing these metrics?

**Question 26:**Do you agree with our assumptions regarding who will be affected by the framework?

**Question 27:** Are you able to quantify these costs at this stage? Are there additional cost components we have not considered? Do you expect these costs to be significantly different for commercial providers and multi-employer schemes?

**Question 28:**Overall, do you think the benefits of the framework outweigh the costs? Are you able to quantify any of the potential benefits?

**Question 29:** Are there additional benefits we have not identified?

**Question 30:** Do you have any comments on the potential positive and negative impacts of these proposals on any protected groups, and how any negative effects could be mitigated?