



Minutes

Date: Monday 24th April 2017
Time: 10.30-12.30
Location: MAS office, 120 Holborn, London, EC1N 2TD
Chair: Phil Brown, LV=

Attendees Chris Curry, PPI | Katharine King (for Maggie Craig), FCA | Katy King (for Elizabeth Costa), Behavioural Insights | Laurence Baxter, CII | Michelle Cracknell, TPAS | Phil Brown, LV= | Rob Yuille (for Yvonne Braun), ABI | Nigel People, PLSA / Yuen Luk (for Clare Talbot), DWP | Zoe Alexander, NEST

Richard Gaze, Network Research | Scarlett McCormick, Network Research

Dialling In

Colin Clarke, L&G | Roisin Watson, Aviva |

Money Advice Service Attendees Chris Phillips (Insight) | Jackie Spencer (Policy & Proposition) | Inigo Churchill (Secretariat) | Teresa Fritz (Policy & Proposition)

Apologies Andy Snell, Standard Life | Ben Stafford, Just | Clare Talbot, DWP | Elizabeth Costa, Behavioural Insights | Maggie Craig, FCA | Yvonne Braun, ABI | Nigel Keohane, Social Market Foundation | Kathryn Petrie, Social Market Foundation | Luke McCullough, Aviva

1. Minutes of last meeting

1.1 The minutes were agreed as being a true and accurate record.

2. Presentation. Network Research



B - Retirement
Attitudes Programm

2.1 The group discussed the research, noting that this was a first cut of the data. The research shows a strong link between interest in retirement planning and confidence about retirement income. There is also some potential over confidence about retirement income in younger cohorts. The identified areas which need further exploration include the causes of confidence (or lack of confidence), its relationship to retirement attitudes and perceptions, and what factor gender plays on the results.

2.2 Network Research (NR) hope to run the research regularly, either every six months or annually. TPR, the other syndicate member, are keen to see a repeat of the research.

2.3 NR asked the group to suggest ideas and questions for the next phase of testing. They will also put the requirements together with other

syndicate members. Other organisations may be involved directly as a member of the syndicate if they wish to do so.

Action: At the next Retirement Planning steering group meeting (17 July), the next phase of research will be on the agenda and the group will discuss requirements and set out ideas to be given to Network Research. Each member is encouraged to contribute ideas at the meeting.

36

3. Financial Advice Market Review (FAMR)



C - FAMR Update
Paper RPSG 2017042

- 3.1 JS updated the group on the three FAMR sub-working groups: rules of thumb and nudges, advice and guidance and the employer resource.
- 3.2 **Employer Resource**
One of the FAMR recommendations was to provide top tips for employers to be able to provide better support to their employees to improve their financial well-being.
- 3.3 The sub-group had undertaken both qualitative and quantitative research with employers and employees in addition to desk based research and stakeholder interviews. It was determined that an online resource for employers to provide guidance to their employees was the best course of action to support small and medium employers.
- 3.4 MAS has agreed to host the portal on its site and that additional work was required to increase engagement amongst employers.
- 3.5 The group were asked to send any feedback on the online resource, which is designed to be a gateway into guidance, to MAS

Action: SG members to provide feedback to MAS on the employer resource.

37

- 3.6 **Advice and Guidance**
This sub-working group explored the of advice and guidance with consumers. Some of the findings concluded that consumers found the terms confusing and often interchanged one for the other. The group concluded that there were not 'better' terms to use.
- 3.7 The Group recommended that the market should adopt a single consistent set of consumer-friendly explanations for "advice" and "guidance" The explanations of "advice" and "guidance" should be displayed side-by-side to allow comparison between the two services by consumers,

3.8 **Rules of Thumb (ROT) and Nudges**
The Sub-group's research consisted of an evidence review of existing rules of thumb, expert interviews on best practices for rules of thumb and nudges, and consumer interviews and focus group

3.9 The group's work established high level principles and potential actions from which consumer-focused rules of thumb can be developed.

3.10 The published report recommends that MAS lead and co-ordinate work to further unpack and test the ROT and that the Financial Capability Board (FCB) take an on an oversight role in relation to nudges.

4. **Group Updates**

4.1 **ABI**

ABI are conducting research into people's understanding of tax relief in the context of their pensions savings. The research will use focus groups, depth interviews and some quantitative surveys. The aim is to recommend definitions that can be rolled out across the industry to provide consistency and increase consumer understanding. The research report will be published in Summer 2017.

4.2 The first phase of the Pensions Dashboard prototype project is completed. Stakeholder challenge events were held to showcase the prototype in addition to a technical challenge event with developers to further develop creative ideas for dashboard use and implementation.

4.3 The ABI is also looking at challenges and opportunities in the retirement market. The work will consider the difficulties in comparing features and charges of drawdown products and exploring what good outcomes look like for the retirement market.

4.4 **PPI**

PPI have published the first of three reports in their Consumer Engagement research series. The first report, "Consumer engagement: Barriers and Biases", explores behavioural economics.



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4.5 The second report will look at international experiences and if good consumer outcomes means good engagement or whether good engagement leads to good outcomes. The report is due to be published on 24th May 2017

4.6 The final report will look at managing consumer engagement over a lifecycle and consider questions like 'Do you always want to engage?' and 'How to engage at different life points'. The report is scheduled to be published on 4th July 2017.

- 4.7 **Behavioural Insights Team and LV=**
The work with providers and their customers on providing a simplified pensions statement for people were nearing their retirement date, will be published after the election on the DWP website. The research was administered in conjunction with select providers, Pension Wise and the Behavioural Insights team. LV= participated and saw a significant increase in their clients taking action.

Action: Phil Brown to share summary of LV= pension passport research with the steering group. 38

5. Pensions & Retirement Discussion Paper



D - Pensions & Retirement Discussion

- 5.1 The discussion paper was presented for the group to discuss the work that could be taken forward for the Strategy. The group were asked to discuss these potential themes of work and add any others with a view of creating a prioritisation of themes.
- i. What does good look like in retirement planning?
 - ii. Rules of Thumb
 - iii. Life Events
 - iv. Advice and guidance

- 5.2 MC supports the idea that creating confidence is the key to getting people to take the next steps. It's not about teaching capability but building confidence. MH also interested in exploring different types of guidance and how to create customer understanding of each service and the limit of "sales guidance".


- 5.3 MC also mentioned the mid-life MOT that was presented as part of John Cridland's Independent Review of the State Pension Age.

Action: Michelle Cracknell to investigate the mid-life MOT proposal with Aviva and how the steering group could be involved to report back at the next meeting. 39

- 5.4 CC will feed in the outcomes of the PPI engagement work as similar findings are emerging about ability linked to mindset and the role that confidence plays. There is some work that could be done about bringing ability and mindset closer together.

- 5.5 CC said it would be good to look at Rules of thumb in relation to topics, life events or cohorts. It may be impossible to develop five rules that apply to all people.

Action: Chris Curry and Jackie Spencer to discuss how PPI's engagement work can be utilised by the group to further explore ability, mindset and confidence. 40

- 5.6 PB suggested that the FCA business plan be explored as the regulator has published some focus points that may be useful for the group to consider.
- Action: MAS to look at how the FCA business plan focus points may apply to the work of the steering group and share thoughts with group at a future meeting** 41
- 5.7 CP will investigate the comparison of confidence across other financial capability areas. CP will also report back the outcomes of the numeracy and financial capability work at the next meeting.
- Action: Chris Phillips to present the findings of the confidence work and the numeracy work at the next steering group.** 42
- 5.8 RY wants to priorities Rules of thumb work and potentially the mid-life MOT dependent on the outcomes of MC discussions.
- 5.9 The group decided that Rules of thumb will be the first topic area to focus on and workshop will be held before the next steering group.
- Action: MAS to facilitate Rules of thumb workshop as the first theme of work to take forward. Diary invite to be sent out to group members.** 43
- Action: MAS will summarise other priority areas to discuss at the next steering group meeting.** 44
- 6. Fincap Strategy Update**
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- E - Strategy Update
Paper RPSG 2017042**
- 6.1 IC summarised the strategy update paper and the group had no further questions.
- 7. Any Other Business**
- 7.1 There was no additional business, the chair thanked members for their participation and brought the meeting to a close at 12.20.

Retirement Planning Steering Group Action Log

Ref	Action	Owner	Date due	Update
36	At the next Retirement Planning steering group meeting (17 July), the next phase of research will be on the agenda and the group will discuss requirements and set out ideas to be given to Network Research. Each member is encouraged to contribute ideas at the meeting.	All	17 July	
37	SG members to provide feedback to MAS on the employer resource.	All	ongoing	
38	Phil Brown to share summary of LV= pension passport research with the steering group.	PB		PB unable to release results, will share with group when able to do so.
39	Michelle Cracknell to investigate the mid-life MOT proposal with Aviva and how the steering group could be involved to report back at the next meeting.	MC	17 July	
40	Chris Curry and Jackie Spencer to discuss how PPI's engagement work can be utilised by the group to further explore ability, mindset and confidence.	CC & JS	17 July	
41	MAS to pull look at how the FCA business plan focus points may apply to the work of the steering group.	MAS	17 July	
42	Chris Phillips to present the findings of the confidence work and the numeracy work at the next steering group.	CP	October	Since meeting, publication date of numeracy work has been pushed back to November, so propose to present findings at the October meeting instead of July.

43	MAS to facilitate Rules of thumb workshop as the first theme of work to take forward. Diary invite to be sent out to group members.	MAS	26 June	Invites sent to SG members on 5 June.
44	MAS will summarise other priority areas to discuss at the next steering group meeting.	MAS	17 July	