Looking back

Pensions Age asks: What is the most significant event to happen to the UK pensions sector during 2017?

"The most significant development in 2017 has been the revitalisation of The Pensions Regulator as an active force with greater frequency and intensity of its regulatory interventions. It received heavy criticism following the failure of BHS and restructuring of Tata Steel, and since then, it has abandoned its softer educational approach in favour of tougher, and faster, enforcement action, becoming more responsive to meet the more pressing demands of corporate activity."

Lincoln Pensions managing director Matt Harrison

"There have been many legislative changes significantly impacting individuals this year (eg the 60 per cent cut to the Money Purchase Annual Allowance), but I think the most significant event for UK pensions as a whole was the publication on 20 February of the Green Paper on security and sustainability of DB pension schemes. At last these fundamental issues were on the table for open discussion."

Aries Insight director Ian Neale

"2017 has seen many changes for the UK pensions landscape, but potentially the most collaborative and impactful has been the pensions dashboard prototype. An effective dashboard is crucial for the future of the industry and there have been many promises of what that will look like. A dashboard that can act as a personalised savings instrument would also help address the savings crisis currently blighting the industry. If we can create a dashboard that allows pension account holders to fully engage with both their savings and their financial futures, this could transform the health of savers and of the industry as a whole. There is still a long and rocky road ahead in terms of success but the work the industry has done as a collective has shown a real interest in making this project work."

Bravura Solutions retirement expert Natanje Holt

"The Supreme Court's judgment on *Walker v Innospec Limited*, which finally forced occupational pension schemes to provide civil partners and same-sex spouses with the same survivors' benefits as opposite-sex married couples. A long overdue ruling to finally bring equality to the pensions sector. Relying on the 2010 Equality Act, which allowed service before 5 December 2005 to be disregarded from equal treatment, was always near sighted, discriminatory and unjustifiable. Finally, we're one step closer to a fairer system for all."

Trafalgar House client director Daniel Taylor

"The Pensions Regulator launched the 21 century trusteeship initiative in 2017, which has the potential to be of significance. Whether it becomes so remains to be seen."

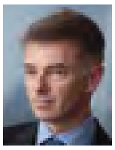
David Weeks, co-founder, the Association of Member Nominated Trustees (AMNT)

"Two legal cases highlighted some of the archaic and ultimately discriminatory features found in pension schemes that were established in a different era. The first was the case brought by Denise Brewster – where the Supreme Court decided in favour of the rights of an unmarried woman to her late partner's pension. The second case was *Walker v Innospec*, where the Supreme Court ruling means that occupational pension schemes must now provide civil partners and same-sex spouses with the same survivors' benefits as opposite-sex married couples. Both cases represent victories for equal treatment before the law for unmarried couples."

Quantum Advisory partner Karen Kendall

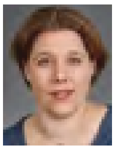
"The absence of new regulation this year allowed pension freedom and choice legislation to really flourish and one of the biggest trends of the year was undoubtedly the surge in DB pension scheme members transferring to a DC pot. It was in 2017 that the penny really dropped that DB to DC transfers make pension freedoms a reality for those retiring today and we fully expect to see this trend continue into next year."

Willis Towers Watson head of retirement, Great Britain, Peter Rowles



"Perhaps the most significant surprise to happen in pensions in 2017 was what didn't happen: for the first time in a while, there were no big changes. The economy trundled along, without any major shocks. Interest rates rose slightly, as predicted. The pressure of constant regulatory change remained, but without any fundamental new shifts. The general election left a number of uncertainties, but meant the Chancellor had no room to spring another pensions surprise in the Budget. The shape of Brexit remains uncertain. To paraphrase Sherlock Holmes, the most curious incidents of 2017 were the dogs that didn't bark."

EY UK life and pensions leader James Tufts



"The biggest challenge facing schemes in 2017 has been getting to grips with the new data protection requirements that will be introduced by the General Data Protection Regulation. Schemes are reliant on personal data and GDPR raises the bar in ways that affect all schemes."

Sackers partner Helen Baker

"On the investment side of the UK pensions sector, clearly the most significant event was the FCA's referral of investment consultancy and fiduciary management services to the Competition and Markets Authority (CMA). This investigation is now in progress and the sheer volume of data the CMA must gather and assess make it likely this will take some time to conclude. Depending on the outcome, it may make the list for significant events in 2018 too."

P-Solve director Matthew Simms

"Tata Steel UK confirmed that it will close the British Steel pension scheme (BSPS) to future accrual from 31 March 2017, replacing it with a DC scheme. BSPS members were given the alternative of transferring their accrued DB rights to a new scheme, which would pay lower benefits, or to accept PPF compensation. Tata Steel's threat of insolvency, in 2016, sparked a reappraisal of DB schemes' security. The Green Paper consultation, which closed in May, asked difficult questions about the sanctity of accrued rights and the extent to which employers should be allowed to walk away from scheme liabilities, potentially upsetting a status quo that had formed over the previous 20 years."

Mercer partner Deborah Cooper

"Until recently, regulation of the *[master trust]* sector had not kept pace with its growth, which is why the Pension Schemes Act 2017 was a fundamental step forward in 2017. The industry had been calling for regulatory measures to authorise and supervise master trusts for some time, and this year the government delivered."

The People's Pension director of policy and market engagement Darren Philp

"Last year, the FCA issued a damning indictment of the pensions industry. Citing conflicts of interest, a weak trusteeship overly dependent on advisers, as well as questionable value for money from service providers, the FCA said it had serious competition concerns about the industry. So great were those concerns, in September 2017 it referred the investment consulting industry to the Competition and Mergers Authority (CMA) for a full review. And so, unexpectedly, that part of the pensions ecosystem suddenly finds itself under intense official scrutiny, and the outcome could involve a radical upgrade to its operating system. The CMA review will decide if there are features that 'prevent, restrict or distort competition' and, if so, whether that is due to the power and influence exerted by incumbent firms, and/or whether there are conflicting interests that need to be addressed. It's impossible to predict where the CMA's conclusions will lead, but, for the pensions industry, given the range of potential outcomes, the launching of this systemic review has to be the single most significant event of 2017."

Redington co-founder Dawid Konotey-Ahulu