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27 January 2023

Dear Chief Executive

### **British Steel Pension Scheme ('BSPS') – third party information requests**

On 28 November 2022 we published our [Policy Statement](#) and final rules to implement a consumer redress scheme for former members of the BSPS who were given unsuitable advice to transfer their pension. The scheme's purpose is to ensure that these former members have their advice reviewed. If that advice was unsuitable and has caused financial loss, the firms that gave the advice should pay redress to put consumers back into the position they would have been had they not transferred.

This letter is for firms that have either received proceeds from BSPS transfers or continue to be involved in managing the transferred assets. It is to make sure that you are aware of the obligations you have under the scheme, to ensure affected consumers receive fair redress in a timely way.

### **Background**

Since 2018, we have been reviewing the suitability of the advice given to former members of the BSPS. We have conducted reviews on a representative sample of files where the member was advised to transfer. We found that the advice to transfer was unsuitable in 46% of cases. We believe that most of these former members have suffered harm as a result of this unsuitable advice and are due redress.

The redress scheme covers members who were given advice to transfer out of the BSPS between 26 May 2016 and 29 March 2018. To calculate whether redress is due, advice firms will need to get current information about the consumer, the benefits they would have received had they not transferred out of BSPS and the current value of the transferred proceeds, including any withdrawals already taken. Where the firm does not have sufficient information, it will be required to gather additional information from third parties, including firms that administer the transferred proceeds, to ensure that the redress calculation is accurate.

## **Your firm's role and our expectations**

As part of the redress scheme, your firm may receive requests for information from advice firms. Where you do, we expect you to cooperate with these requests and comply with the obligations set out in CONRED 4.3.10R and 4.4.22R. These rules state that firms must take all reasonable steps to locate and provide the information asked for within any reasonable time periods requested. In any case, this is no later than 4 weeks after receiving the request. We expect you to have the necessary resources in place, including the ability to identify requests made under the scheme, before the scheme goes live, to be able to meet these obligations.

In certain cases, the firm that gave the advice may have failed. In these cases, the Financial Services Compensation Scheme (FSCS) will step in to consider claims and calculate whether any redress is due. You should note that the rules in COMP 1.6.1R require firms to deal with the FSCS in an open, cooperative and timely way. There may also be cases where the Financial Ombudsman Service contacts you for information on behalf of an individual under the scheme. Where you receive information requests from the FSCS or the Financial Ombudsman Service, we expect you to cooperate with the request and respond in the same manner and within the same timelines as if the request had come from an advice firm.

We will be monitoring the timeliness of firms in providing this information. We will consider taking action where we see evidence of material non-compliance with the rules. We will review a range of data sources. This includes the notifications that advice firms must provide (under CONRED 4.3.11R and 4.4.23R ) of not receiving the information they require from third party firms within 4 weeks of asking.

## **Next steps**

You should consider the contents of this letter and take any necessary action to ensure your firm complies with information requests from firms involved in the BSPS redress exercise, so that consumers achieve the outcomes they are entitled to.

If you have any questions about this letter, please contact your firm supervisor or the FCA Supervision Hub via email at [firm.queries@fca.org.uk](mailto:firm.queries@fca.org.uk) or by phone at 0800 111 6768 (freephone) or 0300 500 8082 / 0300 500 0597 from the UK, or +44 207 066 1000 from abroad.

Yours faithfully

**Sheldon Mills**  
**Executive Director**