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Dear Bianca,

FCA Consultation on Pension Wise standards: changes for secondary annuity market guidance

This is the response of the Financial Services Consumer Panel (the Panel) to the FCA's consultation on changes to Pension Wise standards for the secondary annuity market guidance.

Overall, we are encouraged by the standards the FCA has set for Pension Wise guidance sessions. However, more is needed to ensure a good quality and consistent service for consumers of the secondary annuity market.

It is not clear how the FCA will measure adherence to the standards if it relies on provider self-certification. As we have argued in relation to Pension Wise as a whole, we believe the FCA should require individuals delivering secondary annuity market guidance to hold a level 4 advice qualification and have a minimum of three years' experience in the pension industry. We believe this is the appropriate given the level of complexity, particularly where the consequences of selling an annuity are untested.

The FCA needs to say how it expects guides to gain the specialist knowledge required to assess the impact of selling an annuity on means-tested benefits and long-term care needs.

Yours sincerely

Sue Lewis
Chair
Financial Services Consumer Panel