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Friday, 29 June 2018 11:35

Pension Freedoms failing to work properly - Altmann

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She said the FCA Retirement Outcomes Review highlighted the need to redesign drawdown for new customer profiles and regulators should demand better investment options, cost transparency and threaten to cap charges on drawdown.

She added that she believes the 'wake-up' packs at age 50 and the 'pensions passport' initiative were major improvements.

Overall, however, she believes the new Pension Freedom regime not working well for customers as providers are failing to innovate.

She said: "The FCA's latest report on how Pension Freedoms have impacted the retirement income space shows that there is much work still to do to ensure the new regime works well for pension savers."

The London Institute of Banking & Finance

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"Those customers without financial advisers are not being well-served by the existing market and providers have failed to innovate sufficiently to serve their customers' needs."

"With more and more people relying solely on such pensions - which place all the risk onto the individual - it is vital that customers have access to good value, suitable products, independent guidance and advice to help them make the most of their pensions."

She said she believed the government was "absolutely right" to scrap the previous mandatory annuitisation regime.

But she added: "Unfortunately, the evidence uncovered by the FCAs Retirement Outcomes review suggests the new system is plagued with similar problems. It is a real pity lessons seem not to have been learned. Instead of buying poor-value annuities, without shopping around, unadvised customers are just buying their existing pension provider's, often-expensive, drawdown product, without shopping around."

"An astonishing 94% simply roll into the drawdown product offered by their pension provider. At least, with the new flexibilities, they will have a chance to improve their choices in future."

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compare drawdown charges and, if this does not work, threatens to impose a charge cap.

On pensions advice she said: "I welcome trial of default guidance to help people plan their pensions better."

"The Government's free independent guidance service - PensionWise - can help people plan their finances and understand investment choices. Many would benefit from using a professional independent financial adviser too."

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