

Public Financial Guidance
Response from the Low Incomes Tax Reform Group (LITRG)

1 We welcome the opportunity to make further comment on the provision of Public Financial Guidance as proposed in the review published in March 2016. As always we are conscious that financial and debt advice (except in the context of tax and tax credits debt) are outside our sphere of competence but are also aware that tax and benefits are frequently a significant and all-too-often overlooked factor in financial decisions, and must not be ignored by either advisers or the advised. We comment therefore only on those parts of the paper which we consider relevant to our interest – the taxation and tax-related benefits consequences of the financial choices made by those on low incomes.

2 About Us

- 2.1** The LITRG is an initiative of the Chartered Institute of Taxation (CIOT) to give a voice to the unrepresented. Since 1998 LITRG has been working to improve the policy and processes of the tax, tax credits and associated welfare systems for the benefit of those on low incomes. Everything we do is aimed at improving the tax and benefits experience of low income workers, pensioners, migrants, students, disabled people and carers.
- 2.2** LITRG works extensively with HM Revenue & Customs (HMRC) and other government departments, commenting on proposals and putting forward our own ideas for improving the system. Too often the tax and related welfare laws and administrative systems are not designed with the low-income user in mind and this often makes life difficult for those we try to help.
- 2.3** The CIOT is a charity and the leading professional body in the United Kingdom concerned solely with taxation. The CIOT's primary purpose is to promote education and study of the administration and practice of taxation. One of the key aims is to achieve a better, more efficient, tax system for all affected by it – taxpayers, advisers and the authorities.

3 Executive summary

- 3.1 There are a large number of practical points which must be considered in the establishment of the proposed new public financial guidance structure.
- 3.2 Close links and handovers between specialist advice agencies should be derived from existing examples, e.g. HMRC's Needs Extra Support teams with Tax Help for Older People and TaxAid, but it is essential that all agencies should be a) adequately funded and b) selected and monitored for professional standards and quality.
- 3.3 There are currently significant gaps in guidance in specific areas such as tax credits, other state benefits affected by changes in income or capital, how and when tax will be collected – UFPLS¹ withdrawals under the new pensions freedom are especially hazardous – and clear and prominent warnings against scams. Furthermore the increasingly foggy gap between working and retiring requires greater co-ordination between a pensions advisory body and a financial advisory body. Arguably the pensions body should also cover the accumulation stage of pensions, e.g. auto-enrolment, as well as the decumulation stage.
- 3.4 Tax debt is a specialist area of advice, requiring the adviser not merely to advise on the management of the debt but also, unlike most areas of general debt, to investigate whether the debt is justly due. All too often when advisers from the tax charities challenge HMRC on behalf of clients, the alleged debt turns out to be wrong or non-existent. Tax specialists should be funded to train debt advice agencies in this field and provide technical backup for them.
- 3.5 Education in tax and finance is all too often given lip service, but rarely implemented. Much preventative work could be undertaken by establishing such educational programmes in schools as part of the core curriculum to enable all school-leavers to enter the world of work with a reasonable grounding in the world of money, tax and savings.
- 3.6 There is a serious need for the new money body to provide constant monitoring of the various statutory and voluntary agencies' websites and advice delivery services to make sure that robust consumer protection is in place and that the quality or advice and information is maintained at a high level.
- 3.7 Importantly in an age when customers are constantly urged to research websites for information, it is vital that funding should be allocated to specialist agencies to maintain and develop their websites. In parallel it is equally important that equivalent information is available in printed form for the substantial minority (and often more vulnerable) of the population who lack competence, confidence or ability to use the internet. Likewise websites should display clearly and prominently the routes to telephone and face-to-face guidance.
- 3.8 The above should be a universal service across the UK since the delivery of a public financial guidance service is not dependent upon the regionally-devolved variations of the content.
- 3.9 The following is a list of our recommendations with reference to the individual questions.

¹ Uncrystallised Funds Pension Lump Sum – taking occasional or random sums from a pension pot.

3.10 We recommend that:

1. The new frontline guidance body should be able either to have immediate access to the discrete areas of specialist knowledge during interview or be able to effect a “warm” handover of the client to that source. Q1
2. The new services take note of existing best practice on effecting handovers, rather than starting from scratch. Q1
3. Warnings about scams are improved and made more prominent in future guidance. Q1
4. The new pension body and the more general money advice body work closely together to ensure that people are not lost between services. Q1
5. The new money advice body funds tax specialists to train the general debt advice agencies in specific tax and tax credits debt matters. Q1
6. Funding is made available to the tax charities to take referrals from generalist debt advisers on tax-specific matters. Q1
7. Gaps in guidance are researched in detail as soon as is practicable when the new pensions and money guidance bodies are in place – a call for evidence, as we mention in answer to question 9 below , would be a good way of gathering a list of areas where gaps need to be filled. Q1
8. The new pension body should consider taking under its wing the area of saving for retirement, as well as decumulation issues. Q2
9. The new pension body should not neglect the wider realm of education. Q2
10. The new pension body has within its remit is the ability to collate information on trends and difficulties with the pensions regime. Q2
11. HMRC also has some form of statutory oversight of, or at least is registered as having a significant interest in, the activities of the new pension body. Q2
12. Tax and tax credits debts are excluded from any proposal to limit providers of debt advice to FCA authorised firms. Q5
13. Evidence needs to be sought and perhaps a separate review undertaken on the areas of GOV.UK that stray into money and debt ‘guidance’ (such as workplace pensions). Even if basic information is maintained on GOV.UK, we recommend that links to further information and sources of help are included in the material. Q9
14. The new pensions and money bodies both seek to work with GOV.UK to improve its search function. Q9

15. These calls for evidence ask respondents to highlight gaps in order of priority so that the most pressing needs are met first. Q9
16. Part of the funding should be devoted to the provision of the appropriate specialist websites (or further development as necessary of existing specialist websites) as proposed in 2.68. Q12
17. There must be the ability to obtain printed literature and the ability to obtain telephone and face-to-face guidance must be made prominent on the new website. Q12
18. The new bodies consult with groups representing the needs of different types of disabled people to ensure that the physical appearance of the website/readability etc. is as clear as possible, and that best practice is followed in terms of accessibility. Q12
19. The text is written in plain English, but equally aims to be comprehensive. Q12

4 Response

4.1 We now address the questions in detail.

4.2 **Q1.** Are there any specific guidance gaps in the current pensions guidance offering that you think the new body should fill?

4.2.1 *Gaps in the overall structure of guidance*

4.2.1.1 The most obvious gap in the current pensions guidance structure is direct and easy connections between the different expert bodies for the benefit of the person seeking help. To be of practical value, pensions guidance, even without any individual recommendations, must encompass financial planning and capacity, tax, domestic and family situation, longevity prospects, lifestyle hopes and realistic expectations, not to mention other resources, e.g. continuing working (employed/self-employed, full or part-time), downsizing or realising other assets.

4.2.1.2 This demands the skills of a financial adviser, a pensions expert and a tax adviser, skills unlikely to be combined in individual advisers in sufficient numbers to handle the hundreds of thousands of clients each year. Currently there is no formal link between these three cultures – indeed there is no free financial advice to which to link – and while TPAS and Pension Wise have varying degrees of pensions expertise, they lack professional tax knowledge and have no direct link with the tax experts of the voluntary sector. The enquiring would-be pensioner must therefore march between different pillars and posts in order to assemble a complete picture of his options.

4.2.1.3 **We recommend that the new frontline guidance body should be able either to have immediate access to the discrete areas of specialist knowledge during interview or be able to effect a “warm” handover of the client to that source.** The client should not merely be handed a list of telephone numbers or websites to pursue on their own.

4.2.1.4 There are no technical difficulties about such handovers; Tax Help for Older People and the Age UK helpline in Ashburton made such a link some five years ago. The only caveats are that:

- a) The bodies to whom referrals are made are adequately funded to cope with the numbers; and
- b) That those referred meet the qualifying criteria for using the referee's services (such as income criteria).

4.2.1.5 Best practice from existing arrangements can be followed. For example, for those who 'Need Extra Support' on tax matters, HMRC have established a warm handover process to Tax Aid and Tax Help for Older People. **We therefore further recommend that the new services take note of existing best practice on effecting handovers, rather than starting from scratch.**

4.2.2 *Specific areas where we have identified gaps in guidance*

4.2.2.1 Although we have not carried out a detailed review of all online guidance currently available, we have an idea of where there are gaps, based upon experience and areas we have reviewed in the past. Enquiries to our websites and reports from the direct advisory tax charities together give us a good idea of areas in which people are struggling to find both guidance such that they can understand matters for themselves, and advice or frontline support where they may need further help.

4.2.2.2 In terms of specific guidance gaps, regarding pension freedoms, the following important information is either absent altogether from the Pension Wise website or requires significant improvement (and therefore may also not be covered, or covered in sufficient depth, during telephone and face-to-face sessions):

- 1) Tax credits: Taxable income from pensions is also income for the purposes of tax credits, so you could end up with a tax credits 'overpayment' (debt) by taking pension withdrawals. This could also mean you end up with less tax credits in the following year.
- 2) Other state benefits (including Universal Credit): One-off or irregular sums taken from pensions could be treated as 'capital' for the purposes of means-tested state benefits. Regular amounts taken from pensions are likely to be treated as income. Either capital or income treatment could have an immediate effect on your entitlement to state benefits, depending on your overall circumstances. 'Local' benefits like Council Tax Support could also be affected. Going forward, reference will also be needed to devolved benefits, such as Carer's Allowance, once this is devolved to Scotland.
- 3) Taking money from your pension could trigger a High Income Child Benefit Charge.²
- 4) More on tax: The information provided should not just concentrate the individual as to whether or not the sums received are taxable, but should also inform how and when the tax due will be collected. It needs to be stated that it is highly unlikely that any tax collected under the PAYE system, particularly in respect of larger lump sums or irregular payments, will be correct. Guidance will also need to take devolution into account, since Scottish

² See <http://www.litrg.org.uk/latest-news/news/150730-pensions-cash-trap-parents>

taxpayers may face additional complexity from April 2017, once the Scottish Parliament has the power to set rates and bands for income tax on non-savings income.

- 5) More guidance is needed on tax refunds – recent HMRC statistics³ show an enormous number of people were taxed at the wrong rate. The figures may well be too low, as many people might not even know they need to claim a refund. And even if they do, there are many different forms – all several pages long – which are not explained very well on GOV.UK.⁴
- 6) More information on timing of pension withdrawals and the tax consequences thereof is required – for example giving warnings that people need to consider staggering and/or postponing withdrawals as timing could have significant impact on the person’s tax and related benefits position.

4.2.2.3 Whilst information is available on scams, people are still being caught by those seeking to exploit them or defraud them of valuable pension savings⁵ (and arguably the lower someone’s means, the more vital it is that they should avoid losing what little they have managed to save). **We would therefore recommend that warnings about scams are improved and made more prominent in future guidance.**

4.2.3 *Avoiding losing people between the ‘cracks’ – the modern myth of the ‘pensioner’*

4.2.3.1 **We recommend that the new pension body and more general money advice body work closely together to ensure that people are not lost between services.** Bearing in mind:

- the abolition of a default retirement age,
- increases in state pension age,
- the ability to withdraw from pensions at age 55 (rising to age 57 in future),
- the Lifetime ISA being a potential source of ‘retirement saving’ from age 60,
- many people continuing to work full or part time, or to volunteer for example, beyond traditional pension age, and
- other contributing factors and variations in rules,

it is clear that there is no longer a clear division between a ‘pensioner’ and working life – at least, not for many people. If the new money body’s remit is broadly to cover issues up to retirement and the new pensions body will cover issues post retirement, where is the line drawn? Retirement is, for many, no longer a “big bang” event.

4.2.3.2 The consultation document seems to be saying that the new pension body will be a one stop shop for all things pension and we are left uncertain who will cover auto-enrolment and other issues around pension saving. We comment on this further in answer to question 2.

³ See <https://www.gov.uk/government/publications/pension-schemes-newsletter-78-may-2016/pension-schemes-newsletter-78-may-2016#pension-flexibility-statistics>

⁴ See <https://www.gov.uk/claim-tax-refund/you-get-a-pension>

⁵ See for example: <https://www.citizensadvice.org.uk/about-us/how-citizens-advice-works/media/press-releases/consumers-missing-pension-scam-warning-signs-reveals-citizens-advice/>

4.2.4 ***A major gap in guidance and advice – tax debt and tax credits debt***

4.2.4.1 Tax debt requires specialist guidance and advice. Too often non-tax specialist debt advisers attempt to deal with tax debt matters rather than referring matters to specialist information or sources of advice. This was a clear area in which the Money Advice Service failed, and indeed failed to engage with approaches from ourselves and the tax charities, Tax Aid and Tax Help for Older People⁶ when we offered to assist with improved guidance.

4.2.4.2 Tax debt is not the same as other debt, in that the first step in assessing it is not ‘how is this debt to be managed?’; rather, the key first question is ‘is this tax debt actually right and due?’. Our guidance leads people to check that a tax demand is right,⁷ and the tax charities offering direct advice to consumers will always first check that it is right, before going on to negotiate with HMRC as to how they can be paid. Failure by generalist debt advisers to ensure that all rights of dispute or complaint about a tax debt before seeking to agree a payment arrangement can mean that deadlines for appeal or to make claims are missed and perhaps lost forever, thus leaving someone with a debt that may not have been due.

4.2.4.3 Similar comments could apply in terms of tax credits overpayments (a debt arising where a claimant has received too much in tax credits) and LITRG has written detailed guidance for advisers, published on our award-winning website, www.revenue-benefits.org.uk, on how to deal with those.⁸ Whilst we agree that much effort is duplicated across government and the third sector in producing guidance materials, we are concerned about how quality control can be maintained, and services joined up, when information sources are scattered across the web.

4.2.4.4 We recommend that the new money advice body funds tax specialists to train the general debt advice agencies in specific tax and tax credits debt matters. We understand that Tax Aid used to be funded to train organisations on tax debt to some degree, but had to curtail such activities on withdrawal of funding. This means that consumers are in danger of being misadvised by generalist advisers or left to cope alone with the particular challenges that tax and tax credits debt present. Further, we recommend that funding is made available to the tax charities to take referrals from generalist debt advisers on tax-specific matters.

4.2.4.5 **We recommend that gaps in guidance are researched in detail as soon as is practicable when the new pensions and money guidance bodies are in place – a call for evidence, as we mention in answer to question 9 below, would be a good way of gathering a list of areas where gaps need to be filled.**

4.3 **Q2.** Are there any pension-related topics that shouldn’t be included in the remit of the new pensions body?

⁶ The Low Incomes Tax Reform Group (www.litrg.org.uk) researches, campaigns and provides information on tax matters on behalf of all those on low incomes. Tax Help for Older People (www.taxvol.org.uk) provides telephone and face-to-face advice to older people on low incomes. TaxAid (www.taxaid.org.uk) provides telephone and face-to-face advice to working age people on low incomes.

⁷ See for example <http://www.litrg.org.uk/tax-guides/tax-basics/when-things-go-wrong/what-if-i-cannot-pay-my-tax-bill>

⁸ <http://revenuebenefits.org.uk/tax-credits/guidance/how-to-deal-with-hmrc/challenging-overpayments/>

- 4.3.1 This question should surely read “Are there any pension-related topics which should be included etc?”
- 4.3.2 The discussion in the consultation revolves around the decumulation stage of pensions. It is arguably of similar importance that advice/guidance is available at the accumulation stage. There is little, if any, holistic guidance during this period for the pension saver. He is left to form his own judgement on the various routes of employers’ schemes, auto-enrolment, personal pensions, the possible impact of lifetime allowances, the different tax benefits of other savings routes, in particular the soon-to-be introduced Lifetime ISA, Help to Save and direct investment in the stock market. The advent of the single-tier state pension has made it clear that the individual must now make considerably more effort to provide for his own post-work life. **We recommend that the new body should consider taking under its wing the area of saving for retirement, as well as decumulation issues.**
- 4.3.3 **Likewise we recommend that the new pension body should not neglect the wider realm of education**, a word only used in this document during the summary of the responses to the initial consultation. It is noticeably absent from the main proposals put forward. As we have commented in many of our previous submissions, the importance of starting financial and fiscal education in schools should not be underestimated. Without formal instruction at an early age, it is unrealistic to expect young people setting out on a working lifetime to be able to assess and balance the conflicting demands of saving, clearing debt, planning for a remote old age, and the pros and cons of opting out (or in to) a pension scheme. It is the regrettable experience of the three tax charities that many of those who approach them for help have but a tenuous grasp of the tax system, even in middle and later age. There is a brief suggestion in 3.33 that the money guidance body should fund projects in education but a few projects is not the same thing as a sustained educational programme, as we have pressed for in the past.
- 4.3.4 There is a danger, of course, that the new pensions body might take on too much and that its guidance therefore becomes unwieldy. All people can really expect of them in their ‘guidance’ then, is that they set out the potential traps so that they know when they need to go and talk to some specialists. The pensions body need to be honest and clear on this and, importantly, fund some specialist sites/assistance to which people can be directed.
- 4.3.5 One area that **we recommend the new pension body has within its remit is the ability to collate information on trends and difficulties with the pensions regime** (both at the point of saving and at decumulation) and to consider it within its responsibility to feed this back to Government and others (such as the Office of Tax Simplification). It is in everyone’s interest to pursue simplification – not least because of potential cost saving to the Exchequer. The new pension body may find itself in a unique position to gather evidence of problems to help influence future change.
- 4.3.6 Whilst not directly in response to this question, a related matter is how the new pension body is to be supervised. We understand from the consultation document that it is to fall within the overall supervision of the DWP. **We recommend that HMRC also have some form of statutory oversight, or at least are registered as having a significant interest, in the activities of the new pension body.** There is otherwise a danger that tax guidance and related matters will not be adequately catered for. In the absence of HMRC themselves providing any useful guidance on the tax implications of pensions (both in a savings and decumulation context), it is imperative that the new body fills this

gap – or that specialist third parties are adequately funded to do so, for those that cannot afford to pay for professional advice.

4.4 **Q3.** Will these objectives focus the activities of the new money guidance body sufficiently to allow it to improve consumer outcomes?

4.4.1 We understand the rationale for removing the Money Advice Service public-facing guidance given that it has not been successful in meeting its aims. However, we do find it difficult to understand how the consumer is supposed then to find the money advice they require. The ability to search online for services is a giant leap forward for those who are able to use the technology, but it also presents dangers for the unwary.

4.4.2 We recommend that the new money body therefore has a mandate to look at consumer protection. How is a consumer to judge which online guidance to trust? In the absence of an 'official' source, how are they to know what they are reading is correct or to be relied upon? What happens then if they do rely on it to their detriment?

4.4.3 The new money body cannot presumably check every item of work it commissions through funding other bodies (though we suggest in answer to question 6 that spot checks could be done), such as those in the third sector. But the above questions impose a strong duty upon it to check that whomever it chooses to fund to provide guidance is adequately qualified to provide accurate guidance. All funding applications must therefore be vetted with that in mind.

4.4.4 The new body could also consider offering some form of accreditation – a 'kite mark' to be displayed with online materials, or used by third sector advisers. We caution that this suggestion in itself throws up many questions and potential problems – such as the administration of the process – but that does not mean it should be discounted without serious thought.

4.5 **Q4.** What role do you think the new money guidance body should have in providing research?

4.5.1 We comment above about the possibility of providing research back to policy makers and other bodies, such as the Office for Tax Simplification.

4.6 **Q5.** Would limiting providers of debt advice to FCA authorised firms rule out any types of provider?

4.6.1 Yes, this could limit the ability of tax specialist organisations, not authorised to give regulated advice, to advise on tax debt matters (and tax credits overpayments). **We therefore recommend that tax and tax credits debts are excluded from any proposal to limit providers of debt advice to FCA authorised firms.**

4.7 **Q6.** How could the new money guidance body work with the debt advice providers most effectively to ensure that their expertise is captured and informs contract design?

4.7.1 This question should be framed more widely. The new body will be involved in both funding and quality control of all the relevant advice agencies, not just debt advice providers. Most advice agencies will probably be in the Third Sector and the new unified financial advice agency must be able to approve the probity and technical competence of warranted advice bodies or commission such approval and monitoring from appropriate organisations. In particular the accuracy of their websites must be constantly tested.

- 4.8 **Q7.** How do organisations currently monitor outcomes? Do you have any suggestions for the outcomes which should be monitored?
- 4.8.1 Provision of online guidance makes it very hard – almost impossible in fact – to track outcomes. If a visitor to the LITRG website reads our guidance, finds it useful, acts upon it and so forth, we are not to know. All we can (and do) track is visitor numbers and their behaviour whilst using the website, via analytics.
- 4.8.2 We can then analyse trends – how many visitors we have, what people are looking for, how many people are looking for it, whether or not they download our ‘factsheet’ materials and so forth. We can then make assumptions about whether or not our materials have been of use, but unless they make contact with us we have little means of knowing what they did thereafter or whether or not it was useful and lead them to the right conclusions/course of action.
- 4.8.3 This of course is the great problem with ‘guidance’ as opposed to ‘advice’. The latter is clear – you see or speak to someone, analyse their situation, and advise them on possible courses of action and then probably help them to follow through. Guidance, however, is less trackable – even where a face-to-face session or telephone conversation is held.
- 4.8.4 The only real way of tracking outcomes from there is to ask services users to feed back experiences via surveys and so forth. But this in itself is unlikely to be wholly accurate, as a user might have viewed their experience of the service as positive, but still ended up making a poor decision as a result! You would only really be able to gauge the success of the guidance if you took a case study, analysed what their circumstances were and what they would have been properly advised to do and then compare it to what they actually did, to know whether or not the outcome of using the service was in fact successful.
- 4.9 **Q8.** How could “hand off” arrangements be most effectively built into contracts?
- 4.9.1 We agree that a strong brand name is needed for a central callcentre to work and that this is probably not achievable for something which is likely to be a one-off event later in life. The routes the tax charities have found to be effective (apart from cross-referencing on their websites) is by close collaboration with “trusted” agencies in the voluntary sector such as CAB and Age UK, that is the local branches which are the natural first port of call for advice-seekers among the unrepresented. Their clientele rely on them to either know the answers or to know someone who does and a referral from their local branch to the “someone who does” can also be relied on. Such an extensive locally-based network can funnel enquirers to the proposed pensions guidance body.
- 4.9.2 It is at that point that the pensions guidance body must have effective hand-off systems in place and this point we have addressed in our response to Q1. Assuming the new pensions guidance body can advise in considerably more depth than the current Pension Wise, it must have hand-offs available to financial advice and tax advice. The latter is already on stream via the tax charities, although their resources would have to be much amplified through the Government levy, but as mentioned in our previous response in December,⁹ there must also be an equivalent financial advisers resource in place to provide equivalent advice within that sphere.

⁹ Low Incomes Tax Reform Group response 22 December 2015

- 4.10 **Q9.** How should the new money guidance body seek to understand the gaps in the provision of money guidance?
- 4.10.1 A priority task, as recommended above, should be for both the new pensions body and money guidance body to issue calls for evidence in order to identify areas to fund in order to fill gaps. As part of this, **we also recommend that evidence needs to be sought and perhaps a separate review undertaken on the areas of GOV.UK that stray into money and debt ‘guidance’ (such as workplace pensions).**¹⁰ **Even if basic information is maintained on GOV.UK, we recommend that links to further information and sources of help are included in the material.**
- 4.10.2 One further point here is not a ‘gap’ as such, but a failing that needs to be corrected, is the poor search function on GOV.UK. To ensure people get to the right advice, the new pensions body will have to ensure that its website offers a helpful search function getting people to the right results quickly. And given that GOV.UK will have a role to play in leading people on to further sources of advice, **we recommend that the new pensions and money bodies both seek to work with GOV.UK to improve its search function.**
- 4.10.3 **Further, we recommend that these calls for evidence ask respondents to highlight gaps in order of priority so that the most pressing needs are met first.**
- 4.11 **Q10.** Is the planned focus on local and digital financial capability raising projects the right one?
- 4.11.1 No comment
- 4.12 **Q11.** What should be included in the partnership agreement between the two bodies, and how could hand-offs best be specified?
- 4.12.1 An important element of both the partnership agreement between the two bodies and also any other agencies involved in delivering guidance/advice is that there should be streamlined exchange of confidential information *with the client’s authority* between the relevant advice agencies so that the client does not have to repeat information already provided to one adviser. Factfinds and similar documentation should be fully available to other advisers.
- 4.13 **Q12.** Do you have any other comments on the proposed model?
- 4.13.1 There is a further point worth considering about digital tools and the use of websites and here we anticipate Q. 15 and 16. Websites can be very strong tools for the dissemination of factual information and pointers to other sources and resources. They can also explain in plain English technical information otherwise incomprehensible to the average layman. The new pensions guidance system should therefore consider making maximum use of specialist websites such as the LITRG one on tax, just as the pensions guiders should use warm hand-offs to the appropriate specialist advisers at interview. Expansive all-encompassing sites such as GOV.UK or the present MAS site are not suitable for detailed and individual research. **We therefore recommend that part of the funding should be devoted to the provision of the appropriate specialist websites (or further development as necessary of existing specialist websites) as proposed in 2.68.**

¹⁰ <https://www.gov.uk/workplace-pensions/about-workplace-pensions>

- 4.13.2 It sounds like the ‘guidance’ will mainly take the form of web-based information, with the option of a telephone or face-to face-discussion. Digital exclusion will limit many people’s ability to access useful, relevant guidance. The new pensions body must in particular bear in mind that such exclusion is more widespread amongst the older population.
- 4.13.3 This therefore leads to **our recommendation that there must be the ability to obtain printed literature and that the ability to obtain telephone and face-to-face guidance must be made prominent on the new website.**
- 4.13.4 **We recommend that the new bodies consult with groups representing the needs of different types of disabled people to ensure that the physical appearance of the website/readability etc. is as clear as possible, and that best practice is followed in terms of accessibility.**
- 4.13.5 **We further recommend that the text is written in plain English, but equally aims to be comprehensive.** Pensions information can be confusing and intimidating for many, so jargon should be avoided and it is helpful to include example situations that people might identify with. Dynamic/interactive tools and calculators could help break up ‘dry’ content, but calculators in particular must be developed with caution – some examples that have been included on GOV.UK have been over-simplified such that they could give incorrect or misleading results.
- 4.14 **Q13.** Would these proposals have any impact on delivery of public financial guidance in Scotland, Wales and Northern Ireland?
- 4.14.1 We see no reason why there should be any impact on the provision of public financial guidance across the whole of the UK. There may be details about the funding with devolved administrations, which is no concern of ours, but it is our concern that everyone within the UK (or those temporarily overseas but still subject to UK taxation), especially the vulnerable and those unable to afford the fees of professional advisers, should have equal access to the proposed scheme. The scheme should therefore take account of the devolution of relevant powers, for example where they affect an individual’s tax or benefits position.
- 4.15 **Q14.** What kind of tools and products do consumers most often use or ask about?
- 4.15.1 No comment.
- 4.16 **Q15.** Which content on the MAS website is most useful for consumers?
- 4.16.1 No comment.
- 4.17 **Q16.** Which content on the MAS website is it necessary to maintain because it is not provided elsewhere?
- 4.17.1 The readable style of the MAS website is its strong point, unlike most other technical websites and this should be maintained on the website of the single pensions guidance body. The content, however, should include direct links to specialised websites for detailed technical explanations, online calculators and apps.

LITRG

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