Financial Conduct Authority (FCA)
Retirement Outcomes Review: Proposed changes to our rules and guidance
Low Incomes Tax Reform Group (LITRG) response

1 Executive summary

1.1 We welcome the opportunity to continue our input into the FCA's work on the outcomes of the pensions freedom reforms and in particular the problems facing consumers resulting from these freedoms. Our remit and expertise is, of course, on tax issues but we feel able to comment on the broad issues raised in the consultation, given the importance of tax across the whole realm of pensions and the way it is inextricably linked with the wider issues of information, risk and return.

1.2 The FCA's recent findings that one-third of non-advised consumers in drawdown were wholly invested in cash, with about half of these "likely to be losing out on income in retirement", is unsurprising to us.

1.3 Bearing in mind that many of our constituency are totally uninformed about pensions (and will probably not even have appreciated that they needed to pick a drawdown product), to them cash is safe and understandable. This helps explain the very worrying issue of people withdrawing their entire pension pots and putting the money in the bank instead, sometimes with no specific reason for needing the cash, and triggering completely avoidable tax charges and benefit withdrawal issues.

1.4 In general, we think more work is needed to educate and reassure the general public, not only about pensions and pension freedoms, but about the detail of how drawdown works and about investing outside of cash. We see this work as a long term, sustainable solution to the risks that the FCA has identified.

1.5 In the short term however, and given that so many people are ill-equipped to deal with drawdown themselves, we broadly welcome the idea of having a more structured set of options, overseen by the Independent Governance Committee (IGC). We think this could be an effective way of achieving a 'better' outcome for the majority of non-advised consumers.

1.6 However, the three drawdown pathway options are probably a bit of a blunt tool – there really can be no substitute for personalised advice based on a full fact find. As called for previously,[1] we think the FCA should be concentrating their efforts on persuading those in the financial services industry to offer free or low cost personalised advice to the low-paid and vulnerable to help them make appropriate decisions.

1.7 The FCA's proposals rely on firms developing investment pathways with consumer's best interests in mind and appropriate charging structures. A good outcome however, also relies on the consumer selecting the correct pathway for their facts and circumstances – many will need steering in the right direction if their wishes are incompatible with the reality of their situation and needs.

1.8 How the options are presented, the 'choice architecture', is important and can be very influential. It is vital that the investment pathways are described to consumers clearly and simply. However, we note the suggestion that this could be done online or via the telephone and it must be appreciated that a substantial proportion of the low-income population may have difficulties accessing resources online or recording, by way of written notes, telephone information.

1.9 It is important that consumers understand that picking an investment pathway is not the end of the story. The provision of ongoing information and being issued with an annual review will encourage people to monitor and take a more active interest in income drawdown.

1.10 In general, we think the pensions landscape is confusing enough already without creating exceptions and carve outs to the investment pathway framework. Having said that, while we agree that pathways should be open to those making decisions with the help of a regulated adviser, we do not think that investment pathways would work for Self Invested Personal Pension (SIPP) customers.

1.11 We agree that cash should be an active decision and that firms should be required to disclose actual charges paid by consumers in drawdown on an annual basis.

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.

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[1] https://www.litrg.org.uk/sites/default/files/180611-LITRG-response-Regulating-pensions-retirement-income-sector-FINAL.pdf

2.2 LITRG works extensively with 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 Our approach to this consultation

3.1 Although as tax professionals we are strictly concerned with the impact of tax on the topics under discussion, nevertheless tax is a major and inextricable part of the whole pensions field from contributions at the accumulation stage, through the investment and growth process, to the decumulation stage, where perhaps the consumer has more influence over how tax affects his choices than in the previous stages.

3.2 Consequently we take a keen interest in what is on offer to our constituency, those on low incomes. Our constituents often have weaker literacy and numeracy skills than the providers and advisers of pension products. Consumer protection is of the highest priority in an area where poor or just plain wrong choices can have a major and deleterious effect on the pensioner and his or her family for maybe thirty or more years of retirement.

3.3 It is from this standpoint that we offer comment on the questions listed in this paper relevant to our professional expertise and experience.

3.4 We are disappointed in the short time frame given to respond to what is a very long consultation, particularly given the number of questions. Only six weeks have been allocated for responses which spans the summer holiday period. We hope that the FCA appreciate that respondents and potential respondents are unlikely to have had sufficient time to digest the document fully, to establish whether they have an interest and what that interest might be and to respond to the consultation as fully as they might have done if the consultation period had been the usual 12 weeks or more.

4 General comments

4.1 Real freedom of choice must inevitably include the freedom to make the wrong choice, but it must also include the information on which to base a decision. Offering three different caskets with vague inscriptions is not a fair way of presenting someone with a probably irreversible lifetime choice.

4.2 To observe the financial experience of the vast majority of savers, it is instructive to study the statistics of ISA savings recorded on the HMRC website.[2] Without going into great detail (available in the cited reference) nearly 80% of amounts invested in ISA savings are put into cash ISAs; yet the remaining 20% invested in stock and shares ISAs amply exceed the value of the cash ISAs. Even in Junior ISAs, where the long-term risk must be more bearable, the ratio of cash to stocks and shares invested is some 2.5 to 1.

4.3 We quote these figures to illustrate the narrowness of the majority's approach to saving and investment, whether through lack of understanding or a nervous approach to risk. Nowhere is this better highlighted than in Table 9.10 and Chart 6 in the cited source where the lower the income, generally below £30,000 p.a., the greater reliance on cash as the savings medium.

4.4 Given this background, it is hardly surprising that many of those we are concerned with merely remove their pots completely from their pension schemes and place them in cash.[3] Unless it is for short-term need, few would disagree that cash is a poor platform for longer-term investment and drawdown of income. Indeed, against the current backdrop of inflation higher than interest rates, it is a guaranteed way to lose money even if you do not take any out.

4.5 This widespread inexperience of investing makes unadvised drawdown a hazardous undertaking for many, not just in understanding the risks and benefits of different styles of investing their funds, but also in understanding the mathematics of safe levels of withdrawal against a background of market volatility, likely regeneration of funds, longevity, immediate needs and alternative sources of income. It is a particularly dangerous field for those who with poor financial capabilities and in many cases uncertain numeracy. The FCA is quite right to seek safer investment avenues for those lacking suitable skills and knowledge.

4.6 Those providing decumulation options or advising on them must therefore have a legal, not just moral obligation to offer very clearly described products with well-defined pros & cons, spelled out in language appropriate to the national average reading age.[4] It is all too easy for those of us engaged in an abstruse or expert profession to talk to each other in the jargon and technical language of the trade and forget that it is largely meaningless to the outside world, even to those of higher educational standards. When it comes to pensions, we talk of "accumulation" and "decumulation" without a second thought because we know that the FCA, the pensions industry and the tax profession all know that they mean. We tend to forget that the would-be pensioner has never heard the words in his or her life.

[2] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/703782/Full_Statistics_Release_April_2018.pdf

[3] This is borne out in the FCA's own findings – https://www.fca.org.uk/news/press-releases/fca-publishes-interim-findings-study-retirement-income-market – 'Over half (52%) of fully withdrawn pots were not spent but were moved into other savings or investments.'

[4] We understand this is about 9 years old.

4.7 We will now offer some answers to the questions individually. The FCA potential remedy here revolves around drawdown rather than whether drawdown is necessarily the best route, so we will address just that. However, it is worth saying that we think pension providers must explain the whole range of decumulation options available to the customer even if they themselves do not offer that product.

4.8 For example, under the former regime an annuity offer from the insurer you had saved with did not always mention that you might be entitled to an impaired life annuity with another company. Or even that you might get a better deal for the same pot for the same annuity with another company. Someone who had never purchased an annuity before needed to be told clearly that shopping around was a good idea. In these times of far wider pension choices, the need for clear explanation of *all* available routes is even greater. Consumer protection is vastly enhanced by competition even when the consumer is still pretty hazy.

5 Questions

5.1 ***Q1 Do you agree with our current high-level thinking on the key elements of our potential remedy? If not, what would you suggest?***

5.1.1 Yes, we agree.

5.1.2 We do not believe that the average person has sufficient knowledge or experience of investing to be able to make non-advised decisions on what route to take with their pension savings – annuity, drawdown or uncrystallised funds pension lump sum (UFPLS) – nor how best to invest substantial amounts of money in their own best interests. The "off-the-peg" approach of offering a short selection of cheap, standardised, investment routes therefore has much merit. It is an approach used widely by investment platforms providing clients who do not wish to, or are unable to, make their own decisions with a choice of, for instance, Cautious, Income, Growth or Adventurous portfolios to match the aims and risk levels of a typical range of clients.

5.1.3 They offer these without advice, merely explanation. Adopting this style in respect of income drawdown would help achieve broadly sensible, economical solutions for the majority; especially if there were a firm control of the charges incurred, and especially for those with small or modest funds.

5.1.4 As such, we broadly welcome the idea of having a more structured set of options. However, in reality, there can be no substitute for personalised, professional advice based on a full fact find as to the consumer's goals and circumstances. In the course of many earlier responses to FCA consultations,[5] we have emphasised the need for free or affordable financial advice to attract those on lower incomes who otherwise have to rely on mere guidance from websites

[5] https://www.litrg.org.uk/sites/default/files/180611-LITRG-response-Regulating-pensions-retirement-income-sector-FINAL.pdf (See our answer to Q7)

or Pensions Wise. We think the FCA should be concentrating their efforts on persuading those in the financial services industry to offer such free or low cost advice.

5.2 ***Q2 Does the approach we are considering taking adequately capture the objectives of non-advised consumers entering drawdown who might use the investment pathways? If not, what would you suggest?***

5.2.1 In general, offering the three broad objectives outlined, will correspond to the various ways a consumer with fairly straightforward needs, may wish to use their drawdown pots (and also their decision making abilities). However, we detect a wider issue here. In paras 3.17 and 3.18 the FCA is positing that the outcomes should rest on what the client wishes to do with their pension pot(s). This overlooks the important question of what the client *ought to do* with their pension pot(s) – not necessarily the same thing.

5.2.2 A person who is 55 and still working may want to use their pot by 'taking it out over a short period of time'. But for them, the realities of being retired and reliant on pension income are a long way off. Similarly, there is little point in 'providing steady income throughout retirement' for a 69 year old with six months to live and a dependent spouse who could otherwise inherit the pot(s) tax-free and make their own arrangements.

5.2.3 The first step is for the client (or provider) to decide what route would *really* best serve their interests before looking at what this might mean in terms of ready-made solutions. There must, we suggest, be a wide-ranging element of fact-finding and, potentially, steering in the right direction, before letting the client's wishes override the realities (unless these wishes are still expressed after all of the information and options are presented to them).

5.3 ***Q3 Do you agree with our suggestion that firms should only offer 1 investment solution in respect of each of the objectives? If not, what would you suggest?***

5.3.1 The proposal that there should be only one pathway for each objective is neat and intuitive but is possibly too restrictive. If the discussion has narrowed the aim to one objective, then it should be perfectly possible to offer some further choice of routes towards that end.

5.3.2 For example, five objectives with three solutions each does not inflict 15 choices on the consumer; 12 are eliminated once an objective is selected. In paragraph 3.20 of the consultation document you put forward as a potential objective "I want to take my money out flexibly during retirement". Depending on the client's circumstances, several routes might satisfy that objective. The extensive variations of health, lifestyle, family, alternative sources of income, ancestral longevity and so on cannot be contained in one off-the-peg solution.

5.3.3 However we do appreciate that a balance has to be found between the number of investment solutions offered and the costs and administrative considerations for the providers of those options. This is especially so given that these costs may well end up being borne by consumers. It is also likely that too much choice will cause confusion and anxiety for many of our constituents who will not be able to sift through and digest a plethora of information and options – further distancing them from engaging with pensions saving and making investment choices.

5.4 ***Q4 Do you agree with our suggestion that firms should not be permitted to provide a single investment solution to cover all of the objectives? If not, what would you suggest?***

5.4.1 Yes. The Ford solution (see para 4.1) is most definitely not the answer. To offer the non-advised and inexperienced only one investment solution, no matter which investment pathway they chose, is misleading and would be to take us back to the previous days of virtually compulsory annuities.

5.5 ***Q5 Do you think that firms should offer investment solutions for all the investment pathways? If not, what would you suggest? If a firm does not offer an investment solution for a particular investment pathway, should it be required to enter into an arrangement with another firm to provide it?***

5.5.1 Ideally, we think it would help prevent complexity and confusion if firms had to offer investment solutions for all the investment pathways.

5.5.2 However, we can see that this could be challenging to implement, therefore we stress that firms should be obliged to explain the whole range of investment pathway options available, even if they themselves do not offer particular products. They should then point the client in the direction of firms who do offer the desired product. Otherwise, we are again back to the previous regime where often annuity providers who did not offer impaired life annuities failed to point the customer in the direction of other providers who did.

5.6 ***Q6 Do you agree with the approach we are considering taking on prescription around the investment solution and risk profile of investment pathways? If not, what would you suggest?***

5.6.1 We support an approach which, while giving leeway and flexibility to providers, ensures that the investment solutions and risk involved should be clearly explained to the customer and (as we so often feel obliged to emphasise) in language appropriate to the understanding of that customer.

5.7 ***Q7 Do you agree with the approach we are considering taking on permitting firms to use pre-existing investment solutions to offer an investment pathway? If not, what would you suggest?***

5.7.1 See our comment to Q6.

5.8 ***Q8 Do you agree with the approach we are considering taking on allowing firms to offer investment solutions other than investment pathways? If not, what would you suggest?***

5.8.1 See out comment to Q6.

5.9 ***Q9 Do you agree with the approach we are considering taking for the choice architecture to be implemented by firms? If not, what would you suggest?***

5.9.1 The FCA proposals here would seem reasonable however, when thinking about 'choice architecture' and how to present the investment pathway options in written form, we would urge the use of clear, simple language and an appropriate, even 'easy read' style.[6]

5.9.2 We note that the intention is for providers to be able to also use the telephone to explain the options. In this regard, we would highlight that landlines are potentially becoming a thing of the past[7] – and relaying important information by mobile phone to consumers is not always ideal.[8] Further, being directed to look online for information will not work for many, whether through lack of access or confidence, mental or physical disability, inability to afford broadband, shortcomings of literacy or numeracy, or inadequate broadband.

5.10 ***Q10 Do you agree that investment pathways should also be made available to advised consumers? If not, what would you suggest?***

5.10.1 Yes – we agree. While we can see an argument that those receiving regulated advice do not need any help, the pensions landscape is confusing enough already without creating exceptions and carve outs (although see our comments on advised SIPPs below).

5.10.2 It would also be completely contrary to the FCA's requirement that an adviser offer the solution which is best for the customer, if that did not include a pre-packaged pathway. It would be quite wrong for an adviser to suggest a bespoke investment when in fact an existing pathway would be just as good or better. If an off-the-peg suit fits and looks good for £90, there is no need to spend £900 at a bespoke tailors.

5.11 ***Q11 Do you agree with the approach we are considering taking on how we should define advised consumers for the purposes of the application of our rules on investment pathways? If not, what would you suggest?***

5.11.1 We agree completely. Advice taken in the past, however recent, is irrelevant to advice taken (or not taken) at a different point on a different issue.

5.12 ***Q12 Do you agree with the approach we are considering taking in relation to circumstances where consumers are designating funds to drawdown on multiple occasions? If not, what would you suggest?***

5.12.1 Again, yes. Each subsequent decision-stage is separate from previous ones and objectives and solutions should be considered afresh as time passes and circumstances change. For example, since the previous investment the client may have been diagnosed with a terminal illness, been bereaved or, more happily, received a large inheritance.

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[6] http://www.easy-read-online.co.uk/

[7] https://www.telegraph.co.uk/technology/news/11179482/Is-this-finally-the-end-for-the-landline-phone.html

[8] There can be issues with reception, dwindling battery life, random crashes. It can be difficult for people to digest and record detailed information fully in a phone call and so as a minimum, any information given should be followed up in writing. Also, a time should be set-aside for an appointment – you do not want to catch someone when they are in Tescos.

5.13 ***Q13 Do you agree with the approach we are considering taking to require firm review of investment pathways on an annual basis? If not, what would you suggest?***

5.13.1 As tax advisers we take no view of investment processes but from the consumer protection aspect we would certainly expect product providers to constantly monitor their products to make sure that they meet the needs of their customers.

5.14 ***Q14 Do you agree with the approach we are considering taking for ongoing disclosure to consumers about investment pathways? If not, what would you suggest?***

5.14.1 The proposal has obvious merit but caution would be required in the execution. In the first place, people need to be made aware that they are not locked in for life with income drawdown. It is then important for people to understand how their investment fund is performing overall in order to decide if they need to switch.

5.14.2 However given the struggle the average person has with financial and investment matters and engagement with pensions in general, it could be difficult to present the information in a clear and straightforward way. As the FCA consultation document says at para 1.29, a single page document increases customer engagement and we are well aware that 12 or 15 page wake-up packs rapidly lose the customer's interest. A factual statement of market conditions and the performance of the funds could offer annual clarity without giving financial advice. Again, simplicity of presentation with minimum complex charts and graphs, which people with low numeracy skills may struggle to understand, would be crucial.[9]

5.15 ***Q15 Do you agree that we should apply our remedies to the whole of the non-advised drawdown market, including SIPP operators serving this market? What would be the costs and how would the market respond?***

5.15.1 This is outside our sphere of expertise because there is a strong argument that those with poor understanding of markets and limited funds should not be entering into SIPP arrangements in the first place. Such schemes are not for the inexperienced to hazard their pension savings.

5.16 ***Q16 Do you think we should consider carving out from our remedies those SIPP operators focused on advised consumers and sophisticated investors? If so, how do you think we should do this? Should we consider an alternative proportionate solution?***

5.16.1 As we suggest in our answer to Q15 above, SIPPs are for those with skills to make their own investment decisions and as such could well be segregated from more mass market pension provision.

5.17 ***Q17 Do you think that we should limit the scope of application of our rules on the investment pathways? What would be the impact on the SIPP market if we don't limit the scope?***

[9] Although we recognise that visual representation – if done in the right way – can be helpful for people.

5.17.1 This risks making an already difficult scene even more complex with too much variety depending on the nature of the provider/adviser and the capabilities of the consumer. We feel that this could prove disadvantageous for our low incomes constituency.

5.18 ***Q18 What would be the costs and challenges of the different options set out? Are some more likely than others to distort the market? Are there ways to mitigate the impact of this?***

5.18.1 No comment.

5.19 ***Q19 Would SIPP operators be able to demonstrate that their consumers are advised and/or sophisticated/high net worth investors?***

5.19.1 No comment.

5.20 ***Q20 How might an appropriateness test work in practice?***

5.20.1 No comment.

5.21 ***Q21 Should we not apply the remedy to non-advised consumers who have self-selected an investment strategy even though these consumers might benefit?***

5.21.1 No comment.

5.22 ***Q22 Should we instead not require firms with small numbers of non-advised consumers to offer investment solutions for any of the investment pathways, but require them to refer consumers directly to another provider for investment pathways?***

5.22.1 See answer to Q5.

5.23 ***Q23 Do you agree that the IGC regime should be extended to investment pathways? If not, what alternative regime would you propose?***

5.23.1 We have no professional remit to consider independent governance rules within the wider pensions industry but, wearing our consumer protection hat, we are very sure that there must be some form of oversight of products offered to non-advised customers, just as much as a regulated adviser must be able to justify/provide records of his advice in a personal recommendation.

5.23.2 With the great expansion in numbers of new pension savers in defined contribution (DC) schemes brought about by auto-enrolment, there will be a corresponding increase in the number of non-advised and still unengaged savers needing help at the point of crystallisation. These people must be protected, whether from incompetence, exploitation or sharp practice.

5.24 ***Q24 Do you consider that a requirement for independent oversight should apply to other decumulation products (i.e. not only to investment pathways)? If so, why?***

5.24.1 As we commented above in Q23, there should be just as much protection – arguably more – for the non-advised and merely guided customer in all decumulation products as there is for consumers receiving a personal recommendation from a regulated adviser. Many of them will have been auto-enrolled through inertia or Government persuasion and will have little idea of financial and lifetime planning even at the point of converting their pension savings into income or investment.

5.25 ***Q25 Do you think we should carve out from the requirement those providers which only provide decumulation products for advised consumers, or those in less need of protection? How would this work?***

5.25.1 Although an advised consumer already has extensive protection under the FCA from incompetence or criminality and are also more likely to be financially savvy, we see no harm in an additional layer of protection in the form of independent oversight.

5.26 ***Q26 Do you have any other issues or concerns about the proposals?***

5.26.1 No comment.

5.27 ***Q27 Do you agree with our current thinking that a single, default investment pathway is unlikely to be suitable in drawdown? If not, please provide reasons why you disagree.***

5.27.1 We agree fully with your current thinking that a single investment pathway would not be suitable in drawdown. Incidentally, we disagree with the assertion in para 3.69 that a default pathway is designed to achieve maximum pot size during accumulation. Default funds are designed to offer the unengaged saver a reasonably safe and cautious route, avoiding the risks of more adventurous funds, which nevertheless are available, albeit at probably higher charges.

5.28 ***Q28 Do you agree with the approach we are considering taking to require making investment wholly or predominantly in cash an active choice? If not, what would you suggest?***

5.28.1 This again is a most sensible approach. Cash is very rarely "investing"; cash is "saving", except in a few and very risky circumstances, e.g. peer-to-peer lending or foreign currency. The chances of real growth over inflation are minimal and highly unlikely to generate the sort of real return which would enable the pensioner to drawdown sufficient income without seriously depleting the capital.

5.28.2 As, however, we demonstrated at the beginning of this paper, the majority of savers do so in cash ISAs, and especially those on lower incomes. They have no experience of other ways of investing and a natural fear or suspicion of the unknown. It would be all too easy for a firm to take the safe and cheapest way out by putting these people's pension savings into cash. The case must be argued for investing in cash funds just as much as it should for investing in anything else; it must match the client's needs, resources and aspirations. It may be fine if only used as a holiday fund while living off a healthy final salary pension, but hopelessly unsuitable if it is to produce the only source of income beyond the state pension.

5.29 ***Q29 Do you agree with the approach we are considering taking in relation to mandating warnings to those making an active choice to invest in cash? If not, what would you suggest?***

5.29.1 As we mentioned above, a large number of would-be investors have no experience or knowledge of investing in equity markets and need reassurance and active guidance on the importance of achieving real growth in the medium to long term. They are unlikely to have made a study of the comparison of stock market returns over cash over a long period. The fact that in the current environment, the former is probably the only way of generating returns to mitigate the effects of inflation and charges, must be demonstrated to them, so that if they still wish to go into cash, it is an active decision.

5.30 ***Q30 If relevant to you, what have you done – or what do you plan to do – about your current drawdown consumers who have already been 'defaulted' into cash until now, but who are unlikely to be best served by this investment***

5.30.1 No comment.

5.31 ***Q31 Do you think we should require firms to issue warnings to consumers who are invested in cash on an ongoing basis? If not, what would you suggest?***

5.31.1 Yes.

5.32 ***Q32 Do you agree with the approach we are considering taking in relation to a minimum limit and the cooling-off period? What minimal limit would you suggest? If you do not agree with the approach we are considering taking, what would you suggest?***

5.32.1 A cooling-off period is almost always sensible to allow time for serious consideration of a purchase or investment and also to minimise high-pressure selling. We would suggest maybe 60 days. There should not, however, be a minimal limit below which cash becomes an automatic default. Even a small sum of money, if not needed in the near future, can become a useful amount if invested for the medium term.

5.33 ***Q33 What impact do you think our proposals on preventing 'defaulting' into cash would have on the business models of SIPP operators? Do you think this change would be appropriate?***

5.33.1 No comment.

5.34 ***Q47 Do you agree that consumers should receive information on actual charges paid expressed as a cash amount?***

5.34.1 Percentages are poorly understood by many people, as volunteer advisers for Tax Help for Older People[10] and TaxAid[11] realise from their advice sessions with tens of thousands of low-income clients every year. Charges should always be expressed in cash terms.

5.35 ***Q48 How do you consider this would best be achieved by firms?***

5.35.1 No comment.

5.36 ***Q49 What would you estimate to be the cost of these changes?***

5.36.1 No comment.

LITRG

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[10] Tax Help for Older People (www.taxvol.org.uk) is a charity which provides free professional advice on tax to older people who cannot ordinarily afford advisers' fees.

[11] TaxAid (www.taxaid.org.uk) is a charity which provides free professional advice on tax to those of working age who cannot ordinarily afford advisers' fees. These sister charities are united by a common CEO.