



The Money Charity Response – FCA CP24/4: The Regulatory Framework for Pensions Dashboard Service Firms: Further Consultation (May 2024)

The Money Charity is a Financial Wellbeing charity whose vision is to empower people across the UK to build the skills, knowledge, attitudes and behaviours to make the most of their money throughout their lives, helping them achieve their goals and live a happier, more positive life as a result.¹

We welcome the opportunity to respond to the FCA's further consultation on the regulatory framework for pensions dashboard services.

In this response, we set out our Key Points, make some overall comments on the consultation and answer the questions posed in the Consultation Paper which are relevant to our work.

¹ See box on back page.

Overall Comments

1. We are broadly supportive of the FCA's proposals for pensions dashboard service (PDS) firms. Nonetheless, we believe that the scope of this consultation could be further extended beyond MaPS Guiders and regulated advisers, and more broadly to those delivering pensions guidance, such as those delivering the DWP's Midlife MOT scheme.
2. We have answered below the questions that we have the most useful contribution to make.

Answers to consultation questions

1: Do you agree that the proposed perimeter guidance at Annex H in Appendix 1 provides sufficient guidance to firms understanding of:

- a. The scope of the regulated activity of operating a pensions dashboard service; and
- b. The circumstances in which authorisation (or variation of permission) is required by a firm?

If not, what else could the perimeter guidance cover to support firms understand what comes within the scope of the regulated activity?

We broadly agree with the FCA's proposed perimeter guidance, which comprehensively explains the scope of regulated activity, and the scenarios by which firms require authorisation or variation of permission to operate a Pension Dashboard Service (PDS). The onus would be on individual firms if they required further clarification.

2: Do you agree with our proposals to require PDS firms to introduce a choices architecture to put the consumer in control of deciding initial next steps? If not, what problems can you foresee with these proposals? And how might they be addressed?

The FCA's proposed choices architecture for PDS firms achieves its principal goal of not predetermining the consumer journey; we would however encourage the FCA to consider such as those delivering the DWP's Midlife MOT who are also involved in pensions guidance.

3: Do you agree with our proposals concerning exit communications, if not please explain why.

We agree with the proposals concerning exit communications and ensuring consumers are clearly informed about the choices they are making when using a PDS.

4: Do you agree with our proposals to require firms to inform the if a delegate will not be able to use the firms' dashboard to access the user's data? If not, please explain why.

We agree with the FCA's proposal to require firms to communicate whether delegates will be able to access user data through the PDS; making this clear will allow consumers to make the most appropriate choice for them when setting up a Pensions Dashboard, whereas if this is unclear consumers may be deterred from engaging.

Whilst we support the FCA's proposals, we would encourage the FCA to expand the definition of delegate beyond just authorised advisers to encompass those more widely in money guidance roles, such as those delivering the Midlife MOT.

5: Do you agree that permitting data export to PDS firms (with investment advice permission) for advice purposes creates an unfair competitive advantage in relation to advice?

Permitting data exports to PDS firms with advice permission would be a considerable competitive advantage.

6: Do you agree with our proposal (to remove the option of data export to the PDS firm, or connected person, for investment advice) is appropriate?

As above, allowing data exports would place PDS firms with investment advice permissions at a considerable competitive advantage. By removing this option and retaining the option for individuals to export their own data and share as they see fit, this protects the consumer's choice and prevents any firms taking advantage over another.

The Money Charity is the UK's Financial Wellbeing charity providing education, information, advice and guidance to all.

We believe that everyone achieves Financial Wellbeing by managing money well. We empower people across the UK to build the skills, knowledge, attitudes and behaviours to make the most of their money throughout their lives, helping them achieve their goals and live a happier, more positive life as a result.

We do this by developing and delivering products and services which provide education, information and advice on money matters for those in the workplace, in our communities and in education, as well as through influencing and supporting others to promote Financial Capability and Financial Wellbeing through consultancy, policy, research and media work.

We have a 'can-do' attitude, finding solutions to meet the needs of our clients, partners, funders and stakeholders.

Tel: 0207 062 8933

hello@themoneycharity.org.uk

<https://themoneycharity.org.uk/>