

Automated Pensions Re-registration Roundtable with Aviva, AJ Bell, Zurich, Liberty Pensions and Origo

In late November 2017, a roundtable of key Options Transfers Pensions Re-registration users gathered to discuss the merits of automated pensions re-registration and its future. Our hope is that this discussion will both enlighten and comfort organisations considering automating their pensions re-registration process for the betterment of the consumer.

Roundtable Host

Justine Pattullo eServices Adoption and Marketing Manager Origo

Roundtable Guests **With gratitude and thanks to those who gave us their time.**

Maria Nerney Supplier Relationship Manager Aviva

Stephen McHugh Head of Operations AJ Bell

John Fox Managing Director Liberty SIPP

Paul Wheatley Technical Specialist Zurich

Justin Pearson Retail Propositions Consultant Zurich

Roundtable Questions:

1. Why is the ability to automate pensions re-registration important to you and your organisation?
2. Why aren't more organisations using the available technology to automate Pensions re-registration?
3. Where do you see the future of automated pensions re-registration; will volumes increase as a result of consumer demand?
4. Could you see a wave of transfers coming towards the industry as a result of Pensions Dashboard going live?
5. Where does the Options Transfers service and specifically its re-reg capability fit in amongst the industry groups and initiatives currently on the go?

<p>Justine Pattullo (Origo)</p>	<p>Q1. Thank you for joining our first ever roundtable discussion and debate around the merits of automated pensions re-registration. My first question to the group is: What makes the ability to automate pensions re-registration important to you and your organisation?</p>
<p>John Fox (Liberty SIPP)</p>	<p>From our perspective, we believe automated re-registration is important for two reasons: First of all, it's from a purely administration point of view. Being involved with the Options Transfers service for such a long time now, we know that it makes such a massive difference in how we do our internal administration in terms of time.</p> <p>It's a very similar process when you're actually in the Options Transfer service, when you're doing a re-reg. So, from our point of view, it's important for us to try and streamline things as much as possible. If we're looking at the current, manual way in which we have to do re-registration, or in-specie transfers, then it's poor.</p> <p>Secondly, it's very much in line with how our customers perceive how re-registration is happening. We predominantly deal with IFAs, so we don't really have a great amount of interaction with the end user when you process these transfers. But when you're dealing with IFAs, they can't understand why there is such a massive difference in processing cash transfers and then doing manual re-registration. In many regards, when you try to explain to them what you have to do with filling in forms, chasing different parties, etc. it just feels like a kind of nightmare. You start to feel that you're drowning in red tape - and all you're trying to do is just change the registration of an account - you're just moving it from nominee to nominee.</p>
<p>Paul Wheatley (Zurich)</p>	<p>For us, it's to bring the customer journey and the customer outcome to replicate what is already in existence for the ISA and the general investment account (GIA).</p> <p>At the moment there is two-speed journey. So, if you were wanting to move between two different platforms, if you were wanting to re-register your ISA, you can expect the transfer to complete quite regularly within 8 business days. And that's going through the discovery, the response to the discovery, then acceptance for the transfer and then seeing the assets move electronically between two nominees.</p> <p>For manual pension re-registration it's a totally different experience. What you are seeing is a labour of love of paper. The paper is moving around at a snail's pace between various different parties, resulting in one nominee having to fill out various stock transfer forms, signing them and then delivering them to the various fund houses to then transfer the assets across.</p> <p>Our aspiration is to say, "As a customer outcome, we want to be able to deliver to our retail customer, a similar level of service, whether it be an ISA or a pension that they're wanting to re-register."</p>
<p>Justin Pearson (Zurich)</p>	<p>What is key to help deliver better customer outcomes, is a transfer service that is clear, transparent, and within which, realistic customer expectations can be set. Automation of re-registration will help achieve this and certainly benefits customers in those scenarios where the acquiring party can trade in the assets that the customer holds - so a disposal of assets is not mandatory. Having an efficient, automated solution to facilitate the movement of these assets clearly drives out better customer outcomes from protecting clients from being unnecessarily out of market. An automated transfer service also offers the industry a better opportunity to gather crucial market level MI to help identify positives/negatives and instigate change from an informed position.</p>

<p>Maria Nerney (Aviva)</p>	<p>Like the others have said, for us, it is to have a simplified, quicker and digital process for both the customer and us – and by using Options for Pensions Re-registrations it will enable us to do this.</p>
<p>Paul Wheatley (Zurich)</p>	<p>A greater number of retail clients now are buying into pension products that invest in collective investments, unit trusts and shares and such like – and so automated re-registration is going to become more important. As more assets come under management in that arena, it makes this requirement for pensions re-registration to be electronic, more important.</p>
<p>Stephen McHugh (AJ Bell)</p>	<p>I think in terms of customer expectation and just picking up on the point of trying to provide a more efficient and a better improved transfer time for the customer and for the schemes involved: One thing we do need to consider and take into account, both from a customer expectation and from our own, is the complexity of assets within SIPPs as opposed to the complexity of assets held within ISAs.</p> <p>Whilst I think the aspiration to improve transfer times through the use of pensions re-registration is admirable and something we all want. I think we all have to go into this with the understanding that we may never reach the same efficient service for a SIPP or a pension when we re-register, as we do with an ISA transfer. Is that a view shared by others?</p>
<p>John Fox (Liberty SIPP)</p>	<p>There are certain esoteric investments which are held within the service but you know straight off the bat what you've got coming in. If an IFA comes to us and says, "Yes, I want to move this share portfolio from A J Bell to yourself," then you know immediately what's in there. It's not going to cause that great amount of difficulty. If there's something in there which is illiquid and can't be moved, you know straightaway and you say, "Well, we can't do this so you have to go down a different route."</p> <p>For the majority of the time, it is just a simple movement of stocks and shares. But there's a lot of frustration from the IFA. The IFA doesn't understand why there's such a big difference between Options Transfers and the manual pension re-reg process.</p>
<p>Stephen McHugh (AJ Bell)</p>	<p>I accept that. I think we need to have realistic expectations and if we're talking about customer expectation as well, we need to make sure we align them with what is realistic and take the complexity of the products involved into account.</p>
<p>Justin Pearson (Zurich)</p>	<p>Absolutely - when you look at the range and complexity of different assets held in pensions there is no way you can guarantee to a customer that a transfer will complete is 'x' days. There will always be exceptions. But I think that the thrust will be to try, as Paul (Zurich) says, where possible, to do what we can as an industry to improve timelines and manage expectations - and the automation of re-registration is a component part of that effort.</p>

<p>Justine Pattullo (Origo)</p>	<p>Q2. As pioneers of pensions re-registration through Origo’s Options Transfers Service, you are well aware of the benefits that the service brings to the transfer process – but why aren’t more organisations using the available technology to automate pensions re-registration?</p>
<p>Maria Nerney (Aviva)</p>	<p>Options Transfers makes it a smoother process, and a quicker process - mainly due to not having to pass paperwork between providers. Instead of waiting for paperwork from other providers, you can have a request through in seconds. It’s also useful having good contacts as it makes it easier to contact the right people first time at the other provider. I’m unsure why others are not using the facility - perhaps it’s just not as a high of a priority for other providers. We’ve been signed up for a while now and from a customer outcome perspective, it’s definitely beneficial.</p>
<p>Paul Wheatley (Zurich)</p>	<p>I think we have aspired to be able to do electronic pensions re-registration for years. Zurich is probably one of the first to register to be able to do it. Our difficulty has been having people to play with, foremost. We have quite good volumes of pensions re-registrations coming onto our books. We just need to get more Options members as fully active in the pensions re-registration space. Options Transfers offers key benefits such as the speed in which a pension re-registration is done electronically over paper – it is proven. And the customer outcome is the fact that they know where they are with their transfer.</p>
<p>Stephen McHugh (AJ Bell)</p>	<p>From an A J Bell perspective, Options enables us to provide a better service to customers and more efficient streamlined service internally - so there’s a number of reasons. We are fully on board. We’re straight-through-processing on cash transfers and we’re looking to link that into a new business process. For us, on the pensions re-reg volumes, I genuinely hoped we would have seen more, especially given the organisations around the table. And whilst I accept that, more organisations joining us will definitely increase the chances of volumes going up.</p>
<p>John Fox (Liberty SIPP)</p>	<p>Options Transfers enables efficiencies, however, we’ve been frustrated thus far in other organisations not making use of the technology. As pioneers of the service, we’ve been trying to push this for a while now. When I first started in pensions back in 2003, the first cash transfer I did... I was quoted 65 working days. Going back to those days, even in those dark ages, people couldn’t really foresee that one day, using Options Transfers, that they could do a transfer on the same day. Looking at it from an educative point of view, you’ve got to say, “People didn’t think we could do it with cash, but we did”. It’s not a massive leap to get from the cash to the re-reg. It’s getting people to join us in taking that leap.</p> <p>In terms of ceding business, I don’t think a lot of people actually get the fact that, even though you’re losing clients, you are actually saving money by using the Options Transfers service - simply because of the overhead and the time involved. The amount of phone calls you’ve got to take, the amount of forms you’ve got to fill in, even when you cede (transfer out) - it can be soul destroying. What we’ve discovered, is that it’s quid pro quo - you get back what you give. That is one of the beauties in the way that the Options Transfers service works. The community is healthy. It reviews its performance and tries to make improvements where necessary. We just need to see this same spirit in the pensions re-reg arena.</p>

<p>Justine Pattullo (Origo)</p>	<p>Q3. Where do you see the future of automated pensions re-reg; will volumes increase as a result of consumer demand? Are current industry initiatives and developments – TRIG (Transfers and Re-registration Industry Group), Pensions Dashboard, Pensions Freedoms - making an impact? What will the demand be in the future for automated re-registrations?</p>
<p>Maria Nerney (Aviva)</p>	<p>I think volumes will increase – but I’m unsure by how much and how quickly. There is an opportunity for demand to increase, but for automation of re-registration to increase – it will require investment to raise awareness and for all providers to play their part. It’s unfortunate that some providers continue to drag their heels and take far too long to transfer. Pensions Freedoms has had a major impact on the fluidity of pensions.</p>
<p>Stephen McHugh (AJ Bell)</p>	<p>There’s been a move away from the insured market and there’s a definite increase in pension products that would allow the purchase of assets that would link into pensions re-registration. We don’t have a target or an expectation other than we’re committed to pensions re-reg and support it as much as possible. But I would definitely expect to see the volumes increase. I think the demand has always been there. If you ask any consumer, “Do you want an efficient process?” They would say “yes”. The demand for a better process has always been there and the number of customers that it could work for has also increased. It is, therefore, more relevant than ever that we get more organisations on-board and keep pressing forward with automated re-registration.</p>
<p>John Fox (Liberty SIPP)</p>	<p>I think it’s a natural progression of all these things. I mean, if you look at it holistically, this is the way the market’s moving. Just looking at the dashboard initiatives that have been pushed from Treasury, etc., re-reg is a process whose time has come - simply because everything’s moving that way. I think people will be left behind if they don’t get on-board this particular train. There’s no way that people can avoid doing this. It’s not an inconvenience they can ignore for much longer, it’s something they have to join in, because it’s just the way that the markets are going; this is progress.</p>

<p>Justine Pattullo (Origo)</p>	<p>Q4. Dashboard is on the horizon. Once it's live, could you see a wave of transfers coming towards the industry as a result, as Dashboard shows people what they have and they are spurred to make changes.</p>
<p>Justin Pearson (Zurich)</p>	<p>I think it's absolutely imperative that Origo do what they can to show the industry how successful their re-registration service is, especially as MI regarding volume and timescales for completion becomes available. Showing the industry that re-registration can be simple, quick and efficient is essential to begin to change thinking in this space.</p> <p>The regulator wants to see an improvement in how long it takes customers to move their assets. They quite rightly look at bank account switching, electricity provider switching and have a view that the industry should be improving customer outcomes. If the industry can see that the Options Transfers service is working and really benefitting customers – it's inevitable that you will see an increased interest in pensions re-reg and subsequently its usage.</p> <p>Moving on to the Pensions Dashboard – if this initiative truly takes off in 2018 as expected and is publicised correctly, it will result in a spike of interest in pensions consolidation and movement. Regulator interest in this space, TRIG publications etc. – are all going to start individuals thinking about moving their pension provision - so you'd have to think that an effective, automated pensions re-registration service has come at the right time.</p>
<p>Paul Wheatley (Zurich)</p>	<p>The only other thing which no-one's mentioned is the fact that as an industry we need to collaborate with one another to ensure the right customer outcome and not put barriers in the way because we're not able to talk to one another electronically. What we need to not lose sight of is the fact that there is a customer here and we need to make sure that the customer is treated fairly.</p>
<p>Justine Pattullo (Origo)</p>	<p>Absolutely, I couldn't agree more. I think from an Origo perspective we are keen that any resources that is put towards solving these issues is used as efficiently as possible without trying to reinvent wheels for the sake of profits, profile and shareholders to look after. We're always very keen to make sure that the consumer is looked after, particularly when it comes to other aspects such as end-to-end reporting and MI provision – so that performance can be measured and improved from a consumer perspective as well.</p>

<p>Justine Pattullo (Origo)</p>	<p>Q5. Transfers, and re-registrations in particular, are gaining much interest in the industry with various industry groups and initiatives on the go. So where do you see the Options Transfers service and specifically its re-reg capability fitting in amongst all of these initiatives and groups?</p>
<p>Justin Pearson (Zurich)</p>	<p>We've obviously got parties like Maria, (AVIVA), John (Liberty SIPP), us (Zurich) and Stephen (AJ Bell) who are very interested and engaged. I think the second that we start to publicise hard data that shows demonstrable improvement, then, I think it will really resonate - certainly with the adviser community. They will become aware that the days of 3 - 4 months for re-reg transfers is potentially is over. That will also coincide with the kind of pincer movement from regulation which clearly seems to be saying where you don't have to liquidate, then why would you do that - and how can that be a good customer outcome? That's where I think this will go.</p>
<p>Stephen McHugh (AJ Bell)</p>	<p>You're right, it's the results that speak volumes in this. We've all signed up to provide a better, more efficient service. But if we're being honest, what would be great is to be able to say to an adviser, "Look, if you register your assets to us, we use Origo's Options Pensions Re-registration and we have an advantage over provider X who doesn't - therefore come to us." And it's a means of not just improving customer journey and operational efficiency but also an opportunity for us as a business, to show advisers that we use Origo's Pensions Re-registration and it's a good and efficient service. It's another reason why we're participating in this roundtable discussion - we want to be at the forefront of this to say our pensions re-registration process is better than anyone who doesn't use Options Transfers.</p>
<p>Maria Nerney (Aviva)</p>	<p>I agree. I think pensions re-registration is really key. Digital is how a lot of customers and financial advisers want to go. I suppose the other aspect is, unless something comes out of TRIG to make things mandatory, we're always going to get companies who aren't going to want to invest in progress and improve things because they are just looking at costs and perhaps not the customer journey. Unless there is something mandatory out of some of these initiatives, I think you're always going to get people that lag behind.</p>

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<p>About Origo's Options Transfers service: Origo's Options Transfers service has been in successful operation since 2008. Over the years, it has been enhanced to provide a variety of transfer types, including re-registration of ISAs and uniquely, pensions. If you would like more information on the complete range of functionality available from the Options Transfers service, please visit: www.origo.com/options</p>	<p>If you would like to know more Pensions Re-registration, please contact: hello@origo.com 0131 451 5181 www.origo.com/re-reg Follow us https://twitter.com/@origo_services</p>
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