

Alternative holiday plans are in place for many of our readers this year. As many are keen to get away from the confines of the garden, but wary of venturing too far, the good old British campsite is seeing something of a revival. In our summer Hot Topics, we embrace the camping experience and update you on topical pension issues for your trustee and corporate agendas. Readers may be particularly keen to know upfront that as an extra holiday treat we are giving them a rare break from GMP equalisation this quarter!



Glamping up Governance in the Single Code

The Pensions Regulator (TPR) has [consulted](#) on the first phase of establishing a single code of practice, in which 10 existing codes are updated and aligned with TPR’s current expectations. A suite of new governance requirements are also introduced. This is more than a consolidation. All schemes will need to make changes and they are not just cosmetic. The key question still to be resolved is the extent to which trustees can take a proportionate approach, reflecting their own scheme circumstances. Our 1 July [webinar](#) will shine a torch light on the key issues – tune in live or ask for a recording.



TPR Not Yet Cooking on Gas

Along with the camp fires and BBQs, the Pension Schemes Act 2021 has been on a slow-burn, pending consultations and draft regulations. TPR’s draft policy relating to the new criminal sanctions did little to allay industry fears that TPR might haul trustees, advisers and others over the coals. The final version of the policy is expected in the autumn, along with regulations increasing TPR’s powers, although TPR might not turn up the heat until regulations relating to changes in the notifiable events regime are published. Consultation on those is expected “later this year”.



Strong Repellent Required for Beasties and Pension Scammers

While campers in the Scottish Highlands are protecting themselves against pesky midges, the pensions industry is donning new armour to fight scammers. The Pension Scams Industry Group’s updated [code](#) contains stronger messages on reporting and recording suspicious transfer activity. In a recent determination, The Pensions Ombudsman (TPO) [considers](#) (in paragraph 42) that industry standards should be implemented within a month. Separately, the DWP is [consulting](#) on proposals to limit a member’s statutory transfer right to schemes presenting a low scams risk or where the member can provide prescribed evidence. We hope that the outcome offers protection for members and certainty for trustees, without unwanted side-effects.



Wading Through Climate Change Requirements

Camping out in muddy fields at festivals may appeal to some. Festivals are becoming more environmentally friendly, with some recycling up to 60% of rubbish and introducing bans on single-use plastics. Pension schemes are also engaging with environmental issues but new requirements may present a steep learning curve for trustees. Large schemes will be required to secure effective governance and reporting in relation to the effects of climate change. Master trusts and schemes with relevant assets of £5 billion or more will be in scope from 1 October 2021. Schemes with relevant assets of £1 billion or more will be in scope next, and the regulatory climate is likely to change for even smaller schemes later on.



Into the Wilderness of Financial Advice

Experienced campers may wish to escape the crowds by heading off the beaten track to enjoy some wild camping. They will need a map to guide them. Similarly, employers and pension trustees wishing to provide employees or members with support on financial matters should consult recent [guidance](#) published by TPR and the Financial Conduct Authority (FCA). This will provide directions on how assistance can be provided to members without the employer or trustees trespassing into areas that require FCA authorisation, such as the provision of regulated advice.



TPO Hammers in the Pegs of Decision Making

TPO issued a [determination](#) that contains a useful back-to-basics reminder of effective decision-making processes, as TPO examined whether the trustees had reached a decision in a proper manner. In this case, the trustees had directed themselves properly in law, had considered all relevant factors (but not placed weight on irrelevant factors), asked the correct questions and had reached a decision that was not perverse. Trustees may wish to assess whether their decision-making processes are properly grounded.



Waterproofs Are Not Required Post-Brexit

Campers in Britain must be prepared for all weathers! While some industries have faced a post-Brexit storm, generally speaking, the pensions industry has experienced scattered showers. We forecast, however, two areas where temperatures might rise. Cross-border schemes can no longer be used as automatic enrolment schemes – TPR has updated its guidance to this effect and employers who have not yet addressed this should take urgent advice. The enforcement process for some agreements, including guarantees, with EU companies may also become more protracted. Work-arounds will no doubt be found, come rain or shine.



The ICO Establishes Some Ground Rules

The Information Commissioner’s Office (ICO) [Data Sharing Code of Practice](#) has been laid before Parliament, prior to coming into force. In the Code, the ICO outlines the steps it expects controllers to take when sharing personal data with other controllers. The importance of putting a data sharing agreement in place is emphasised. In the pensions context, such agreements often govern the sharing of personal data between trustees and employers. Trustees should consider the Code carefully before sharing personal data. Also, out of consideration to other campers, they should reduce their noise levels after 10 p.m.



How Much? The Cost of Fraud and Camping Gear

Camping holidays might be cheap when you have the right equipment, but a first-time camper may find that a fortnight in the Caribbean would have cost less! Unexpected costs are also arising for the Fraud Compensation Fund (FCF) as a result of pension scams. The Pension Protection Fund (PPF), which operates the FCF, is, therefore, levying the maximum fraud compensation levy permitted under legislation and the government has issued draft regulations that would enable it to make a loan to the PPF for paying into the FCF so as not to “break the bank”.



Pensions Developments Make a Good Story

Some pensions developments may have the aura of a ghost story told at midnight around the campfire, but they will not fade at dawn. The Pensions Dashboards Programme is seeking to establish staging dates for onboarding schemes and providers from 2023. The DWP continues its defined contribution work to refine charge-capping and to pave the way for simple annual benefit statements. It is good news that the government has bowed to pressure and has announced that the Online Safety Bill will contain measures to tackle online fraud, which should help to prevent some pension scam activity.

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