

## **AMPS Response to the Department for Work & Pensions paper - The Pensions Ombudsman: dispute resolution provisions and widening of jurisdiction**

The Association of Member-Directed Pension Schemes (AMPS) is the main trade body concerned with the interests of those professionally involved in the administration and trusteeship of those types of pension scheme for which the members determine the manner of investment. Those scheme types are principally small self-administered schemes (SSAS) and self-invested personal pensions (SIPP).

### **Responses to Questions**

#### **Measure 1 – Provision for dispute resolution function by TPO, including a function for early resolution of disputes before a determination, following the move of resolution work from The Pensions Advisory Service to TPO**

Whilst we support an early resolution process, we are not clear how this sits with the existing framework especially given the questions put forward in 1b) and 1c) below. If the early resolution process encompasses the provision of awards and has legal status then we don't see any difference to the existing process.

We are, however, happy to comment on the questions as posed in the consultation.

#### **Q1(a): How can government best make provision for dispute resolution by TPO, including a function for early resolution before a determination?**

It would seem sensible for the government to have timeframes set out for individuals that are complaining against their scheme/employer, although consideration must be made that the longer a resolution takes the more costly it can be for a scheme/employer and frustrating for an individual.

#### **Q1(b): Should there be a provision for TPO to make awards or to make such directions as they think fit at the end of any new early resolution process?**

Publication of award levels being made available to consumers would be useful, in the same way that the Pensions Ombudsman publish the levels of their awards for distress. This would lead to realistic expectations of scheme members. However, stipulating awards could undermine a pension firm's own procedures and financial limits where awards to consumers are being considered ahead of any formal complaint to the Ombudsman.

This could work for schemes where there are many members and therefore potentially many disputes, such as GPPs and DB schemes, however for individual plans and smaller schemes, such as SIPPs and SSASs, it would not seem appropriate for such a pension provider to follow award levels set.

A concern would be that payments could be made out of proportion with the level that firms would deem financially reasonable

**Q1(c): At the end of any early resolution process, what should the legal status be of any agreement reached between the parties?**

If an agreement has been reached by all parties there shouldn't be a reason to not legally bind the agreement.

However we understand that the Ombudsman may already have some form of informal early resolution process in place, by way of engaging with larger organisations to discuss actions to reduce complaints further down the line. We wonder if the Ombudsman would be inclined to review those cases in order to ascertain average dispute times and awards made?

**Q2(a): At the end of any early resolution process where agreement has been reached by all parties, does there need to be provision for TPO to close the case?**

Again, if an agreement has been reached by all parties then there shouldn't be a reason to not close the case.

However, we would suggest a period of review after resolution but prior to closure, to ensure that all actions have been completed and the agreement has been honoured by all parties.

**Q2(b): Where agreement has not been reached or the process fails, should parties have a right to proceed to a full investigation or determination by TPO?**

We agree that this seems a fair and reasonable process to follow.

**Q2(c): Should there be specific types of enforcement after the conclusion of any process e.g. where one party breaches an agreement?**

It would seem sensible that the Pensions Ombudsman aligns itself to any enforcement carried out by the Financial Service Ombudsman, given the link and Memorandum of Understanding that exists between them.

**Q3: How should any early resolution process work with an occupational pension scheme's internal dispute resolution procedure?**

AMPS are unable to provide a response to this particular question as relates to The Pensions Regulator code, which does not apply to SIPPs and SSASs.

**Q4: Should provision be made to more clearly signpost who can make complaints to the TPO?**

We feel that there could be better signposting made by TPO so that consumers are aware that this is the direction of where they have the right to complain about any misadministration or mismanagement of a pension scheme.

Most consumers will automatically refer to the Financial Ombudsman as required by the Financial Conduct Authority as this has the greater prominence however it would be more appropriate to signpost to the Pensions Ombudsman where the complaint is relating to maladministration.

However as TPO are considering how to shorten timeframes, as part of this consultation, to the resolution of a complaint, it would seem sensible for TPO to highlight more actively to consumers which Ombudsman their complaint should initially be directed to.

**Measure 2 – Provision to allow an employer to bring a complaint or refer a dispute to TPO on behalf of itself, where it chooses a GPP arrangement for its employees; and provision for associated signposting provisions**

Questions 5 to 10 are not applicable to SIPPs and SSAS and therefore AMPS does not feel it appropriate to respond

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**Dated**

January 2019