

01 December 2014

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Catherine Nicholson  
The Pensions Regulator  
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Dear Catherine,

## **NAPF response to 'Helping small and micro employers identify a pension scheme'**

NAPF welcomes The Pensions Regulator's focus on making automatic enrolment work for small and micro employers. Automatic enrolment can only work successfully if it is made as simple as possible for the 1.2m small and micro employers who are yet to reach their staging date.

The NAPF supports the proposal for a list of schemes and providers who are directly available to all employers, but believes it is essential the list implemented and maintained effectively. In addition to TPR's promotion of the list, many other organisations, such as intermediaries and trade associations, will also want to signpost it to clients and members. This will further increase the list's impact on the market and the importance of making sure it is implemented correctly.

Our concerns are in three areas:

- 1) The list does need to be policed to ensure that schemes are maintaining their commitment to accept all employers, and are able to cope with the level of take-up they are receiving. The consultation highlights how schemes can voluntarily join and leave the list, but not how TPR will monitor the list and potentially remove schemes or providers from it if necessary. There needs to be more clarity on how TPR's oversight of the list will work, particularly if it includes contract-based schemes which are not regulated by TPR.
- 2) It is important that there is transparency on the fees that schemes may be charging employers. Whilst we understand TPR's reticence to maintain an up-to-date list of fees on its website, it could highlight if fees exist on its list and make clear it expects the schemes to be transparent on their levels on their own websites.
- 3) Quality should not be ignored. The Pension Quality Mark provides a benchmark for master trusts through its PQM READY scheme, and schemes that have attained the PQM READY standards should be able to display that on the list.

TPR have engaged with master trusts on this issue through NAPF's DC MES Committee and we hope that engagement continues as the list is implemented.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'RW Wilson', with a stylized, cursive script.

**Richard Wilson**

Policy Lead: DC Pensions