Department for Work & Pensions

GUY OPPERMAN MP
Minister for Pensions

Stephen Timms
Chair, Work and Pensions Committee
House of Commons
London
SW1AA 0AA

22 February 2021

Dear Stephen,

PENSION ADVICE ALLOWANCE

I have been reviewing the transcript of my session with your committee on 27 January 2021 in regard to pension scams and must correct a response I gave to Chris Stephens when he was asking a question about the Pension Advice Allowance (PAA), on which the Treasury is the lead department.

I told Chris that my understanding is that Treasury are taking forward an evaluation of the PAA and are reporting back in 2021. This is in fact not the case. HM Treasury are, as per their original commitment in the Response to the PAA consultation, considering what if any changes can be made to the PAA following the Evaluation of the Financial Advice Market Review (FAMR).

This Evaluation was published in December 2020 and was an important milestone following the work of FAMR. It demonstrated that while the financial advice market is moving in the right direction there are still some policy challenges. HM Treasury intends to consider the effectiveness of the PAA as part of this wider work to tackle any remaining challenges in the financial advice market but does not intend to formally report back on the PAA.

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