



Work and Pensions Committee

House of Commons | London | SW1A 0AA

Tel 020 7219 5831 Email workpencom@parliament.uk Website www.parliament.uk/workpencom

Guy Opperman
Minister for Pensions and Financial Inclusion
Department for Work and Pensions

John Glen
Economic Secretary to the Treasury
HM Treasury

From the Chair

25 November 2021

Dear Guy and John,

Thank you for giving evidence to the Work and Pensions Committee's inquiry, Protecting pension savers—five years on from the Pension Freedoms: Accessing pension savings, last week.

Please could you provide answers to the questions below:

1. What is the Government's view on the success of the Pensions Advice Allowance?
 - a. Do you have any plans to amend the policy?
 - b. Could you outline the mechanisms by which the Pensions Advice Allowance could be amended?
2. The Minister for Pensions and Financial Inclusion told the House that Pension Wise usage should be the norm. I understood, and said so in the Chamber at the time [Commons Official Report, 16 November 2020; Vol. 684, col. 136], that that meant that "taking up Pension Wise guidance should be the norm". You clarified to the Committee that it meant that availability of Pension Wise should be the norm. Please could you set out the Government's view in writing for the Committee?
 - a. In the Commons debate on 16 November, I quoted what Baroness Buscombe, as a DWP Minister, said on 1 May 2018: "We all want people ... to make it the norm to use Pension Wise before accessing their pension" [Lords Official Report, 1 May 2018; Vol. 790, col 1995]. If this is no longer the Department's view, why has it changed?
 - b. You referred in your evidence to "further market research". What research did the Department for Work and Pensions undertake before proposals for what you described as the "beefed up" stronger nudge?

3. Pete Searle, Director, Private Pensions and Arm's-Length Bodies at Department for Work and Pensions, told us that "it would not be helpful in the Department's view" to "push" everyone aged 50 towards Pension Wise. Could you explain on what basis the Department has reached this view?
 - a. Are there plans for elements of Pension Wise appointments to be incorporated into the mid-life MOT?
 - b. A number of witnesses have told us that it is helpful for savers to think through the options for accessing their pensions well before the point of decision. Does the Department disagree with this view?
4. The Minister for Pensions and Financial Inclusion told us that primary legislation was required to trial automatic Pension Wise appointments. How would such a trial differ from the earlier stronger nudge trials, for which no primary legislation was needed?
 - a. The Committee was told that the potential cost of automatic appointments would be between £45 million and £80 million. Please could you share the basis for these calculations with the Committee?
5. Currently, it is not possible to identify individuals rather than holders of pension pots for the purpose of arranging automatic Pension Wise appointments or more generally for policy analysis. Given the importance of understanding pension savings for informing Government policy and the actions of regulators, why is there no programme to address this gap in understanding?

We would be grateful for a reply by **Thursday 9 December**.

Yours sincerely,



Rt Hon Stephen Timms MP
Chair