

## **Written Evidence from Dave Mackrory (APS0063)**

I read an article dated 14th May 2021 (in Money Marketing) about a submission made to the Work and Pensions Committee (the committee) inquiry into pension freedoms and how those accessing pensions are faring five years on since the freedoms were introduced. The article prompts me to write this, my own submission on the subject, which I write in a personal capacity as a consumer who is now accessing parts of my pension provision.

The article I refer to was about the submission to the committee from Standard Life Aberdeen (Abrdn) which I understand calls for the uncrystallised funds pension lump sums (UFPLS) withdrawal method to be scrapped. I would simply like to put forward an opposing view.

I learnt of the UFPLS facility from my Pensionwise session (which was incidentally very helpful) and have subsequently used it for the past three years to take money from pensions held with two different providers. I've found the process to be simple and straightforward and, with my two providers, and some others I understand, free of charges. This is in some contrast to the process my wife has faced with her SIPP provider who don't offer the UFPLS facility. She was obliged to use their drawdown product and was charged for the service. The process seemed to us to be unwieldy, slow and far less straightforward than using the UFPLS facility with either of my providers.

The comparison could of course simply indicate that my providers are on top of their game whereas my wife's provider isn't. It does however seem striking to my wife and I that, although she was charged for using drawdown, she received an inferior service to that which I received at no additional cost.

We're prompted to speculate that the UFPLS process is effectively defined to providers in the pension freedoms legislation, thus making it simple whilst limiting wriggle room for embellishment. Or to look at it another way, that provider derived drawdown products, and their packaging and process, offer opportunity for pension providers to derive income on top of the annual service fee that consumers already pay. One is prompted to wonder whether this might be a part of the agenda for Abrdn in calling for the mundane but effective UFPLS to be scrapped.

Our speculation aside, I'd conclude by again saying that I have found the UFPLS process simple, straightforward and, with my two providers at least, free of additional charges. As such, I would strongly advocate that it's a facility that's retained, and that all private pension providers should be required to make it available.

**May 2021**