

Case study: Pension Switching Remediation

We were selected via a competitive tender in 2010 to deliver all aspects of a pension switching review for a major retail bank. The project started as a review of advice provided to circa 4,000 individuals subsequent to 'Pensions Simplification' on 6th April 2006 (A-Day). The population grew to approximately 10,000 cases after a sampling exercise on pre A-Day cases highlighted a number of additional issues.

At its peak, the Equiniti Hazell Carr team comprised of approximately 70 consultants, including Case Reviewers, management staff, quality checkers, para-planners and actuarial consultants.

The review process included file administration and data gathering to build case files ready for review and to ensure that an accurate assessment and calculation could be performed.

Once file building was complete, the team undertook suitability review activity for all case scenarios, including:

- Personal Pension to Personal Pension switches.
- Switches from multiple ceding or receiving schemes.
- Income drawdown and partial drawdown cases.
- Switches to and from Small Self-Administered Schemes (SSAS) and Self Invested Personal Pensions (SIPP).
- As well as a small population of complex Defined Benefit (DB) transfers.
- Review activity focused on categorising the advice provided by the bank into 'suitable', 'unsuitable' or 'potentially unsuitable'.

Remediation work on unsuitable advice cases was performed through the delivery of prospective loss calculations. Actuarial resource to assist with the design, build, test, sign-off and implementation of the redress calculation tool was also supplied. We then carried out both the redress modelling and checking of these calculations.

Subsequent to the remediation activity, para-planning support was provided to the client's advisers, who initially offered restorative advice and communication of the redress. The intention of all restorative advice was to ensure customers made best use of any redress received.

The team also helped handle post-offer queries and complaints.

Quality assurance was provided to all stages of the process from file build through to case review and redress calculation. Both random sampling and risk based checking was employed.