

**BRITISH STEEL PENSION SCHEME CONSUMER REDRESS SCHEME
INSTRUMENT 2022**

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137A (The FCA’s general rules);
 - (2) section 138C (Evidential provisions);
 - (3) section 137T (General supplementary powers);
 - (4) section 139A (Power of the FCA to give guidance);
 - (5) section 395(5) (The FCA’s and PRA’s procedures);
 - (6) section 404(3) (Consumer redress schemes);
 - (7) section 404A (Rules under s404: supplementary); and
 - (8) paragraph 23 (Fees) of Part 3 (Penalties and Fees) of Schedule 1ZA (the Financial Conduct Authority).
- B. The rule-making powers listed above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 28 February 2023.

Amendments to the Handbook

- D. The modules of the FCA’s Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes in this instrument listed in column (2) below.

(1)	(2)
Glossary of definitions	Annex A
Fees manual (FEES)	Annex B
Consumer Redress Schemes sourcebook (CONRED)	Annex C

Notes

- E. In this instrument, the “notes” (indicated by “**Note:**” or “*Editor’s note:*”) are included for the convenience of readers but do not form part of the legislative text.

Citation

- F. This instrument may be cited as the British Steel Pension Scheme Consumer Redress Scheme Instrument 2022.

By order of the Board
24 November 2022

Annex A

Amendments to the Glossary of definitions

In this Annex, underlining indicates new text.

Amend the following definition as shown.

proposed arrangement (for the purposes of *COBS 19* and *CONRED 4*), refers to the arrangement with *flexible benefits* to which the *retail client* would move and takes into account the subsequent intended pattern of decumulation;

...

Annex B

Amendments to the Fees manual (FEES)

In this Annex, underlining indicates new text and striking through indicates deleted text.

3 Application, Notification and Vetting Fees

...

3.2 Obligation to pay fees

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3.2.7 R Table of application, notification and vetting and other fees payable to the FCA

Part 1A: Application, notification and vetting fees		
(1) Fee payer	(2) Fee payable (£) by reference to the pricing category in <i>FEES</i> 3 Annex 1AR.	Due date
...		
(zn) [deleted]	...	
(zo) In the case of <i>persons</i> in respect of which the <i>FCA</i> has given notice of its intention to take, or appoint a competent person to take, any steps under <i>CONRED</i> 2.5.12R or <u>4.5.1R</u> , either: (i) a Firm (as defined in <i>CONRED</i> 2.1.1R(1)) or <u>4.1.3R</u> ; or (ii) a <i>person</i> falling within <i>CONRED</i> 2.1.2R(1) or <u>4.1.5R</u> .	An amount equal to: (1) a sum determined by the number of hours, or part of an hour, taken by the <i>FCA</i> in relation to work conducted in taking steps under <i>CONRED</i> 2.5.12R or <u>4.5.1R</u> recorded on the <i>FCA</i> 's systems, multiplied by the rate in <i>FEES</i> 3 Annex 9 (11)R; or (2) any amount invoiced to the <i>FCA</i> by a competent person in relation to any work carried out by that competent person in connection with its appointment by the <i>FCA</i> under <i>CONRED</i> 2.5.12R or <u>4.5.1R</u> .	Within 30 <i>days</i> of the date of the invoice.

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Annex C

Consumer Redress Schemes sourcebook (CONRED)

In this Annex, all of the text is new and is not underlined.

Insert the following new chapter, CONRED 4 (British Steel Consumer Redress Scheme), after CONRED 3 (British Steel Pension Scheme Financial Resilience Requirements).

4 British Steel Consumer Redress Scheme

4.1 Application and subject matter of the scheme

Definitions used in this chapter

- 4.1.1 R (1) ‘BSPS’ means the Old British Steel Pension Scheme, which entered a PPF assessment period on 29 March 2018;
- (2) ‘BSPS2’ means the British Steel Pension Scheme in its new format, following the agreement of the Regulated Apportionment Arrangement with Tata Steel UK Limited and the Time to Choose exercise in 2017 under which the BSPS was separated from its sponsor;
- (3) ‘BSPS calculator’ is the calculator used to complete Step 3 of the pension transfer redress calculation in *DISP* App 4.3.19R;
- (4) ‘BSPS DBAAT’ means the British Steel Pension Scheme Defined Benefit Advice Assessment Tool in the form of an Excel spreadsheet at *CONRED* 4 Annex 20R;
- (5) ‘BSPS pension transfer’ means a *pension transfer* of the *consumer’s* BSPS pension arrangement;
- (6) ‘calculation date’ has the same meaning as in *DISP* App 4.1.1R(6);
- (7) ‘causation question’ is whether the *firm’s* failure to comply with the suitability requirements is the effective cause of the *consumer’s* loss;
- (8) ‘comparator scheme’ means, other than as provided by *CONRED* 4 Annex 21 13.1R(4):
- (a) if the advice was given in the period on or before 16 May 2017, BSPS;
 - (b) if the advice was given in the period from 17 May 2017 to 11 October 2017, either or both of BSPS and PPF; and
 - (c) if the advice was given in the period on or after 12 October 2017, BSPS2 and PPF;

- (9) ‘DC pension arrangement’ means any pension arrangement holding the value of the *consumer’s* pension benefits which originated from the BSPS, including where the arrangement has been subsequently switched to a new arrangement;
- (10) ‘DOL’ means the date that the *consumer* left active service in the BSPS;
- (11) ‘FCA DBAAT’ means the FCA Defined Benefit Advice Assessment Tool.
[Editor’s note: the FCA DBAAT is available at <https://www.fca.org.uk/firms/defined-benefit-pension-transfers>]
- (12) ‘material information gap’ means where there is a failure to collect the necessary information so that the *firm* cannot complete an Information Area in the Information Section of the BSPS DBAAT and, as a result, it is not possible to assess the suitability of the advice;
- (13) ‘pension benefits’ are the benefits available to a *consumer* in the named *defined benefit occupational pension scheme(s)* and may include income and lump sum benefits, payable to either a *consumer*, their spouse or dependents, which could commence at specified times;
- (14) ‘PPF’ means the Pension Protection Fund;
- (15) ‘redress offer’ has the same meaning as in *DISP* App 4.1.1R(18);
- (16) ‘relevant period’ means the period commencing on 26 May 2016 and ending on 29 March 2018;
- (17) ‘scheme case’ is a case falling within the subject matter of the scheme that satisfies each of the conditions in *CONRED* 4.2.2R, as modified by *CONRED* 4.2.3R;
- (18) ‘scheme effective date’ means 28 February 2023 and is the date that the *consumer redress scheme* created by this chapter comes into force;
- (19) ‘secondary compensation sum’ has the same meaning as in *DISP* App 4.1.1R(20);
- (20) ‘suitability requirements’ means the requirements specified in paragraph 7.1R of *CONRED* 4 Annex 21R and are:
- (a) the requirements in *COBS* 9.2.1R(1); and

- (b) the common law duty in contract or tort to exercise reasonable skill and care in advising the *consumer* on *pension transfers*,

and that were in force during the relevant period and applicable to a scheme case;

- (21) ‘two-adviser model’ means an arrangement where one *firm* provides the advice on *pension transfers* and a different *firm* provides the advice on the *proposed arrangement*.

- 4.1.2 G Certain words and phrases specific to *CONRED* have the meaning set out in the *Glossary*. All words in italics are defined in the *Glossary*.

Application to firms which gave advice about a pension transfer

- 4.1.3 R This chapter applies to a *firm* which gave advice to a *consumer* in relation to a BPS pension transfer, after which a *consumer* made such a *pension transfer*, and to which advice the suitability requirements applied.

- 4.1.4 G This chapter applies:

- (1) regardless of whether a *firm* advised a *consumer* to transfer their BPS pension benefits to a *pension scheme* with *flexible benefits* or advised a *consumer* against such a course of action; and
- (2) to a *firm* even if a *consumer* to whom the advice was given instructed another *firm* to arrange the BPS pension transfer.

Application to persons who have assumed a firm’s liabilities

- 4.1.5 R (1) This chapter also applies to a *person* that has assumed a liability (including a contingent one) in respect of a failure by a *firm* to whom this chapter applies.
- (2) A *person* in (1) must either:
- (a) perform the obligations the *firm* is required to perform under this chapter; or
 - (b) ensure that those obligations are performed by the *firm*,
- and must notify the *FCA*, by email to BSPSnotifications@fca.org.uk within 1 week of the scheme effective date, as to whether that *person* or the *firm*, or both, will be performing those obligations.
- (3) References in this chapter to a *firm* are to be interpreted as referring to a *person* in (1) where the context so requires.

Wider application of certain provisions

- 4.1.6 R (1) *CONRED* 4.3.10R and *CONRED* 4.4.22R also apply to a *firm* which has carried out any of the following *regulated activities* for a *consumer* in relation to a *BSPS pension transfer*:
- (a) *advising on investments*;
 - (b) *arranging (bringing about) deals in investments*;
 - (c) *making arrangements with a view to transactions in investments*; or
 - (d) *managing investments*.

Duration of the scheme

- 4.1.7 R The *consumer redress scheme* created by this chapter comes into force on the scheme effective date and has no end date.

Subject matter of the scheme

- 4.1.8 R The subject matter of the scheme is whether a *firm* complied with the suitability requirements in scheme cases.
- 4.1.9 G Subject to *CONRED* 4.7.2R(4) and *CONRED* 4.7.3R(4), a scheme case may cease to be within the subject matter of the scheme where any of *CONRED* 4.2.7R(1), *CONRED* 4.2.8R, *CONRED* 4.3.8R or *CONRED* 4.4.20R apply.

Impact of complaints to the Financial Ombudsman Service on scheme deadlines

- 4.1.10 R Where a *consumer* makes a *complaint* to the *Financial Ombudsman Service* following a *redress determination* by a *firm* under this chapter, the remaining time period for completing any subsequent scheme steps in, as applicable, *CONRED* 4.2.1R, *CONRED* 4.3.1R and *CONRED* 4.4.1R is suspended between:
- (1) the date the letter from the *firm* communicating the *redress determination* is sent to the *consumer*; and
 - (2) the date:
 - (a) the *complaint* is resolved by agreement between the *firm* and the *consumer* pursuant to *DISP* 3.5.1R; or
 - (b) the *firm* receives notification from the *Financial Ombudsman Service* of the outcome of the *complaint* in accordance with *DISP* 3.6.6R(5).

Summary of the scheme

- 4.1.11 G *CONRED* 4 Annex 18G contains a flow diagram of the *consumer redress scheme* created by this chapter.

4.2 Consumer redress scheme: identifying scheme cases

Deadline to complete the steps in this section

- 4.2.1 R No more than 1 *month* after the scheme effective date, a *firm* must take the first and second steps set out in this section. The deadline for the third step is set out at *CONRED* 4.2.8R.

First step: identify scheme cases

- 4.2.2 R The first step is for a *firm* to identify all scheme cases. A scheme case is a case that satisfies each of the following conditions:
- (1) a *firm* gave a *consumer* advice in relation to a BPS pension transfer during the relevant period;
 - (2) the advice in (1) was to transfer their BPS pension benefits;
 - (3) the suitability requirements applied to the advice in (1);
 - (4) the *consumer* subsequently transferred their BPS pension benefits;
 - (5) the *consumer* had not, prior to the scheme effective date, accepted an offer of redress from the *firm* or other *person* in full and final settlement of all potential claims arising out of the advice in (1);
 - (6) the *consumer* had not, prior to the scheme effective date, asked the *Financial Ombudsman Service* to deal with a *complaint* against the *firm* arising out of the advice in (1);
 - (7) the advice in (1) was not reviewed in a past business review carried out by a *skilled person* where the *firm* had assessed the *firm's* advice using the FCA DBAAT and notified the *consumer* of the following:
 - (a) the outcome of that review (whether in the *firm's* view the advice met the suitability requirements); and
 - (b) that the *consumer* is entitled to complain to the *Financial Ombudsman Service* if they disagree with the *firm's* assessment;
 - (8) the law applicable to the obligations of the *firm* arising in connection with the advice in (1) is that of a *UK* territory (that is, England and Wales, Scotland or Northern Ireland) (see *CONRED* 4.2.5R); and
 - (9) if the applicable law in (8) is that of England and Wales or Northern Ireland:
 - (a) the *consumer's* BPS pension transfer was on or after 24 November 2016; or

- (b) the *consumer* did not know, and could not have reasonably been expected to know, before 24 November 2019 that they had cause for a claim; or
 - (10) if the applicable law in (8) is that of Scotland:
 - (a) the *consumer's* BSPPS *pension transfer* was on or after 24 November 2017; or
 - (b) the *consumer* did not know, and could not have reasonably been expected to know, before 24 November 2017 that they had cause for a claim.
- 4.2.3 R The condition in *CONRED* 4.2.2R(6) does not apply if a *firm* is declared in *default*.
- Guidance on excluded scheme cases
- 4.2.4 G *CONRED* 4.2.2R(1) does not include a case where the *firm* advised the *client* not to transfer their BSPPS pension benefits, or to remain in the BSPPS, and where the *firm* or a different *firm* subsequently arranged the *pension transfer*.
- Applicable law
- 4.2.5 R For the purposes of *CONRED* 4.2.2R(8), the applicable law is:
- (1) that of the *UK* territory where, in connection with the advice:
 - (a) the *consumer* has agreed to the *firm's terms of business*; and
 - (b) these include a clause providing for the application of the law of a particular *UK* territory (that is, England and Wales, Scotland or Northern Ireland); or
 - (2) (if (1) does not apply) that of the *UK* territory where the *firm* and the *consumer* both habitually reside and where the advice is given; or
 - (3) (if neither (1) nor (2) apply) that of the *UK* territory in which the *consumer* is habitually resident, provided the conditions in *CONRED* 4.2.6R(1) to (2) are satisfied; or
 - (4) (if neither (1), (2) nor (3) apply) that of the *UK* territory in which the *firm* gave the advice.
- 4.2.6 R The conditions referred to in *CONRED* 4.2.5R(3) are that:
- (1) in the *UK* territory in which the *consumer* has their habitual residence, either:
 - (a) the contract under which the advice was provided was preceded by a specific invitation addressed to the *consumer*,

or by advertising, and the *consumer* took all the steps necessary to engage the *firm*; or

(b) the *firm* or its agent received the *consumer's* order; or

(2) the advice was provided at least in part in that *UK* territory.

Second step: send letters to consumers

- 4.2.7 R The second step is for a *firm*:
- (1) in relation to cases which do not meet any one of the conditions in *CONRED* 4.2.2R(1) to (10) (subject to *CONRED* 4.2.3R) (non-scheme cases), to send to the *consumer* a *redress determination* in the form set out in *CONRED* 4 Annex 1R;
 - (2) in relation to all scheme cases, to send to the *consumer* a letter in the form set out in *CONRED* 4 Annex 2R.

Third step: acknowledge opt-outs

- 4.2.8 R Where a *consumer* has responded to a letter sent by a *firm* in accordance with *CONRED* 4.2.7R(2) stating that they do not wish to have their case considered under this *consumer redress scheme*, the *firm* must, within 5 *business days* of receiving the response, send the *consumer* a *redress determination* in the form set out in *CONRED* 4 Annex 3R.
- 4.2.9 R The effect of a *consumer* stating that they do not wish to have their case considered under this scheme and opting out of it is that the scheme case no longer falls within the subject matter of the *consumer redress scheme* created by this chapter.
- 4.2.10 G After any opt-out, a *firm* should handle any *complaint* from a *consumer* in relation to advice about a BPS pension transfer other than in respect of a *redress determination* in accordance with the complaint handling rules in *DISP*.

4.3 Consumer redress scheme: case review

Deadline to complete the steps in this section

- 4.3.1 R No later than 7 *months* from the scheme effective date, a *firm* must take the steps set out in this section.

First step: case review

- 4.3.2 R (1) The first step is for a *firm* to carry out a review of each scheme case ('a case review').
- (2) A case review must be carried out by:

- (a) completing the BSPS DBAAT at *CONRED* 4 Annex 20R, in accordance with the instructions set out in *CONRED* 4 Annex 21R; or
 - (b) using a FCA DBAAT that was completed by the *firm* prior to the scheme effective date.
- (3) Where a BSPS DBAAT is used:
- (a) it must be accompanied by an attestation in the form specified in the BSPS DBAAT; and
 - (b) the attestation in (a) must be made by an *individual* approved to perform the SMF16 (Compliance oversight) *FCA controlled function* for the *firm* or by an *individual* approved to perform another appropriate *senior management function* within the *firm*.
- (4) If a FCA DBAAT is used to carry out a case review:
- (a) it must be accompanied by an attestation in the form specified in *CONRED* 4 Annex 19R; and
 - (b) the attestation in (a) must be made by an *individual* approved to perform the SMF16 (Compliance oversight) *FCA controlled function* for the *firm* or by an *individual* approved to perform another appropriate *senior management function* within the *firm* in accordance with the instructions set out at *CONRED* 4 Annex 21R 12.2 and 12.3.
- 4.3.3 E Non-compliance with any of the evidential provisions set out in the instructions at *CONRED* 4 Annex 21R may be relied upon as tending to establish contravention of *CONRED* 4.3.2R.
- 4.3.4 G In complying with *CONRED* 4.3.2R, a *firm* should have regard to the guidance set out in the instructions at *CONRED* 4 Annex 21R.

Second step: cases of insufficient information

- 4.3.5 R (1) The second step applies only in respect of a scheme case where a *firm* has attempted to comply with the first step (case review) but does not have sufficient information to determine:
- (a) whether it has failed to comply with any of the suitability requirements;
 - (b) the causation question; or
 - (c) both (a) and (b).
- (2) To complete the second step, a *firm* must take the following actions:

- (a) within 5 *business days* of determining that a scheme case falls within (1), send a letter in the form set out in *CONRED 4 Annex 4R* to the *consumer* including, where necessary, a request that the *consumer* completes a letter of authority to authorise the *firm* to obtain further information on their behalf;
- (b) within 5 *business days* of receiving any completed letter of authority from the *consumer* or at the same time as sending the letter in (a) if the *firm* already has such authority, send a letter requesting the information in *CONRED 4 Annex 4R* to one of the following and allow at least 2 weeks to respond:
 - (i) in a scheme case involving a two-adviser model, the *firm* which provided the advice on the *proposed arrangement*; or
 - (ii) in all other cases, any other *firm* that was involved in the BPS pension transfer;
- (c) if no reply is received by the *firm* within 2 weeks of a letter in (a) being sent:
 - (i) within 5 *business days* of the 2 weeks expiring, send a further letter to the *consumer* in the form set out in *CONRED 4 Annex 5R* and allow the *consumer* at least 2 weeks to respond; and
 - (ii) within 5 *business days* of receiving the completed letter of authority from the *consumer*, where relevant, send a letter to the *firms* in (b)(i) or (ii) requesting the necessary information and allow the *firms* at least 2 weeks to respond;
- (d) if no reply is received by a *firm* within 2 weeks of a letter in (b) or (c)(ii) being sent, within 5 *business days* of the 2 weeks expiring, send a further letter to the applicable *firms* requesting the necessary information and allow the *firms* at least 2 weeks to respond;
- (e) if no reply is received by a *firm* to the letters in (c)(i) or (d), take all reasonable steps to contact the *consumer* or, where applicable, any other *firm* by other means; and
- (f) if a reply is received from the *consumer* or a *firm* to whom a letter was sent in accordance with this *rule* but that reply contains insufficient information to determine the matters in (1), the *firm* must take all reasonable steps to obtain further information from the *consumer* or, where applicable, any other *firm* in (b).

- 4.3.6 R A *firm* which, having carried out the second step, has acquired sufficient information to determine the matters in *CONRED* 4.3.5R(1) must proceed to complete the first step (case review) in accordance with *CONRED* 4.3.2R.
- 4.3.7 R A *firm* may determine a scheme case no longer falls within the subject matter of the *consumer redress scheme* created by this chapter if the *firm*:
- (1) has carried out the second step in relation to a scheme case; and
 - (2) still does not have sufficient information to complete the first step.
- 4.3.8 R Where *CONRED* 4.3.7R applies, a *firm* must:
- (1) rate the case ‘non-compliant – material information gap’ in the BSPPS DBAAT or ‘not-compliant-unclear’ in the FCA DBAAT (as appropriate);
 - (2) complete the attestation in *CONRED* 4.3.2R(3) or (4) (as appropriate); and
 - (3) promptly send the *consumer a redress determination* in the form set out in *CONRED* 4 Annex 6R.
- 4.3.9 G Where a *firm* has sent a *consumer a redress determination* pursuant to *CONRED* 4.3.8R(3), the *firm* should handle any subsequent *complaint* from a *consumer* in relation to advice about a BSPPS pension transfer other than in respect of a *redress determination* in accordance with the complaint handling rules in *DISP*.

Obligation on firms connected with transfer advice

- 4.3.10 R A *firm* receiving a request for information pursuant to *CONRED* 4.3.5R(2)(b), *CONRED* 4.3.5R (2)(c)(ii) or *CONRED* 4.3.5R(2)(d) must take all reasonable steps to locate and provide the information requested within any reasonable time periods requested and, in any case, no later than 4 weeks after receiving the request.

Obligation to notify FCA of any failures to elicit response

- 4.3.11 R A *firm* that has sent a further letter to another *firm* in accordance with *CONRED* 4.3.5R(2)(d) and has not received a response to that letter within 4 weeks must notify the *FCA* of this failure at BSPPSnotifications@fca.org.uk promptly and, in any case, within 5 *business days* of the 4 weeks elapsing.

General guidance on second step

- 4.3.12 G Scheme cases to which the second step (in *CONRED* 4.3.5R (cases of insufficient information)) applies are likely to be exceptional, having regard to the record-keeping requirements applicable to *authorised persons* under *FCA rules* (notably *COBS* 9.5, which requires *firms* to retain records relating

to the suitability of *pension transfers* indefinitely and record keeping requirements in *SYSC*).

- 4.3.13 G (1) A *firm* should not refuse to consider a scheme case if there is sufficient information to conclude that it was likely that the advice did not comply with the suitability requirements (but there is insufficient information to conclude that the advice complied with the suitability requirements).
- (2) A *firm* that has sufficient information to assess whether it complied with the suitability requirements should not refuse to answer the causation question unless there are reasonable grounds for requiring further information from the *consumer* to identify what they would have done if the advice met the suitability requirements.

Third step: case review letters to consumers

- 4.3.14 R (1) Where a *firm* concludes that the advice provided to a *consumer* did not comply with the suitability requirements and has answered ‘yes’ to the causation question in the BPS DBAAT or FCA DBAAT, it must:
- (a) send the *consumer* a letter in the form set out in *CONRED 4 Annex 7R*; and
- (b) send the *consumer* a letter in the form set out in *CONRED 4 Annex 10R*, including:
- (i) a list of any of the information set out in paragraph 13.30R of *CONRED 4 Annex 21R* which is required to complete the redress calculation using the BPS calculator and which the *firm* does not already have;
- (ii) if the *consumer* has not already provided the *firm* with authority to enable the *firm* to collect information from third parties on the *consumer’s* behalf, a request that the *consumer* provide such authority;
- (iii) a request that the *consumer* respond to the *firm* to:
- (A) confirm whether they require the *firm* to calculate the redress sum that would be payable by full or partial augmentation;
- (B) where the *consumer* requires the *firm* to calculate the redress sum at (A), provide any information set out at (2) which the *firm* does not already have;
- (C) confirm whether they wish to claim as part of a secondary compensation sum any other

consequential losses as described in *CONRED* 4 Annex 10R; and

- (D) where the *consumer* does wish to claim an amount described in (C), provide the necessary information as set out in *CONRED* 4 Annex 10R;
- (c) where a *firm* already has authority from the *consumer*, at the same time as sending the letter in (b), as necessary, send one or more letters requesting the information in (b)(i) to:
- (i) in a scheme case involving a two-adviser model, the *firm* which provided the advice on the *proposed arrangement*;
 - (ii) any other *firm* that was involved in the BSPS pension transfer or which may hold relevant information (including the provider of the *consumer's* DC pension arrangement and *defined benefit occupational pension scheme*); and
 - (iii) HMRC and DWP; and
- (d) where a *firm* does not have authority at the time of sending the letter at (b) but subsequently receives a letter of authority, send an information request to any of the applicable parties as required by (c)(i) to (iii) within 5 *business days* of receipt of the letter of authority.
- (2) The information to calculate the redress sum that would be payable by full or partial augmentation is:
- (a) the *consumer's* relevant earnings in the current tax year;
 - (b) the value of all pension contributions already made in the current tax year;
 - (c) whether the redress payment would result in the *consumer's* unused annual allowance in the current and previous 3 tax years being exceeded;
 - (d) the expected value of all pensions held by the *consumer* up to the age of 75;
 - (e) any lifetime allowance protections secured by the *consumer*;
 - (f) any applicable lifetime allowance protection enhancement factors;
 - (g) any benefit crystallisation events; and

- (h) whether the *consumer's* money purchase annual allowance has been triggered.
- (3) Where a *firm* concludes that the advice provided to a *consumer* did not comply with the suitability requirements, but has answered 'no' to the causation question in the BSPS DBAAT or FCA DBAAT, the *firm* must send the *consumer* a *redress determination* in the form set out in *CONRED* 4 Annex 8R.
- (4) Where a *firm* concludes that the advice provided to a *consumer* complied with the suitability requirements, it must:
 - (a) send the *consumer* a *redress determination* in the form set out in *CONRED* 4 Annex 9R; and
 - (b) take the steps in *CONRED* 4.3.15R to notify the *FCA*.

Suitable redress determinations: notification to the *FCA*

- 4.3.15 R (1) Where a *firm* concludes that its advice to a *consumer* was suitable, it must notify the *FCA* of the following information:
- (a) the outcome of the *firm's redress determination*; and
 - (b) the *consumer's* name, address, telephone number(s) and, where available, email address.
- (2) A *firm* must comply with the requirement in (1) to notify the *FCA* in the next progress report required under *CONRED* 4.8.2R(2), which is due following the 'opt-out deadline' in (3).
- (3) The opt-out deadline is the date which falls 2 weeks after the date when the *redress determination* required by *CONRED* 4.3.14R(4)(a) is sent by the *firm* to the *consumer*.
- (4) The requirement in (1) does not apply if the *consumer* has informed the *firm* in writing that they do not wish for their details to be passed to the *FCA*.

4.4 Consumer redress scheme: calculating and paying redress

Deadlines to complete the steps in this section

- 4.4.1 R (1) A *firm* must make a *redress determination* pursuant to *CONRED* 4.4.2R or *CONRED* 4.4.20R where it has determined that the advice provided to the *consumer* did not comply with the suitability requirements and has answered 'yes' to the causation question. Subject to (2), the *firm* must:
- (a) not take the first step of calculating and sending the *redress determination* pursuant to *CONRED* 4.4.2R until after 1 April 2023; and

- (b) make such *redress determination* no later than 10 *months* from the scheme effective date.
- (2) The deadline to make the *redress determination* referred to in (1)(b) is extended to 12 *months* from the scheme effective date where a *consumer* has:
 - (a) requested that the *firm* calculate the redress sum that would be payable by full or partial augmentation; or
 - (b) claimed for an amount described at *CONRED* 4.3.14R(1)(b)(iii)(C).

First step: calculate redress and send redress determination

- 4.4.2 R The first step is for a *firm* to calculate the amount of redress owed to a *consumer*:
- (1) in accordance with the relevant *rules* and *guidance* set out in *DISP* App 4 and *DISP* App 4 Annex 1, as modified by *CONRED* 4;
 - (2) by completing the BPS calculator in accordance with the instructions set out in *CONRED* 4 Annex 21R;
 - (3) where requested by a *consumer*, by calculating the redress sum that would be payable by full or partial augmentation outside of the BPS calculator in accordance with (1);

and send the *consumer* a *redress determination* in the form of the letter set out in *CONRED* 4 Annex 13R.

- 4.4.3 R A *firm* must comply with *DISP* App 4 when carrying out the redress calculation, as modified by this section:

Table: application of <i>DISP</i> App 4 rules	
<i>DISP</i> App 4 provisions	Application / modification
Step 1 at <i>DISP</i> App 4.3.3R to <i>DISP</i> App 4.3.14G	Does not apply. A <i>firm</i> must instead follow the steps to obtain information in <i>CONRED</i> 4.
Step 2 at <i>DISP</i> App 4.3.15R to <i>DISP</i> App 4.3.18G	Apply with the following modification: any reference to <i>defined benefit occupational pension scheme</i> is to be replaced with a reference to the appropriate comparator scheme identified in <i>CONRED</i> Annex 21R 13.21R to <i>CONRED</i> Annex 21R 13.26R.

Step 3 at <i>DISP</i> App 4.3.19R to <i>DISP</i> App 4.3.26R.	Applies in full. A <i>firm</i> must use the BSPS calculator to complete Step 3.
Step 4 at <i>DISP</i> App 4.3.27R to <i>DISP</i> App 4.3.35G	Applies in part. A <i>firm</i> must use the BSPS calculator to complete <i>DISP</i> App 4.3.27R to 4.3.29R as described in <i>CONRED</i> Annex 21R to determine the redress components of a cash lump sum.
Step 5 at <i>DISP</i> App 4.3.36R to 4.3.40G	Applies in part. A <i>firm</i> completes Step 5 by sending out the <i>redress determination</i> at <i>CONRED</i> 4 Annex 13R in accordance with the instructions at <i>CONRED</i> 4.4.5R.

- 4.4.4 E Non-compliance with any of the evidential provisions set out in the instructions for the redress calculation at *CONRED* 4 Annex 21R may be relied upon as tending to establish contravention of *CONRED* 4.4.2R.
- 4.4.5 R A *redress determination* in the form of the letter set out in *CONRED* 4 Annex 13R must include the following:
- (1) a copy of a summary report from the BSPS calculator as well as an offer to provide a detailed calculation report from the BSPS calculator if requested by the *consumer*;
 - (2) the information at *DISP* App 4.3.38R to *DISP* 4.3.39R; and
 - (3) where the firm has reached an arrangement with the *consumer* as described at *CONRED* 4.4.9R(1)(b), a comprehensive summary of the instalments agreed.
- 4.4.6 R When a *firm* communicates a redress offer to a *consumer*, it should:
- (1) take reasonable steps to communicate in a way that is fair, clear and not misleading;
 - (2) take into account the information needs of the *consumer*, including their understanding of financial services; and
 - (3) where possible, use plain language and avoid the use of jargon, unfamiliar or technical language.
- 4.4.7 R Where a *consumer* requests a copy of the detailed calculation report from the BSPS calculator, a *firm* must send a letter enclosing such report in the form of the letter set out in *CONRED* 4 Annex 14R within 5 *business days* of receiving such request.

- 4.4.8 R Where a *firm* determines that redress is payable to a *consumer* and the *firm* has not received a claim from the *consumer* within 4 weeks of a *redress determination* being sent pursuant to *CONRED* 4.4.2R, the *firm* must:
- (1) within 5 *business days*, send a further letter to the *consumer* in the form set out in *CONRED* 4 Annex 16R; and
 - (2) if there is no response to the *redress determination* in *CONRED* 4.4.2R within 3 months, send a letter to the *consumer* in the form set out in *CONRED* 4 Annex 17R within 5 *business days* of the 3 months expiring.
- 4.4.9 R Unless *CONRED* 4.4.10R applies, a *firm* must pay the redress determined payable to a *consumer*:
- (1) either:
 - (a) within 28 *days* of receiving a claim from the *consumer* for the redress determined to be payable; or
 - (b) as agreed with the *consumer* pursuant to any arrangement providing for the payment of redress in instalments over one or more tax years pursuant to *DISP* App 4.4.31G(4)(c);
 - (2) in accordance with the instructions set out by the *consumer* in their response to the *redress determination* in which they make their claim;
 - (3) including an additional compensation sum which:
 - (a) is payable to provide redress for the period between the valuation date referred to in *CONRED* 4 Annex 21 13.1R(16) and the payment date; and
 - (b) must be calculated using the BSPS calculator in accordance with *DISP* App 4.3.29(3); and
 - (4) accompanied by a confirmation in the form of the letter set out in *CONRED* 4 Annex 15R including, where appropriate, a comprehensive summary of any arrangement with the *consumer* as described at *CONRED* 4.4.9R(1)(b).
- 4.4.10 R A *firm* does not need to pay redress or otherwise comply with the requirements in *CONRED* 4.4.9R where the *consumer* did not send a claim for it within 3 *months* of the date of the *redress determination* in *CONRED* 4.4.2R, unless the *firm* is required to extend the validity of the redress calculation in accordance with *DISP* App 4.3.25R.
- 4.4.11 R (1) A *firm* must complete the steps at (2) where a *consumer* makes a complaint to the *Financial Ombudsman Service* in respect of a *redress determination* made under *CONRED* 4.4.2R and either of the following apply:

- (a) the *firm* and the *consumer* agree pursuant to *DISP* 3.5.1R that the *redress determination* was correct; or
 - (b) the *firm* receives notification from the *Financial Ombudsman Service* in accordance with *DISP* 3.6.6R(5) upholding the *redress determination*.
- (2) Within 2 weeks of the date where either the *firm* and the *consumer* reach agreement under (1)(a) or the *firm* receives the notification under (1)(b), the *firm* must:
- (a) recalculate the amount of redress owed to the *consumer* pursuant to *CONRED* 4.2.2R in accordance with *CONRED* 4 Annex 21 13.15R(2); and
 - (b) make a further *redress determination* pursuant to *CONRED* 4.2.2R in the form of the letter set out in *CONRED* 4 Annex 13R with an adaptation to the letter to explain the circumstances in which the further *redress determination* is being made.
- 4.4.12 R After the expiry of the 28-day period in *CONRED* 4.4.9R(1)(a) or in the case of an arrangement referred to at *CONRED* 4.4.9R(1)(b) after the expiry of the payment period for each instalment, the redress may be recovered as a debt due to the *consumer* and, in particular, may:
- (1) if a county court so orders in England and Wales, be recovered by execution issued from the county court (or otherwise) as if it were payable under an order of that court; or
 - (2) be enforced in Northern Ireland as a money judgment under the Judgments Enforcement (Northern Ireland) Order 1981; or
 - (3) be enforced in Scotland as if it were an extract registered decree arbitral bearing a warrant for execution issued by the sheriff court of any sheriffdom in Scotland.

[**Note:** This *rule* is imposed by the *FCA* using the powers granted to it under section 404A(1)(m) of the *Act* to make *rules* providing for the enforcement of any redress under a *consumer redress scheme*.]

Second step: cases of insufficient information

- 4.4.13 R The second step applies in respect of a scheme case where:
- (1) a *firm* has not received a response:
 - (a) from a *consumer* ('C') to a letter sent in accordance with *CONRED* 4.3.14R(1)(b) within 2 weeks of the letter being sent; or

- (b) from another *party* to a letter sent in accordance with *CONRED* 4.3.14R(1)(c) or (d) within 2 weeks of the letter being sent; or
 - (2) a *consumer* requests that the *firm* calculate the redress sum that would be payable by full or partial augmentation.
- 4.4.14 R To complete the second step, a *firm* must take the following actions:
- (1) Where *CONRED* 4.4.13R(1) applies within 5 *business days* of:
 - (a) the 2 weeks in *CONRED* 4.4.13R(1)(a) expiring, send a further letter in the form set out in *CONRED* 4 Annex 11R to the *consumer* and allow the *consumer* at least 2 weeks to respond; and
 - (b) the 2 weeks in *CONRED* 4.4.13R(1)(b) expiring, send a further letter to the parties in *CONRED* 4.3.14R(1)(c) requesting the applicable information and allow the parties at least 2 weeks to respond.
 - (2) Where *CONRED* 4.4.13R(2) applies, within 5 *business days* of receiving a request from a *consumer* to calculate the redress sum that would be payable by full or partial augmentation:
 - (a) send a letter to the applicable parties in *CONRED* 4.3.14R(1)(c) requesting the information at *CONRED* 4.3.14R(2) and allow at least 2 weeks to respond; and
 - (b) if no reply is received to the letter at (a), send a further letter to the applicable parties within 5 *business days* of the expiry of the applicable deadline at (a) with a further reminder to provide the applicable information and allow at least 2 weeks to respond.
 - (3) If a reply is received from the *consumer* or the parties specified in *CONRED* 4.3.14R(1)(c) in respect of any information request in connection with the calculation of redress but the information it contains is insufficient to calculate redress in accordance with *CONRED* 4.4.2R, the *firm* should take all reasonable steps to obtain further information from the *consumer* or, where applicable, any other parties in *CONRED* 4.3.14R(1)(c).
- 4.4.15 R A *firm* which, having carried out the second step, has sufficient information to complete the redress calculation using the BSPS calculator and, where requested by the *consumer*, the redress sum that would be payable by full or partial augmentation, must then complete the first step in accordance with *CONRED* 4.4.2R.
- 4.4.16 G Paragraph 13.30R of *CONRED* 4 Annex 21R specifies the information required to complete the redress calculation using the BSPS calculator.

- 4.4.17 R Where a *consumer* has requested a *firm* calculate the redress sum that would be payable by full or partial augmentation or an amount described at CONRED 4.3.14R(1)(b)(iii)(C), but the *firm* does not have sufficient information to make such calculations having taken the applicable steps at CONRED 4.4.13R, the *firm* must proceed to calculate only the redress calculation using the BSPS calculator in accordance with CONRED 4.4.2R (excluding any amount claimed as described at CONRED 4.3.14R(1)(b)(iii)(C)).
- 4.4.18 R A *firm* may determine a scheme case no longer falls within the subject matter of the *consumer redress scheme* created by this chapter if the *firm*:
- (1) has taken all reasonable steps to obtain further information from the *consumer* and the parties specified in CONRED 4.3.14R(1)(c); and
 - (2) does not have sufficient information to calculate redress using the BSPS calculator.
- 4.4.19 R A *firm* must not make a determination pursuant to CONRED 4.4.18R only because, following a request from a *consumer*, it does not have sufficient information to calculate either or both the redress sum that would be payable by full or partial augmentation or any amount described at CONRED 4.3.14R(1)(b)(iii)(C).
- 4.4.20 R A *firm* must promptly send a *consumer* a *redress determination* in the form set out in CONRED 4 Annex 12R if it determines, in accordance with CONRED 4.4.18R, that the scheme case no longer falls within the subject matter of the *consumer redress scheme* created by this chapter.
- 4.4.21 G Where a *firm* has sent a *consumer* a *redress determination* pursuant to CONRED 4.4.20R, the *firm* should handle any subsequent *complaint* from the *consumer* in relation to advice about a BSPS pension transfer other than in respect of a *redress determination* in accordance with the complaint handling rules in DISP and, where possible, calculate redress using the BSPS calculator.

Obligation on firms connected with transfer advice

- 4.4.22 R A *firm* receiving a request for information pursuant to CONRED 4.3.14R or CONRED 4.4.14R must take all reasonable steps to locate and provide the information requested within any reasonable time periods requested and, in any case, no later than 4 weeks after receiving the request.

Obligation to notify FCA of any failures to elicit response

- 4.4.23 R A *firm* that has sent a reminder to an initial information request to another *firm* in accordance with CONRED 4.4.14R and has not received a response to that letter within 4 weeks of it being sent, must notify the FCA of this failure at BSPSnotifications@fca.org.uk within 5 *business days* of the 4 weeks elapsing.

4.5 Taking steps by or on behalf of FCA

- 4.5.1 G (1) If the conditions in (2) are satisfied, the *FCA* may:
- (a) instead of the *firm*, take any of the steps at *CONRED* 4.2 to *CONRED* 4.4; or
 - (b) appoint one or more competent persons to take any of the steps at *CONRED* 4.2 to *CONRED* 4.4.
- (2) The conditions are:
- (a) there has been a material failure by the *firm* to take any of the actions required under this chapter; or
 - (b) the *firm* has informed the *FCA* that it is unable or unwilling to take any of the actions required under this chapter because:
 - (i) to do so would be in breach of a condition of the *firm's* professional indemnity insurance policy; and
 - (ii) the *firm's* insurer has not elected to take such actions on its behalf.
- (3) The *FCA* must give a *firm* prior notice before taking any of the steps under this *rule*.
- 4.5.2 R If the *FCA* gives notice in the circumstances described in *CONRED* 4.5.1R, the *firm* must:
- (1) not carry out (or, as the case may be, continue to carry out) any of the steps to be taken by the *FCA* or the competent person, unless so directed in writing by the *FCA* or competent person (as applicable); and
 - (2) render all reasonable assistance to the *FCA* or competent person (but any assistance, the rendering of which would invalidate the *firm's* professional indemnity insurance policy, is not reasonable for the purposes of this *rule*).
- 4.5.3 G A *firm* is expected to make reasonable efforts to obtain the consent of its professional indemnity insurer to take the relevant steps in relation to this redress scheme, in line with its obligations under *Principle* 11 (Relations with regulators).
- 4.5.4 G Where permitted under the *firm's* professional indemnity insurance policy, a *firm's* insurer can take any of the steps at *CONRED* 4.2 to *CONRED* 4.4 acting on the *firm's* behalf.

- 4.5.5 R (1) If, where the *FCA* or a competent person takes any steps in accordance with *CONRED* 4.5.1R, the *FCA* proposes to make a determination of:
- (a) whether a failure by a *firm* has caused loss to a *consumer*; and
 - (b) what the provisional redress sum should be in respect of any failure,
- the *FCA* must give the *firm* a *warning notice* that specifies the proposed determination.
- (2) The provisional redress sum in (1) must be the amount that would be owed to a *consumer* if a *redress determination* were made pursuant to *CONRED* 4.4.2R on the same date as the *warning notice*.
- 4.5.6 G (1) If the *FCA* decides to make a determination of the matters in *CONRED* 4.5.5R, the *FCA* must give a *firm* a *decision notice* specifying the determination.
- (2) If the *FCA* decides to make such a determination, a *firm* may refer the matter to the *Tribunal*.
- 4.5.7 G Part XXVI of the *Act* (including the provisions as to *final notices*) applies in respect of notices given under *CONRED* 4.5.5R and *CONRED* 4.5.6R.
- 4.5.8 G Where, instead of a *firm*, the *FCA* or, where applicable, a competent person:
- (1) communicates with a *consumer*:
 - (a) they will do so in their own name, making clear in the case of a competent person its authority from the *FCA* to do so; and
 - (b) they may make such amendments to the letters in the forms set out in the Annexes in *CONRED* 4 as are appropriate to reflect that they are being sent in the name of the *FCA* or competent person; or
 - (2) makes the *redress determination* in the letter at *CONRED* 4 Annex 13R, the *FCA* or competent person will:
 - (a) update the provisional redress sum no later than 14 *days* after the issue of a final notice in respect of the *FCA*'s decision to make a determination of the matters in *CONRED* 4.5.5(1)R to reflect the amount that is owed at the time such *redress determination* is made; and
 - (b) send the *firm* a copy of the *consumer*'s response to the *redress determination*.

- 4.5.9 G A fee is payable by the *firm* (or *person* falling within *CONRED* 4.1.5(1)R in any case where the *FCA* exercises its powers under *CONRED* 4.5.1R: see the table at *FEES* 3.2.7R.
- 4.5.10 G The completion of steps in *CONRED* 4.2 to *CONRED* 4.4 by, or on behalf of, the *FCA* does not affect the ability of the *Financial Ombudsman Service* to consider a *complaint*, in particular where the *firm* has not sent a *redress determination* in accordance with the time limits specified under the *consumer redress scheme* created by this chapter.

4.6 Supervision and delegation of scheme process by firms

- 4.6.1 R A *firm* must ensure that the steps required by this chapter are undertaken or supervised by:
- (1) where *DISP* 1.3.7R applies, the *individual* appointed by the *firm*; or
 - (2) a *person* of appropriate seniority in all other cases
- 4.6.2 G (1) A *firm* intending to outsource any of the obligations imposed on it under this chapter should have due regard to the *rules* and *guidance* on outsourcing which are applicable to it, notably in *SYSC*.
- (2) A *firm* which outsources any of the obligations imposed on it under this chapter in respect of communications with *consumers* should ensure that those communications are clear as to the identity of the *firm*.

4.7 Provisions relating to communications with consumers

- 4.7.1 R Whenever a *firm* is required by a provision of this chapter to send a letter in a form set out in a specified Annex in *CONRED* 4, it must:
- (1) do so enclosing any relevant documents or pre-paid envelopes which the *firm* is instructed to enclose in the Annex with that letter;
 - (2) where the letter is a redress determination, enclose the *Financial Ombudsman Service* leaflet and bespoke referral form in respect of such determination;
 - (3) complete the letter by following the instructions in the standard form set out in the specified Annex; and
 - (4) comply with any instructions in the specified Annex to insert, delete, select or complete text.
- 4.7.2 R All letters to *consumers* required under this chapter must be printed on the letterhead of the *firm* and dispatched by recorded delivery mail.
- (1) Where a *firm* becomes aware that the contact details it holds for a *consumer* are out of date, it must take all reasonable steps to obtain

up-to-date contact details and, where appropriate, resend any letter and repeat the steps to contact the *consumer*, required by this chapter.

- (2) If, having complied with (1), a *firm* is unable to contact a *consumer*, it need not take any further action pursuant to this chapter in relation to that *consumer* unless (3) applies.
- (3) If, in reliance on (2), the *firm* has ceased taking action but subsequently becomes aware of up-to-date contact details for that *consumer* within 12 months of the scheme effective date, the *firm* must, where appropriate, resend any letter and repeat the steps to contact the *consumer* required by this chapter.
- (4) Where a *firm* is required in (1) and (3) to resend any letter and repeat the steps to contact the *consumer*, required by this chapter:
 - (a) it must do so even where it has made a *redress determination* pursuant to *CONRED* 4.3.8R or *CONRED* 4.4.20R; and
 - (b) such *redress determination* is void.
- (5) Where a *firm* is resending a letter and repeating steps pursuant to (3), each applicable deadline for those actions by the *firm* is extended according to the length of the delay incurred by the application of (2).

Provisions relating to communications with other firms

- 4.7.3 R (1) Where a *firm* becomes aware that the contact details it holds for a *firm* that it has tried to contact pursuant to *CONRED* 4.3.5R, *CONRED* 4.3.14R(c) and (d), or *CONRED* 4.4.14R ('other *firm*') are out of date, it must take all reasonable steps to obtain up-to-date contact details and, where appropriate, resend any letter and repeat the steps to contact the other *firm* as required by this chapter.
- (2) If, having complied with (1), a *firm* is unable to contact the other *firm*, it need not take any further action pursuant to this chapter in relation to that *firm* unless (3) applies.
 - (3) If, in reliance on (2), the *firm* has ceased taking action but subsequently becomes aware of up-to-date contact details for that *firm* within 12 months of the scheme effective date, the *firm* must, where appropriate, resend any letter and repeat the steps to contact the *firm* required by this chapter.
 - (4) Where a *firm*:
 - (a) has already made a *redress determination* pursuant to *CONRED* 4.3.8R or *CONRED* 4.4.20R; and
 - (b) obtains further information from the other *firm* within 12 months of the scheme effective date which means that the *firm* has sufficient information to determine, as applicable, the

matters in *CONRED* 4.3.5R(1) or to calculate redress using the BSPS calculator,

such *redress determination* is void and the *firm* must take the remaining actions in relation to the relevant *consumer's* case as if the *redress determination* had not been made.

- (5) Where a *firm* is resending a letter and repeating steps pursuant to (1) or (3), or where (4) applies, each applicable deadline for those actions by the *firm* is extended according to the length of the delay incurred by the application of (2).

Guidance on taking reasonable steps to ascertain missing information

4.7.4 G For the purposes of *CONRED* 4.3.5R, *CONRED* 4.3.10R, *CONRED* 4.4.14R, *CONRED* 4.4.22R, *CONRED* 4.7.2 and *CONRED* 4.7.3, 'reasonable steps' might include, as appropriate:

- (1) checking public sources of information, but without incurring disproportionate cost;
- (2) attempting to contact the *consumer* by telephone (at a reasonable hour when the *consumer* is likely to be available to receive the call) and by email; and
- (3) attempting to contact any other party by telephone (during business hours) and by email.

4.7.5 R When taking reasonable steps to ascertain missing information and when they contact a *consumer* a *firm* must:

- (1) only make requests for information that are necessary for assessing compliance with the suitability requirements, the causation question or for the redress calculation using the BSPS calculator and which the *consumer* can reasonably be expected to provide;
- (2) exercise sensitivity when requesting information about a *consumer's* personal circumstances;
- (3) ensure the *consumer* understands what information they have been asked to provide and in what format;
- (4) only ask for information that is likely to be readily accessible to the *consumer* (and obtain the *consumer's* authority to approach third parties for information on their behalf);
- (5) allow the *consumer* at least 14 *days* to respond; and
- (6) make clear why the *firm* is asking for the information and the consequence if the information is not provided.

Prohibition against influencing consumers against their interests

- 4.7.6 R A *firm* must not make any communication to a *consumer* which seeks to influence, for the benefit of the *firm*, the outcome of the steps taken in this chapter, either by seeking to influence the content of information provided by the *consumer* in response to the *firm's* requests made under this chapter or otherwise.

Deceased consumers

- 4.7.7 R Where a *firm* is required to contact a *consumer* under a provision of these rules whom the *firm* knows to be or becomes aware is deceased, it must take all reasonable steps to instead communicate with:
- (1) a personal representative of the *consumer's* estate; or
 - (2) a beneficiary or beneficiaries of their estate or pension.
- 4.7.8 R The provisions of *CONRED* 4.7.2R also apply in respect of a *firm's* communications with *persons* referred to in *CONRED* 4.7.7R.

4.8 Consumer redress scheme: information requirements

Requests for information by the FCA

- 4.8.1 R In relation to any matter concerning or related to the *consumer redress scheme* created by this chapter, section 165 (FCA's power to require information: authorised persons etc) of the *Act* and any provision of Part XI (Information Gathering and Investigations) of the *Act* which relates to that section apply to any *firm* (or *person* in *CONRED* 4) which is not an *authorised person* as if it were an *authorised person*.

Ongoing reporting requirements

- 4.8.2 R
- (1) By 1 month after the scheme effective date, a *firm* must send the *FCA* an initial 'progress report' with the most up-to-date information held by the *firm* in the information categories in *CONRED* 4.8.3R.
 - (2) A *firm* must submit a further progress report every 2 weeks, with the second progress report to be received by the *FCA* no later than 14 *days* after the date the initial report was provided to the *FCA* until the conditions in (3) apply.
 - (3) The conditions are:
 - (a) there are no further steps which the *firm* is or could be required to take pursuant to this chapter in respect of any scheme case; and
 - (b) the *firm* has notified the *FCA* by email to BSPSnotifications@fca.org.uk that the condition in (a) is satisfied and that it intends to stop submitting progress reports in accordance with (2).

- (4) By 6 weeks after the scheme effective date, the *firm* must send the *FCA* a ‘one-off report’ with the information held by the *firm* in the information categories in *CONRED* 4.8.4.
- (5) The reports required by (1), (2) and (4) must:
 - (a) contain an attestation by a *senior manager* responsible for compliance oversight of the *firm* confirming that:
 - (i) the information provided in each of the reports is complete; and
 - (ii) where the information reflects a *redress determination*, that such a determination has been reached in accordance with any applicable rules; and
 - (b) be submitted to the *FCA*:
 - (i) in the case of the reports at (1) and (2) using RegData; or
 - (ii) in the case of the report at (4):
 - (A) using any electronic system which has been made available by the *FCA* for the purposes of submitting the report; or
 - (B) if no such electronic system is available, by email to BSPSnotifications@fca.org.uk.
- (6) Where a *firm* agrees an arrangement with a consumer providing for the payment of redress in instalments over one or more tax years pursuant to *DISP* App 4.3.31G(4)(c), it must within 5 *business days* of reaching such an arrangement notify the *FCA* by email to BSPSnotifications@fca.org.uk.

- 4.8.3 R The progress reports required by *CONRED* 4.8.2R must contain the following information about each scheme case:
- (1) *consumer* identifier;
 - (2) the date the letter at *CONRED* 4 Annex 2R was sent;
 - (3) whether the *consumer* receiving the letter in (2) has opted out of the scheme and the date a *firm* received notification from the *consumer* of their decision to opt-out;
 - (4) where the *firm* has carried out the case review at *CONRED* 4.3.2R:
 - (a) the date the case review was completed;

- (b) a copy of the completed FCA or BSPS DBAAT;
 - (c) whether the scheme case was rated suitable, unsuitable or ‘non-compliant due to a material information gap(s)’ or ‘not-compliant-unclear’ (in the case of the FCA DBAAT);
 - (d) for scheme cases rated as unsuitable, the result of the causation assessment;
- (5) in a case where a *firm* has concluded that the advice was suitable:
- (a) the date a *firm* sent the letter at *CONRED* 4 Annex 9R;
 - (b) the *consumer’s* name, address, telephone number(s) and, where available, email address (in the BPS DBAAT or, where using an FCA DBAAT, in the Reg Data report);
 - (c) whether a *firm* is aware that the *consumer* has complained to the *Financial Ombudsman Service* about the determination communicated in (a);
 - (d) the date a *firm* became aware of any *complaint* in (c); and
 - (e) the outcome of the *complaint* (both suitability and causation as applicable) as notified to the *firm* by the *Financial Ombudsman Service* in accordance with *DISP* 3.6.6R(5);
- (6) in a case where a *firm* has concluded that the advice was unsuitable and answered ‘no’ to the causation question, the date a *firm* sent the letter at *CONRED* 4 Annex 8R;
- (7) in a case where a *firm* has concluded that the advice was unsuitable and answered ‘yes’ to the causation question the date a *firm* sent the letters at:
- (a) *CONRED* Annex 7R; and
 - (b) *CONRED* Annex 10R;
- (8) where a *firm* has completed the redress assessment as required by *CONRED* 4.4.2R, the following in respect of the latest offer of redress made pursuant to the *consumer redress scheme* created by this chapter;
- (a) the date on which the redress calculation was completed;
 - (b) the redress amount rounded to the nearest pound sterling;
 - (c) the date the letter at *CONRED* 4 Annex 13R was sent to the *consumer*;

- (d) a copy of the redress calculation from the BSPS calculator;
 - (e) whether the *consumer* has accepted the offer of redress in (c); and
 - (f) the date on which any redress was paid.
- 4.8.4 R The ‘one-off report’ required by *CONRED* 4.8.2R must contain the following information:
- (1) the number of cases in relation to which a *firm* has sent a *consumer* a letter pursuant to:
 - (a) *CONRED* 4 Annex 1R;
 - (b) *CONRED* 4 Annex 2R; and
 - (2) in respect of (1)(a), a breakdown of the reasons such cases were excluded from the scheme with reference to the relevant condition or conditions at *CONRED* 4.2.2R.
- 4.8.5 G The *consumer* identifier referred to at *CONRED* 4.8.3R(1) should:
- (1) be a number unique to each *consumer* which starts with a *firm*’s FCA firm reference number;
 - (2) not include the *consumer*’s name or other personal data; and
 - (3) be the same *consumer* identifier used on the BSPS DBAAT.
- 4.8.6 R A *firm* must provide copies of the BSPS DBAAT, FCA DBAAT and the redress calculation from the BSPS calculator in the format of a data string in the applicable RegData report.
- 4.8.7 G If the *firm* is to send an encrypted email to the FCA, it should use Egress Switch encryption software.
- [*Editor’s note*: instructions for Egress Switch are available at <https://www.fca.org.uk/egress-switch>]

4.9 Record-keeping requirements

- 4.9.1 R (1) A *firm* must keep the following records:
- (a) evidence of posting for each letter sent in accordance with this chapter;
 - (b) a copy of each letter sent in accordance with this chapter;
 - (c) a record of any attempts to contact the *consumer*, contact any other relevant *firm*, or obtain further information, in

accordance with *CONRED* 4.3.5R, *CONRED* 4.3.14R(1)(c) or (d) and *CONRED* 4.4.14R;

- (d) a copy of the Excel Spreadsheet containing the completed BPS DBAAT or FCA DBAAT for each scheme case;
 - (e) a record of the redress calculation performed by the BPS calculator in Excel Spreadsheet format; and
 - (f) all information on the *consumer* file and any information received from the *consumer*.
- (2) A *firm* must keep the records required by (1) for a minimum of 5 years from the date of their creation or (for the records in (1)(f)) the date when the information was included in the *consumer* file or obtained.

4 Annex Redress determination: consumers outside scope/confirming exclusion 1R

*[Editor's note: The letter(s) can be found at this address:
https://www.handbook.fca.org.uk/form[xxx].]*

[Please delete or amend any drafting instructions in italics before sending]

Rydym yn hapus i ddarparu copi o'r llythyr hwn yn y Gymraeg ar gais. Cysylltwch gyda ni ar cymraeg@fca.org.uk ac fe wnawn anfon copi atoch.

[Firm details]

[Date]

[Customer details]

British Steel consumer redress scheme

We will not review the advice we gave you about your British Steel Pension Scheme benefits

Dear *[Insert name]*,

[If applicable: You were introduced to our firm by *[insert name of introducer firm]* for advice about your British Steel Pension Scheme benefits]

We will not be reviewing the advice we gave you about your British Steel Pension Scheme (BSPS) benefits. We give our reasons for excluding you from the redress scheme below.

If you are unhappy with our decision not to review your advice under the scheme, you should contact the Financial Ombudsman Service within 6 months of the date of this letter. We have enclosed a referral form that you can use to refer your complaint on to them.

You can contact the Financial Ombudsman Service by:

- telephone on 0800 023 4567 or 0300 123 9123; or
- email addressed to BSPS@financial-ombudsman.org.uk.

The Financial Conduct Authority (FCA) has identified that many people were given poor advice to transfer out of the BSPS. The FCA has set up a redress scheme. This scheme means we must review the advice we gave to some customers to see if they could be entitled to a payment.

We are not required to review the advice we gave to you for the following reason(s):

*[You have already complained about our advice to you to transfer out of BSPS. We sent our response to you on *[insert date of final response]* and you accepted an offer in full and final settlement of your complaint.] AND/OR*

[You have already complained about our advice to you to transfer out of BSPS. We sent our response to you on [insert date of final response] and you subsequently referred your complaint to the Financial Ombudsman Service.] AND/OR

[We advised you to remain in BSPS but you transferred out against our advice. This is known as an ‘insistent client’ transfer. If you disagree that you were an ‘insistent client’, you can contact the Financial Ombudsman Service.] AND/OR

[The advice we gave you to transfer out of BSPS has already been assessed by an independent reviewer (known as a ‘Skilled Person’). Because that review has finished and we sent the result to you in our letter of [insert date], we are not required to take further action about the advice we gave you. If you have any questions about this, you can contact the FCA using the details below.] AND/OR

[The scheme only covers advice that was given between 26 May 2016 and 29 March 2018. We advised you on [insert date of advice], so in our view your case is not covered by the scheme.] AND/OR

[For England, Wales and Northern Ireland cases:]

[The scheme only covers advice on pension transfers where the legal time limits for complaining about the advice had not expired on 24 November 2022 when the FCA made the scheme rules. There are two relevant time limits where the case is under the law of England and Wales or Northern Ireland:

- 1. The first is that the date of the transfer must be on or after [24 November 2016]. [If relevant] As you transferred on [insert date of transfer], this time period has expired; and*
- 2. The second is that the date you knew you had a cause for complaint must be on or after [24 November 2019]. This depends on when you knew or ought to have reasonably known there might have been a problem with the advice we gave you. In our view, your case is not covered by the scheme because you should have known you had cause for complaint on [insert date]. We believe this because [insert rationale].]*

OR

[For Scotland cases:]

[The scheme only covers advice on pension transfers where the legal time limits for complaining about the advice had not expired on 24 November 2022 when the FCA made the scheme rules. There are two relevant time limits where the case is under the law of Scotland:

- 1. The first is that the date of the transfer must not be before [24 November 2017]. As you transferred on [insert date of transfer], this time period has expired; and*
- 2. The second is that the date you knew you had a cause for complaint must be on or after [24 November 2017]. This depends on when you knew or ought to have reasonably known there might have been a problem with the advice we gave you. In our view, your case is not covered by the scheme because you should have known you had cause for complaint on [insert date]. We believe this because [insert rationale].]*

What you can do next

If you are unhappy with our decision not to review the advice we gave you, you should contact the Financial Ombudsman Service within 6 months of the date of this letter. The Financial Ombudsman Service will decide whether we have followed the rules of the scheme correctly in our decision to exclude you.

We have enclosed a leaflet explaining the role of the Financial Ombudsman Service, as well as a referral form you can use to refer your complaint on to them. If you decide to complete and send this referral form to them, they will contact you to set up and look into your complaint. Please inform us if you would like an electronic version of these documents, so that you can email a completed referral form to the Financial Ombudsman Service email address below.

You can find out more information on how the Financial Ombudsman Service can help if you want to complain about our decision at www.financial-ombudsman.org.uk/consumers/complaints-can-help/pensions-annuities/transfers-from-workplace-pensions-and-the-pensions-review/british-steel-pension-scheme.

You can contact the Financial Ombudsman Service by:

- telephone: 0800 023 4567 or 0300 123 9123; or
- email: BSPS@financial-ombudsman.org.uk.

You can find out more about the BSPS consumer redress scheme at www.fca.org.uk/bsps. If you want to contact the FCA, you can:

- call its Consumer Helpline on 0800 098 4100; or
- email consumer.enquiries@fca.org.uk.

If you would like to contact the FCA using next generation text relay, please call on (18001) 0207 066 1000. If you would like to contact the Financial Ombudsman Service using next generation text relay, please call on (18002) 0207 964 1000.

If you have any questions about our review, you can phone or email us [*insert contact details*]. We are available between [*insert contact hours*].

You should contact us directly if you have any other complaint about our services.

Yours sincerely,

<signature>

<name of adviser or customer service>

Enclosure:

Financial Ombudsman Service leaflet and bespoke referral form

Mailmerge insert to go with FCA letter to consumers out-of-scope of the assessment. Details in *Italics* to be pre-populated.



[Customer name]
 [Address 1]
 [Address 2]
 [Postcode]
 [City]
 [Email address]
 [Telephone number]
 Firm Name: [X] (the 'Firm')
 Firm Reference Number: [X]

British Steel Pension Scheme Consumer Redress Scheme - Complaint to the Financial Ombudsman Service about Out-of-Scope Assessment

I have received a letter from my firm saying they will not be reviewing the advice they provided on my British Steel Pension Scheme and they have excluded me from the s404 redress scheme.

I am unhappy with that decision and would like it to be reviewed by the Financial Ombudsman Service (FOS).

I understand that FOS will contact me to set up my complaint and will request further information. Please tick:

- I confirm the contact details at the top of this letter are correct; or
- The contact details are not correct and I have updated this information below:

Customer name: _____

Address 1: _____

Address 2: _____

Postcode: _____

City: _____

Email address: _____

Telephone number: _____

How would you like FOS to contact you? Phone Email Post

There will be times FOS need to write to you, for example, to send you the outcome of your complaint. When FOS do, would you prefer an email or letter? Email Post

Have you used FOS services before? Yes No

(This is so FOS can link records)

Do you have any practical needs where we could help by making adjustments – like using large print, Braille or a different language?

Please sign to confirm you would like the FOS to contact you to look into your complaint:

Signed:

Date:

Please return this letter to the Financial Ombudsman Service using their Freepost address at:

Freepost BSPS REDRESS SCHEME

Financial Ombudsman Service

London

E14 9SR

For information on the Financial Ombudsman Service's privacy notice for consumers on how they use your personal information when you contact them, or bring a complaint to the Financial Ombudsman Service, please visit:

- www.financial-ombudsman.org.uk/privacy-policy

**4 Annex Consumer within scope/confirming inclusion
2R**

[*Editor's note:* The letter(s) can be found at this address:
[https://www.handbook.fca.org.uk/form\[xxx\].](https://www.handbook.fca.org.uk/form[xxx].)]

[Please delete or amend any drafting instructions in italics before sending]

Rydym yn hapus i ddarparu copi o'r llythyr hwn yn y Gymraeg ar gais. Cysylltwch gyda ni ar cymraeg@fca.org.uk ac fe wnawn anfon copi atoch.

[Firm details]

[Date]

[Consumer details]

British Steel consumer redress scheme

We will review the advice we gave you to transfer out of the British Steel Pension Scheme

Dear [*Insert name*],

[If applicable: You were introduced to our firm by [*insert name of introducer firm*] for advice about your British Steel Pension Scheme benefits]

You could be owed money for the advice we gave you to transfer out of the British Steel Pension Scheme (BSPS). The FCA requires all firms who advised BSPS members to transfer to be part of a consumer redress scheme.

We will review whether our advice was unsuitable and let you know the result by [*insert day date month year*]. You do not have to do anything unless we need more information from you to complete our review. We will contact you if this is the case.

If you do not want us to review the advice you were given, please complete the enclosed form and return it to us by [*insert day date month year*].

The Financial Conduct Authority (FCA) has gathered evidence that suggests nearly half of the advice given to people to transfer out of the BSPS was unsuitable. Unsuitable advice is advice that was not in line with FCA requirements. We will review the advice we gave you to decide if it was unsuitable.

If we find that we gave you unsuitable advice, we will ask you for some information to help us check if you are owed money. We will do this by calculating if our advice caused you a financial loss. If our advice did cause you a loss, we will be required to offer you a payment. The payment will aim to put you in the position you would have been in if we had given you suitable advice. **Whatever the result of our review, you will not need to pay anything.**

You do not need to do anything unless we ask you for information to help us complete our review. We will contact you if this is the case. We will tell you the result of our review by *[insert day date month year]*.

You do not need to use a claims management company as it will not affect our review and, if you do, they will charge you for the service.

If you **do not** want us to review the advice we gave, please let us know by completing the enclosed form and returning it to us by *[insert day date month year]*. If you opt-out, you may end up with less money during your retirement than you should have had.

You can find out more about the BPS consumer redress scheme at www.fca.org.uk/bps. If you want to contact the FCA, you can:

- call its Consumer Helpline on 0800 098 4100; or
- email consumer.enquiries@fca.org.uk.

If you would like to contact the FCA using next generation text relay, please call on (18001) 0207 066 1000.

If you have any questions about our review, you can phone or email us *[insert contact details]*. We are available between *[insert contact hours]*.

Yours sincerely,

<signature>

<name of adviser or customer service>

Opting out of the review of the advice given to you

[I/We] have enclosed 2 copies of this letter.

If you DO NOT want us to review our advice to transfer out of the BPS:

- (1) Tick the box below on 1 copy of this letter; and
- (2) Send this letter to [me/us] by [date].

CONFIRMATION THAT I DO NOT WANT MY ADVICE REVIEWED

I do not want you to review the advice you gave me to transfer out of the BPS to see if I am entitled to a payment.

Please be aware that if you decide you DO NOT want us to review your advice, you could lose out on a payment and may end up with less money during your retirement than you should have had.

4 Annex 3R Redress determination: confirmation of consumer opt-out

[*Editor's note:* The letter(s) can be found at this address:
[https://www.handbook.fca.org.uk/form\[xxx\].](https://www.handbook.fca.org.uk/form[xxx].)]

[Please delete or amend any drafting instructions in italics before sending]

Rydym yn hapus i ddarparu copi o'r llythyr hwn yn y Gymraeg ar gais. Cysylltwch gyda ni ar cymraeg@fca.org.uk ac fe wnawn anfon copi atoch.

[Firm details]

[Date]

[Consumer details]

British Steel consumer redress scheme

We will not review the advice we gave you to transfer out of the British Steel Pension Scheme

Dear [*Insert name*],

[If applicable: You were introduced to our firm by [*insert name of introducer firm*] for advice about your British Steel Pension Scheme benefits]

You have told us that you do not want us to review the advice we gave you to transfer out of the British Steel Pension Scheme.

As a result, we will not take any further action.

If you do not agree that you opted out of the review, you should contact the Financial Ombudsman Service within 6 months of the date of this letter. We have enclosed a referral form that you can use to refer your complaint on to them.

You can contact the Financial Ombudsman Service by:

- telephone on 0800 023 4567 or 0300 123 9123; or
- email addressed to BSPS@financial-ombudsman.org.uk.

The Financial Conduct Authority (FCA) has identified that many people were given unsuitable advice to transfer out of the British Steel Pension Scheme (BSPS).

We wrote to you on [*insert date of letter*] to tell you that we would review the advice we gave you to transfer out of the BSPS. You then told us on [*insert date of opt out*] that you did not want us to do this review. We can confirm that we will not take any further action.

This letter does not affect your ability to complain to us or to take legal action. However, if you do not take action promptly, you may find that the time limit has passed for you to do so. Details of our usual complaints procedure are attached.

If you do not agree that you opted out of the review, you should contact the Financial Ombudsman Service within 6 months of the date of this letter. The Financial Ombudsman Service will decide whether we have followed the rules of the scheme correctly in our decision not to take any further action.

We have enclosed a leaflet explaining the role of the Financial Ombudsman Service, as well as a referral form you can use to refer your complaint on to them. If you decide to complete and send this referral form on to them, they will contact you to set up and look into your complaint.

Please inform us if you would like an electronic version of these documents, so that you can email a completed referral form to the Financial Ombudsman Service email address below. You can find out more information on how the Financial Ombudsman Service can help if you want to complain about our decision at www.financial-ombudsman.org.uk/consumers/complaints-can-help/pensions-annuities/transfers-from-workplace-pensions-and-the-pensions-review/british-steel-pension-scheme.

You can contact the Financial Ombudsman Service by:

- telephone: 0800 023 4567 or 0300 123 9123; or
- email: BSPS@financial-ombudsman.org.uk.

You can find out more about the reviews that firms must do at www.fca.org.uk/bsps. If you want to contact the FCA, you can:

- call its Consumer Helpline on 0800 098 4100; or
- email consumer.enquiries@fca.org.uk.

If you would like to contact the FCA using next generation text relay, please call on (18001) 0207 066 1000. If you would like to contact the Financial Ombudsman Service using next generation text relay, please call on (18002) 0207 964 1000.

Yours sincerely,

<signature>

<name of adviser or customer service>

Enclosures:

Financial Ombudsman Service leaflet and bespoke referral form
Details of how to complain to us

Mailmerge insert to go with FCA letter to consumers who opted-out of providing their contact details. Details in *Italics* to be pre-populated



[*Customer name*]
 [*Address 1*]
 [*Address 2*]
 [*Postcode*]
 [*City*]
 [*Email address*]
 [*Telephone number*]
 Firm Name: [X] (the 'Firm')
 Firm Reference Number: [X]

British Steel Pension Scheme Consumer Redress Scheme – Complaint to the Financial Ombudsman Service about Opt-Out from Assessment

I have received a letter from my firm saying that I do not want them to review the advice they provided me to transfer out of the British Steel Pension Scheme and that they will not take any further action.

I am unhappy with their decision and would like it to be reviewed by the Financial Ombudsman Service (FOS).

I understand that FOS will contact me to set up my complaint and will request further information. Please tick:

- I confirm the contact details at the top of this letter are correct, or
- The contact details are not correct and I have updated this information below:

Customer name: _____

Address 1: _____

Address 2: _____

Postcode: _____

City: _____

Email address: _____

Telephone number: _____

How would you like FOS to contact you? Phone Email Post

There will be times FOS need to write to you, for example, to send you the Email Post

outcome of your complaint. When FOS do, would you prefer an email or letter?

Have you used FOS services before? Yes No

(This is so FOS can link records)

Do you have any practical needs where we could help by making adjustments – like using large print, Braille or a different language?

Please sign to confirm you would like the FOS to contact you to look into your complaint:

Signed:

Date:

Please return this letter to the Financial Ombudsman Service using their Freepost address at:

Freepost BSPS REDRESS SCHEME

Financial Ombudsman Service

London

E14 9SR

For information on the Financial Ombudsman Service's privacy notice for consumers on how they use your personal information when you contact them, or bring a complaint to the Financial Ombudsman Service, please visit:

- www.financial-ombudsman.org.uk/privacy-policy

**4 Annex Further information request (1): initial request
4R**

*[Editor's note: The letter(s) can be found at this address:
https://www.handbook.fca.org.uk/form[xxx].]*

[Please delete or amend any drafting instructions in italics before sending]

Rydym yn hapus i ddarparu copi o'r llythyr hwn yn y Gymraeg ar gais. Cysylltwch gyda ni ar cymraeg@fca.org.uk ac fe wnawn anfon copi atoch.

[Firm details]

[Date]

[Consumer details]

British Steel consumer redress scheme

ACTION REQUIRED – We need some information from you to help us review the advice we gave you to transfer out of the British Steel Pension Scheme

Dear *[Insert name]*,

[If applicable: You were introduced to our firm by *[insert name of introducer firm]* for advice about your British Steel Pension Scheme benefits]

We need some information from you so we can review the advice we gave you to transfer out of the British Steel Pension Scheme (BSPS).

The information we need is listed below.

[If information is being requested from a third party]

So that we can collect this information from other parties on your behalf, please sign the attached 'Letter of Authority' form and return it to us by *[insert Day Date Month Year]*.

[If information is being requested from the consumer]

Please send this information to us by *[insert Day Date Month Year]*. You can send this information to us by post (return envelope included) or by email: *[insert firm email]*. If we do not receive this information, we may not be able to complete our review of the advice we gave you and you may end up with less money during your retirement than you should have had.

The Financial Conduct Authority (FCA) has identified that many people were given unsuitable advice to transfer out of the BSPS.

We wrote to you on *[insert date]* to confirm that we will review the advice we gave you to transfer out of the BSPS. If our review finds that this advice was unsuitable, we will calculate whether you have suffered a financial loss and if you are owed money. This payment aims to put you in the position you would have been in if we had given you suitable advice and you

had stayed in BSPS. **Whatever the result of our review, you will not have to pay anything.**

We now need more information so we can review the advice we gave you to transfer out of BSPS.

[If information is being requested from a third party]

So that we can collect this information for you from *[insert name of third party the data will be sought from, if known]*, please sign the attached 'Letter of Authority' form and return it by *[insert Day Date Month Year]*.

If we become insolvent before we can complete our review, the Financial Services Compensation Scheme (FSCS) will step in to assess whether you are due a payment. As such, the attached form also asks you to authorise FSCS to collect information on your behalf, should this become necessary.

Information on how FSCS collects and uses your data can be found here:

<https://www.fscs.org.uk/data-protection-statement/privacy-notice/>.

[If information is being requested from the consumer]

Please send us the information listed below by *[insert Day Date Month Year]*

- ***[Insert information required in bold, bulleted list].***

[Please note you need to delete this information box before you send this letter to the consumer. It is to help you prepare the letter.

Firms should only request the information set out in CONRED 4 that is necessary to complete the case review.

When you request information from a consumer you should:

- *only make requests for information that are necessary and which the consumer can reasonably be expected to provide;*
- *be sensitive when requesting information about a consumer's personal circumstances;*
- *ensure the consumer understands what information they have been asked to provide and in what format;*
- *only ask for information that is likely to be readily accessible to the consumer (and get the consumer's authority to approach third parties for information on their behalf);*
- *allow the consumer at least 14 days to respond; and*
- *make clear why the firm is asking for the information and the consequence if the information is not provided.]*

If you do not give us this information, we may not be able to complete our review and you may end up with less money during your retirement than you should have had.

You do not need to use a claims management company as it will not affect our review and, if you do, they will charge you for the service. This may mean that you do not receive the full amount of money you may be entitled to.

If you have any problems providing this information or any questions about our review, you can phone or email us [*insert contact details*]. We are available between [*insert contact hours*].

By returning the enclosed form, you consent to us collecting the information on your behalf. You can withdraw that consent at any time by contacting us by phone, email or post [using the same contact details.] [return envelope included]

Yours sincerely,

<signature>

<name of adviser or customer service>

Enclosures:

1. Pre-paid envelope
2. Letter of Authority

LETTER OF AUTHORITY

To whom it may concern

RE: authority to obtain information on behalf of [enter consumer name] [enter consumer date of birth] [enter consumer current address and previous addresses where relevant] [enter policy number if known / applicable] as part of the Financial Conduct Authority's British Steel consumer redress scheme

I, [enter consumer name] [enter consumer date of birth], authorise [enter firm name] [enter firm address] to collect information on my behalf about my previous and current pension arrangements to assess the advice I was given and, if appropriate, to calculate any money I may be owed following the transfer of my British Steel Pension Scheme pension benefits, as part of the British Steel consumer redress scheme.

I further authorise the Financial Services Compensation Scheme to collect on my behalf any information it may require to perform its statutory functions, including processing my claim as part of the British Steel consumer redress scheme.

Signature:

Date:

**4 Annex Further information request (2): final reminder
5R**

*[Editor's note: The letter(s) can be found at this address:
[https://www.handbook.fca.org.uk/form\[xxx\].](https://www.handbook.fca.org.uk/form[xxx].)]*

[Please delete or amend any drafting instructions in italics before sending]

Rydym yn hapus i ddarparu copi o'r llythyr hwn yn y Gymraeg ar gais. Cysylltwch gyda ni ar cymraeg@fca.org.uk ac fe wnawn anfon copi atoch.

[Firm details]

[Date]

[Consumer details]

British Steel consumer redress scheme

FINAL REMINDER – We still need some information from you to help us review the advice we gave you to transfer out of the British Steel Pension Scheme

Dear *[Insert name]*,

[If applicable: You were introduced to our firm by *[insert name of introducer firm]* for advice about your British Steel Pension Scheme benefits]

We wrote to you on *[insert Day Date Month Year]* to say we need information to help us review the advice we gave you to transfer out of the British Steel Pension Scheme (BSPS). We have not yet received this information from you.

The information we need from you is listed below.

[If information is being requested from a third party]

So that we can collect this information from other parties on your behalf, please sign the attached 'Letter of Authority' form and return it to us by *[insert Day Date Month Year]*.

[If information is being requested from the consumer]

Please send this information to us by *[insert Day Date Month Year]*. You can send this information to us by post (return envelope included) or by email: *[insert firm email]*.

If we do not receive this information, we may not be able to complete our review of the advice we gave you and you may end up with less money during your retirement than you should have had.

The Financial Conduct Authority (FCA) has identified that many people were given unsuitable advice to transfer out of the BSPS.

We wrote to you on *[insert date]* to say that we will review the advice we gave you to transfer out of the BSPS. If our review finds that the advice we gave you was unsuitable and resulted in a financial loss to you, we must give you a payment. This money will aim to put

you in the position you would have been in if we had given you suitable advice and you had stayed in the BPS. **Whatever the result of our review, you will not have to pay anything.**

[If information is being requested from a third party]

So that we can collect this information for you from *[insert name of third party the data will be sought from, if known]*, please sign the attached 'Letter of Authority' form and return it by *[insert Day Date Month Year]*.

If we become insolvent before we can complete our review, the Financial Services Compensation Scheme (FSCS) will step in to assess whether you are due a payment. As such, the attached form also asks you to authorise FSCS to collect information on your behalf, should this become necessary.

Information on how FSCS collects and uses your data can be found here:

<https://www.fscs.org.uk/data-protection-statement/privacy-notice/>.

[If information is being requested from the consumer]

Please send us the information listed below by *[insert Day Date Month Year]*

- *[Insert information required in bold, bulleted list].*

Please note you should delete this information box before you send this letter to the consumer. It is to help you prepare the letter.

Firms should only request the information set out in CONRED 4 Annex 16R 13.9R that is necessary to complete the case review.

When you request information from a consumer you should have regard to Principles 6 and 7 and should:

- *only make requests for information that are necessary and which the consumer can reasonably be expected to provide;*
- *be sensitive when requesting information about a consumer's personal circumstances;*
- *ensure the consumer understands what information they have been asked to provide and in what format;*
- *only ask for information that is likely to be readily accessible to the consumer (and get the consumer's authority to approach third parties for information on their behalf);*
- *allow the consumer at least 14 days to respond; and*
- *make clear why the firm is asking for the information and the consequence if the information is not provided.*

If you do not give us this information, we may not be able to complete our review and you may end up with less money during your retirement than you should have had.

You do not need to use a claims management company as it will not affect our review and, if you do, they will charge you for the service.

If you have any problems providing this information or any questions about our review, you can phone or email us *[insert contact details]*. We are available between *[insert contact hours]*.

By returning the enclosed form, you consent to us collecting the information on your behalf.

You can withdraw that consent at any time by contacting us by phone, via email or post [using the same contact details] [return envelope included].

Yours sincerely,

<signature>

<name of adviser or customer service>

Enclosures:

1. Pre-paid envelope
2. Letter of Authority

LETTER OF AUTHORITY

To whom it may concern

RE: authority to obtain information on behalf of [enter consumer name] [enter consumer date of birth] [enter consumer current address and previous addresses where relevant] [enter policy number if known / applicable] as part of the Financial Conduct Authority's British Steel consumer redress scheme

I, [enter consumer name] [enter consumer date of birth], authorise [enter firm name] [enter firm address] to collect information on my behalf about my previous and current pension arrangements to assess the advice I was given, and if appropriate, to calculate any money I may be owed following the transfer of my British Steel Pension Scheme pension benefits, as part of the British Steel consumer redress scheme.

I further authorise the Financial Services Compensation Scheme to collect on my behalf any information it may require to perform its statutory functions, including processing my claim as part of the British Steel consumer redress scheme.

Signature:

Date:

4 Annex Redress determination: further information not provided 6R

[*Editor's note:* The letter(s) can be found at this address:
[https://www.handbook.fca.org.uk/form\[xxx\].](https://www.handbook.fca.org.uk/form[xxx].)]

[Please delete or amend any drafting instructions in italics before sending]

Rydym yn hapus i ddarparu copi o'r llythyr hwn yn y Gymraeg ar gais. Cysylltwch gyda ni ar
cymraeg@fca.org.uk ac fe wnawn anfon copi atoch.

[Firm details]

[Date]

[Consumer details]

British Steel consumer redress scheme

We are stopping our review of the advice we gave you to transfer out of the British Steel Pension Scheme

Dear [*Insert name*],

[If applicable: You were introduced to our firm by [insert name of introducer firm] for advice about your British Steel Pension Scheme benefits]

We are not able to complete our review of the advice we gave you to transfer out of the British Steel Pension Scheme (BSPS). This is because you did not provide the information we asked for.

We wrote to you on [*insert dates of initial letter and reminder letter*] to tell you that we needed some information from you to help us complete this review. We also tried to contact you [*insert details*] without success.

As a result, your case is no longer covered by the scheme and we are stopping our review.

If you are unhappy with our decision, you should contact the Financial Ombudsman Service within 6 months of the date of this letter. We have enclosed a referral form that you can use to refer your complaint on to them.

You can contact the Financial Ombudsman Service by:

- telephone on 0800 023 4567 or 0300 123 9123; or
- email addressed to BSPS@financial-ombudsman.org.uk .

What you can do next

This letter does not affect your ability to complain to us or take legal action. However, if you do not take action promptly, you may find that the time limit has passed for you to do so. If you still want us to review the advice we gave you, you should make a complaint to us

outside of the scheme, through our usual complaints procedure. Details of how to complain are attached.

If you are unhappy with our decision that we are unable to review the advice we gave you because you did not provide the information we asked for, you can contact the Financial Ombudsman Service within 6 months of the date of this letter. The Financial Ombudsman Service will decide whether we have followed the rules of the consumer redress scheme correctly.

We have enclosed a leaflet explaining the role of the Financial Ombudsman Service, as well as a referral form you can use to refer your complaint on to them. If you decide to complete and send this referral form on to them, they will contact you to set up and look into your complaint.

Please inform us if you would like an electronic version of these documents, so that you can email a completed referral form to the Financial Ombudsman Service email address below. You can find out more information on how the Financial Ombudsman Service can help if you want to complain about our decision at www.financial-ombudsman.org.uk/consumers/complaints-can-help/pensions-annuities/transfers-from-workplace-pensions-and-the-pensions-review/british-steel-pension-scheme.

You can contact the Financial Ombudsman Service by:

- telephone: 0800 023 4567 or 0300 123 9123; or
- email: BSPS@financial-ombudsman.org.uk.

You can find out more about the BSPS consumer redress scheme at www.fca.org.uk/bsps. If you want to contact the Financial Conduct Authority (FCA), you can:

- call its Consumer Helpline on 0800 098 4100; or
- email consumer.enquiries@fca.org.uk.

If you would like to contact the FCA using next generation text relay, please call on (18001) 0207 066 1000. If you would like to contact the Financial Ombudsman Service using next generation text relay, please call on (18002) 0207 964 1000.

Yours sincerely,

<signature>

<name of adviser or customer service>

Enclosures:

Financial Ombudsman Service leaflet and bespoke referral form

Details of how to complain to us

Mailmerge insert to go with FCA letter to consumers where further information was not provided for assessment. Details in *Italics* to be pre-populated.



[Customer name]
[Address 1]
[Address 2]
[Postcode]
[City]
[Email address]
[Telephone number]
Firm Name: [X] (the 'Firm')
Firm Reference Number: [X]

British Steel Pension Scheme Consumer Redress Scheme - Complaint to the Financial Ombudsman Service about Further Information Required Assessment

I have received a letter from my firm saying that they will not be reviewing the advice they provided on my British Steel Pension Scheme because I have not provided further information they requested to determine the suitability of advice.

I am unhappy with that decision and would like it to be reviewed by the Financial Ombudsman Service (FOS).

I understand that FOS will contact me to set up my complaint and will request further information. Please tick:

- I confirm the contact details at the top of this letter are correct; or
 The contact details are not correct, and I have updated this information below:

Customer name: _____

Address 1: _____

Address 2: _____

Postcode: _____

City: _____

Email address: _____

Telephone number: _____

How would you like FOS to contact you? Phone Email Post

There will be times FOS need to write to you, for example, to send you the Email Post

outcome of your complaint. When FOS do, would you prefer an email or letter?

Have you used FOS services before? Yes No

(This is so FOS can link records)

Do you have any practical needs where we could help by making adjustments – like using large print, Braille or a different language?

Please sign to confirm you would like the FOS to contact you to look into your complaint:

Signed:

Date:

Please return this letter to the Financial Ombudsman Service using their Freepost address at:

Freepost BSPS REDRESS SCHEME

Financial Ombudsman Service

London

E14 9SR

For information on the Financial Ombudsman Service’s privacy notice for consumers on how they use your personal information when you contact them, or bring a complaint to the Financial Ombudsman Service, please visit:

- www.financial-ombudsman.org.uk/privacy-policy

4 Annex Notification of finding of unsuitable advice 7R

[*Editor's note:* The letter(s) can be found at this address:
[https://www.handbook.fca.org.uk/form\[xxx\].](https://www.handbook.fca.org.uk/form[xxx].)]

[Please delete or amend any drafting instructions in italics before sending]

Rydym yn hapus i ddarparu copi o'r llythyr hwn yn y Gymraeg ar gais. Cysylltwch gyda ni ar cymraeg@fca.org.uk ac fe wnawn anfon copi atoch.

[Firm details]

[Date]

[Consumer details]

British Steel consumer redress scheme

We gave you unsuitable advice to transfer out of the British Steel Pension Scheme

Dear [*Insert name*],

[If applicable: You were introduced to our firm by [insert name of introducer firm] for advice about your British Steel Pension Scheme benefits]

We have reviewed the advice we gave you to transfer out of the British Steel Pension Scheme (BSPS). Our review has found that we gave you unsuitable advice.

This means that you may be entitled to a payment. But first we need to calculate whether our unsuitable advice caused you a financial loss and whether we owe you any money. We will tell you the result of our calculation by [*insert date*].

How did we reach this decision?

We have found that the advice we gave you to transfer out of the BSPS was unsuitable.
[*Insert reason: summarise the information in the assessment template which led to the finding that the advice was unsuitable.*]

We will now take steps to calculate whether our advice caused you a financial loss and, if so, how much money we owe you. Any money we pay you will aim to put you in the position you would have been in had you been given suitable advice and stayed in the BSPS.

Whatever the result of our calculation, you will not have to pay anything.

We will send you a separate letter to ask you for information to help us complete the calculation. Once we have this information, we can complete the calculation. We will tell you the result of the calculation by [*insert date*].

You do not need to use a claims management company as it will not affect our calculation and, if you do, they will charge you for the service.

You can find out more about the BSPS consumer redress scheme at www.fca.org.uk/bsps. If you want to contact the Financial Conduct Authority (FCA), you can:

- call its Consumer Helpline on 0800 098 4100; or
- email consumer.enquiries@fca.org.uk.

If you would like to contact the FCA using next generation text relay, please call on (18001) 0207 066 1000.

If you have any questions about our review, you can phone or email us [*insert contact details*]. We are available between [*insert contact hours*].

Yours sincerely,

<signature>

<name of adviser or customer service>

4 Annex **Redress determination: unsuitable advice, no causation** 8R

[*Editor's note:* The letter(s) can be found at this address:
[https://www.handbook.fca.org.uk/form\[xxx\].](https://www.handbook.fca.org.uk/form[xxx].)]

[Please delete or amend any drafting instructions in italics before sending]

Rydym yn hapus i ddarparu copi o'r llythyr hwn yn y Gymraeg ar gais. Cysylltwch gyda ni ar
cymraeg@fca.org.uk ac fe wnawn anfon copi atoch.

[Firm details]

[Date]

[Consumer details]

British Steel consumer redress scheme

We gave you unsuitable advice to transfer out of the British Steel Pension Scheme, but it did not cause any loss you may have suffered

Dear [*Insert name*],

[If applicable: You were introduced to our firm by [*insert name of introducer firm*] for advice about your British Steel Pension Scheme benefits]

We have reviewed the advice we gave you to transfer out of the British Steel Pension Scheme (BSPS). Our review found that the advice we gave you was unsuitable, but our unsuitable advice did not cause any loss you may have suffered.

This means that we will not take any further steps about the advice we gave you.

If you are unhappy with our decision, you should contact the Financial Ombudsman Service within 6 months of the date of this letter. We have enclosed a referral form that you can use to refer your complaint on to them.

You can contact the Financial Ombudsman Service by:

- telephone on 0800 023 4567 or 0300 123 9123; or
- email addressed to BSPS@financial-ombudsman.org.uk

How did we reach this decision?

[*Insert reason: summarise the information in the assessment template which led to the finding that the unsuitable advice did not cause any loss the consumer may have suffered.*]

What you can do next

If you are unhappy with our decision that our unsuitable advice did not cause you any loss you may have suffered, you should contact the Financial Ombudsman Service within 6

months of the date on this letter. The Financial Ombudsman Service will decide whether we have followed the rules of the scheme correctly.

We have enclosed a leaflet explaining the role of the Financial Ombudsman Service, as well as a referral form you can use to refer your complaint on to them. If you decide to complete and send this referral form on to them, they will contact you to set up and look into your complaint. Please inform us if you would like an electronic version of these documents, so that you can email a completed referral form to the Financial Ombudsman Service email address below.

You can find out more information on how the Financial Ombudsman Service can help if you want to complain at www.financial-ombudsman.org.uk/consumers/complaints-can-help/pensions-annuities/transfers-from-workplace-pensions-and-the-pensions-review/british-steel-pension-scheme.

You can contact the Financial Ombudsman Service by:

- telephone: 0800 023 4567 or 0300 123 9123; or
- email: BSPS@financial-ombudsman.org.uk.

We will pass your details to the Financial Conduct Authority (FCA). They may contact you to see if you would like the Financial Ombudsman Service to review our decision. If you do not want us to pass your details to the FCA, please tell us in writing within 14 days of this letter. You can write to us by letter or email at [*insert details*].

You can find out more about the BSPS consumer redress scheme at www.fca.org.uk/bsps. If you want to contact the FCA, you can:

- call its Consumer Helpline on 0800 098 4100; or
- email consumer.enquiries@fca.org.uk.

If you would like to contact the FCA using next generation text relay, please call on (18001) 0207 066 1000. If you would like to contact the Financial Ombudsman Service using next generation text relay, please call on (18002) 0207 964 1000.

Yours sincerely,

<signature>

<name of adviser or customer service>

Enclosures:

Financial Ombudsman Service leaflet and bespoke referral form

Mailmerge insert to go with FCA letter to consumers who have received unsuitable advice with no causation. Details in *Italics* to be pre-populated.



[*Customer name*]
 [*Address 1*]
 [*Address 2*]
 [*Postcode*]
 [*City*]
 [*Email address*]
 [*Telephone number*]
 Date of Suitability Assessment: [X]
 Firm Name: [X] (the 'Firm')
 Firm Reference Number: [X]

British Steel Pension Scheme Consumer Redress Scheme - Complaint to the Financial Ombudsman Service about Unsuitable Advice Assessment

I have received an assessment from my firm saying that the advice I received to transfer out of my British Steel Pension Scheme was unsuitable but was not the cause of any loss I may have suffered.

I am unhappy with that assessment and would like it to be reviewed by the Financial Ombudsman Service (FOS).

I understand that FOS will contact me to set up my complaint and will request further information. Please tick:

- I confirm the contact details at the top of this letter are correct; or
 The contact details are not correct and I have updated this information below:

Customer name: _____

Address 1: _____

Address 2: _____

Postcode: _____

City: _____

Email address: _____

Telephone number: _____

How would you like FOS to contact you? Phone Email Post

There will be times FOS need to write to you, for example, to send you the outcome of your complaint. When FOS do, would you prefer an email or letter? Email Post

Have you used FOS services before? Yes No
(This is so FOS can link records)

Do you have any practical needs where we could help by making adjustments – like using large print, Braille or a different language?

Please sign to confirm you would like the FOS to contact you to look into your complaint:

Signed:

Date:

Please return this letter to the Financial Ombudsman Service using their Freepost address at:

Freepost BSPS REDRESS SCHEME
Financial Ombudsman Service
London
E14 9SR

For information on the Financial Ombudsman Service's privacy notice for consumers on how they use your personal information when you contact them, or bring a complaint to the Financial Ombudsman Service, please visit:

- www.financial-ombudsman.org.uk/privacy-policy

4 Annex Redress determination: suitable advice 9R

*[Editor's note: The letter(s) can be found at this address:
[https://www.handbook.fca.org.uk/form\[xxx\].](https://www.handbook.fca.org.uk/form[xxx].)]*

[Please delete or amend any drafting instructions in italics before sending]

Rydym yn hapus i ddarparu copi o'r llythyr hwn yn y Gymraeg ar gais. Cysylltwch gyda ni ar cymraeg@fca.org.uk ac fe wnawn anfon copi atoch.

[Firm details]
[Date]

[Consumer details]

British Steel consumer redress scheme

We gave you suitable advice to transfer out of the British Steel Pension Scheme

Dear *[Insert name]*,

[If applicable: You were introduced to our firm by *[insert name of introducer firm]* for advice about your British Steel Pension Scheme benefits]

We have reviewed the advice we gave you to transfer out of the British Steel Pension Scheme (BSPS). Our review found that the advice we gave you was suitable.

This means that we will not take any further steps about the advice we gave you.

If you are unhappy with our decision, you should contact the Financial Ombudsman Service within 6 months of the date of this letter. We have enclosed a referral form that you can use to refer your complaint on to them.

You can contact the Financial Ombudsman Service by:

- telephone on 0800 023 4567 or 0300 123 9123; or
- email addressed to BSPS@financial-ombudsman.org.uk.

How did we reach this decision?

[Insert reason: summarise the information in the assessment template which led to the finding that the advice was suitable.]

What you can do next

If you are unhappy with our decision that the advice we gave you was suitable, you can ask the Financial Ombudsman Service to review the decision within 6 months of the date of this

letter. The Financial Ombudsman Service will decide whether we have followed the rules of the scheme correctly.

We have enclosed a leaflet explaining the role of the Financial Ombudsman Service, as well as a referral form you can use to refer your complaint on to them. If you decide to complete and send this referral form on to them, they will contact you to set up and look into your complaint.

Please inform us if you would like an electronic version of these documents, so that you can email a completed referral form to the Financial Ombudsman Service email address below. You can find out more information on how the Financial Ombudsman Service can help if you want to complain at <http://www.financial-ombudsman.org.uk/consumers/complaints-can-help/pensions-annuities/transfers-from-workplace-pensions-and-the-pensions-review/british-steel-pension-scheme>.

You can contact the Financial Ombudsman Service by:

- telephone: 0800 023 4567 or 0300 123 9123; or
- email: BSPS@financial-ombudsman.org.uk.

We will pass your details to the Financial Conduct Authority (FCA). They may contact you to see if you would like the Financial Ombudsman Service to review our decision. If you do not want us to pass your details to the FCA, please tell us in writing within 14 days of the date of this letter. You can write to us by letter or email at [*insert details*].

You can find out more about the BSPS consumer redress scheme at www.fca.org.uk/bsps. If you want to contact the FCA, you can:

- call its Consumer Helpline on 0800 098 4100; or
- email consumer.enquiries@fca.org.uk.

If you would like to contact the FCA using next generation text relay, please call on (18001) 0207 066 1000. If you would like to contact the Financial Ombudsman Service using next generation text relay, please call on (18002) 0207 964 1000.

Yours sincerely,

<signature>

<name of adviser or customer service>

Enclosures:

Financial Ombudsman Service leaflet and bespoke referral form

**Mailmerge insert to go with FCA letter to consumers who have received a suitable assessment.
Details in *Italics* to be pre-populated.**



[*Customer name*]
 [*Address 1*]
 [*Address 2*]
 [*Postcode*]
 [*City*]
 [*Email address*]
 [*Telephone number*]
 Firm Name: [X] (the 'Firm')
 Firm Reference Number: [X]

British Steel Pension Scheme Consumer Redress Scheme - Complaint to the Financial Ombudsman Service about Suitable Advice Assessment

I have received an assessment from my firm saying that the advice I received to transfer out of my British Steel Pension Scheme was suitable.

I am unhappy with that assessment and would like it to be reviewed by the Financial Ombudsman Service (FOS).

I understand that FOS will contact me to set up my complaint and will request further information. Please tick:

I confirm the contact details at the top of this letter are correct; or

The contact details are not correct and I have updated this information below:

Customer name: _____

Address 1: _____

Address 2: _____

Postcode: _____

City: _____

Email address: _____

Telephone number: _____

How would you like FOS to contact you? Phone Email Post

There will be times FOS need to write to you, for example, to send you the outcome of your complaint. When FOS do, would you prefer an email or letter? Email Post

Have you used FOS services before? Yes No

(This is so FOS can link records)

Do you have any practical needs where we could help by making adjustments – like using large print, Braille or a different language?

Please sign to confirm you would like the FOS to contact you to look into your complaint:

Signed:

Date:

Please return this letter to the Financial Ombudsman Service using their Freepost address at:

Freepost BSPS REDRESS SCHEME

Financial Ombudsman Service

London

E14 9SR

For information on the Financial Ombudsman Service’s privacy notice for consumers on how they use your personal information when you contact them, or bring a complaint to the Financial Ombudsman Service, please visit:

- www.financial-ombudsman.org.uk/privacy-policy

**4 Annex Redress calculation, further information: initial request
10R**

*[Editor's note: The letter(s) can be found at this address:
[https://www.handbook.fca.org.uk/form\[xxx\].](https://www.handbook.fca.org.uk/form[xxx].)]*

[Please delete or amend any drafting instructions in italics before sending]

Rydym yn hapus i ddarparu copi o'r llythyr hwn yn y Gymraeg ar gais. Cysylltwch gyda ni ar cymraeg@fca.org.uk ac fe wnawn anfon copi atoch.

[Firm details]

[Date]

[Consumer details]

British Steel consumer redress scheme

ACTION REQUIRED – We need some information from you to calculate whether we owe you money

Dear *[Insert name]*,

[If applicable: You were introduced to our firm by *[insert name of introducer firm]* for advice about your British Steel Pension Scheme benefits]

We wrote to you on *[insert date]* to say that we gave you unsuitable advice to transfer out of the British Steel Pension Scheme (BSPS). We said we would calculate whether you had suffered a financial loss and, if so, how much money we owe you. Any money we pay you will aim to put you in the position you would have been in had you been given suitable advice and stayed in the BSPS. **Whatever the result of our calculation, you will not have to pay anything.**

We need more information from you so we can calculate whether we owe you any money.

ACTION YOU NEED TO TAKE

We need information from you so we can calculate whether you suffered financial loss as a result of transferring out of the British Steel Pension Scheme (BSPS), and whether we owe you any money.

[If information is being requested from the consumer]

The information we need is listed in the box below. Please send this information to us by *[insert date - 14 days from the date of this letter]*. You can send this information to us by post (return envelope included) or by email: *[insert firm email]*.

[If information is being requested from a third party]

So that we can collect this information from other parties on your behalf, please sign the attached 'Letter of Authority' form and return it to us by *[insert date- 14 days from the date of this letter]*.

[All letters]

If you would like us to, we can also calculate how much money can be paid into your pension to ensure the money is invested for your retirement. If you would like us to do this, please complete and return the attached 'Payment into a pension' form by *[insert date- 14 days from the date of this letter]*.

You also need to let us know about any other losses you think we owe you money for. To do this, please complete and return the attached 'Other Losses' form to us by *[insert date – 1 month from the date of this letter]*.

If we do not receive this information, we might not be able to calculate whether we owe you any money. This means that you may end up with less money in your retirement than you should have had.

[If information is being requested from a third party]

Asking for information from other firms

So that we can collect this information for you from *[insert name of third party the data will be sought from, if known]*, please sign the attached 'Letter of Authority' form and return it by *[insert Day Date Month Year – 1 month from date of this letter]*.

If we become insolvent before we can complete our review, the Financial Services Compensation Scheme (FSCS) will step in to assess whether you are due a payment. As such, the attached form also asks you to authorise FSCS to collect information on your behalf, should this become necessary.

Information on how FSCS collects and uses your data can be found at <https://www.fscs.org.uk/data-protection-statement/privacy-notice/>.

If we do not receive this information, we might not be able to calculate whether we owe you any money. This could mean that you end up with less money during your retirement than you should have had.

[If information is being requested from the consumer]

The information we need from you

- **Please provide us with the following information by *[insert day date month year]* so we can calculate how much money we may owe you:**
[List information required to calculate lump sum redress set out in CONRED 4 Annex 21]

If we do not receive this information, we might not be able to calculate whether we owe you any money. This could mean that you end up with less money during your retirement than you should have had.

- **If you want us to calculate how much of the money we owe you can be paid into your pension, please also provide the following information.**
[List information required to calculate how much redress can be augmented set out in CONRED 4.3.14R(2)]

If we do not receive this information, we can still calculate how much money we owe you, but we will not be able to calculate the amount you can pay into your pension; we will offer you a lump sum instead.

[Please note you should delete the information in this box before you send this letter to the consumer. It is to help you prepare the letter.]

Firms should only request the information set out in CONRED 4 Annex 16R 13.30R that is necessary to calculate redress.

When you request information from a consumer you should:

- only make requests for information that are necessary and which the consumer can reasonably be expected to provide;*
- be sensitive when requesting information about a consumer's personal circumstances;*
- ensure the consumer understands what information they have been asked to provide and in what format;*
- only ask for information that is likely to be readily accessible to the consumer (and obtain the consumer's authority to approach third parties for information on their behalf)*
- allow the consumer at least 14 days to respond; and*
- make clear why the firm is asking for the information and the consequence if the information is not provided.]*

[All letters]

How you want the money we owe you to get paid

You have a choice in how you receive this payment.

- You can choose to pay this money into your pension. This ensures the money is invested for your retirement.**

There may be restrictions on whether and how much you can pay into your pension. If you are interested in this option, we can work out how much money you can pay into your pension under current tax regulations. We can do this free of charge whether you choose to invest in your pension or not. You may have to give us additional information so we can do this. If not all of the money can be paid into your pension, then the balance will be paid to you as a lump sum.

Pensions are designed to help support you financially in your retirement. Adding this payment to your pension will improve your retirement income. This payment aims to provide you with the extra retirement income you would have been given if you had not transferred out of your BSPS.

- You can choose to receive it as a lump sum into your bank account.**

If you receive payment as a lump sum you should get advice on how to invest it. If you do not invest it, you risk losing out on the income the payment is meant to give you during your retirement.

If you are thinking of saving or re-investing the money you may get, MoneyHelper is there to help. Backed by government, it ensures that everyone in the UK can easily access the information they need to make the right financial decisions.

The service is free and impartial, and you can visit the website at www.moneyhelper.org.uk or call 0800 138 7777 for money advice, 0800 011 3797 for pension advice.

You can also contact an FCA-regulated financial adviser to seek advice, but you may have to pay for this service. You may also find the FCA's Scam Smart guidance helpful.

If you want us to calculate how much of the money we owe you can be paid into your pension, you need to let us know by completing and returning the form 'Payment into a pension' by *[insert date – 1 month from issue of this letter]*.

If we do not receive your completed form, we can still calculate how much money we owe you but we will not be able to calculate the amount you can pay into your pension, and we will offer you a lump sum instead.

Do you think we owe you money for other losses?

You should also tell us if you have suffered any other losses because of our unsuitable advice. These losses could include money you had to pay to get tax advice, or any tax charges you had to pay.

In all cases, any payment calculation will include the original fee charged for the unsuitable advice *[if consumer has already switched to a new adviser]* the fees you paid to change your adviser, and any other past advice fees paid out of your transferred pension. *[Add if the transfer advice firm has a current advice arrangement with the firm]* If you decide you want to change to a new advice firm, you can terminate your arrangement with us but it is important you tell us in the 'Other Losses' form. This will allow us to add an extra amount to what we may owe you to pay for the new advice. This amount will be calculated according to FCA rules. When looking for a new adviser, check what their ongoing adviser fees are. If we owe you any money, your calculation will only cover fees up to 0.5% of your fund each year. If their fees are more than 0.5% you may end up with less retirement income as a result.

We may need to ask you for more information so we can decide whether we think we owe you more money for these other losses.

If you want us to consider whether we owe you money for other losses, you need to let us know by completing and returning the form 'Other Losses' by *[insert date – 1 month from issue of this letter]*.

If we do not receive your completed form, we can still calculate how much money we owe you, but we will not be able to add any money for other losses.

What should you do now?

[If some information needs collecting from the consumer]

The information we need from you is listed in the box above. Please send this information to us by *[insert date- 14 days from the date of this letter]*.

[If letter of authority is required to collect the information from Third Parties]

We can ask for some of this information from other firms on your behalf, but we need you to agree to this first. If you are happy for us to ask other firms for the information we need, you need to complete and return to us the attached 'Letter of Authority' form by *[insert date- 14 days from the date of this letter]*

You need to let us know if you want us to calculate how much of the money we owe you can be paid into your pension. Please let us know by completing and returning to us the attached 'Payment into a pension' form by *[insert date- 14 days from the date of this letter]*.

You also need to let us know about any other losses you think we owe you money for. Please let us know by completing and returning the attached 'Other Losses' form called by *[Insert date – 14 days from the date of this letter]*.

If you do not provide this information you may end up with less money in your retirement than you should have had.

You do not need to use a claims management company as it will not affect our calculation and, if you do, they will charge you for the service.

If you need help with the information we need from you or have any questions about our review, you can phone or email us *[insert contact details]*. We are available between *[insert contact hours]*. By returning the enclosed letter, you consent to us collecting the information on your behalf. You can withdraw this consent at any time by contacting us *[using the same contact details]*.

You can find out more about the BSPS consumer redress scheme at www.fca.org.uk/bsps. If you want to contact the Financial Conduct Authority (FCA), you can:

- call its Consumer Helpline on 0800 098 4100; or
- email consumer.enquiries@fca.org.uk.

If you would like to contact the FCA using next generation text relay, please call on (18001) 0207 066 1000.

Yours sincerely,

<signature>

<name of adviser or customer service>

Enclosures:

1. Pre-paid envelope
2. Letter of Authority form [if required].
3. Other Losses form
4. Payment into a pension form

LETTER OF AUTHORITY

To whom it may concern

RE: authority to obtain information on behalf of [enter consumer name] [enter consumer date of birth] [enter consumer current address and previous addresses where relevant] [enter policy number if known / applicable] as part of the Financial Conduct Authority's British Steel consumer redress scheme

I, [enter consumer name] [enter consumer date of birth], authorise [enter firm name] [enter firm address] to collect information on my behalf about my previous and current pension arrangements to calculate if I am owed any money following the unsuitable advice to transfer my British Steel Pension Scheme pension benefits, as part of the British Steel consumer redress scheme.

I further authorise the Financial Services Compensation Scheme to collect on my behalf any information it may require to perform its statutory functions, including processing my claim as part of the British Steel consumer redress scheme.

Signature:

Date:

Other Losses

[Insert file reference]

I would like *[name of firm]* to consider if I am owed money for other losses.

- [if the firm is in a current advice arrangement with the consumer]*I want to terminate my advice arrangement with *[name of the firm]* with immediate effect to look for a new adviser, and for *[name of firm]* to pay me an extra amount to get advice from a new adviser (this amount will be calculated according to FCA rules).**

- Other losses. Please describe the additional losses here and send in supporting documents where you can:**

(You do not have to enter any of the information below if you are not sure)

I feel that the extra money owed to me for these additional losses should be:

Enter amount: £ _____

Date you suffered or will suffer these losses: _____

Name: _____

Signed: _____

Date: _____

Payment into a pension

[Insert file reference]

- I would like *[name of the firm]* to calculate how much of the money they owe me can be paid into my pension.

[Where consumer will be arranging payment into their pension directly with their pension provider or third-party adviser] If you select this option, you should contact your pension provider or adviser as soon as possible to let them know you are planning on paying some money into your pension, and what steps you should take to do so.

- I am NOT interested in having my payment paid into my pension.

Name: _____

Signed: _____

Date: _____

4 Annex 11R Redress calculation, further information request: final reminder

*[Editor's note: The letter(s) can be found at this address:
https://www.handbook.fca.org.uk/form[xxx].]*

[Please delete or amend any drafting instructions in italics before sending]

Rydym yn hapus i ddarparu copi o'r llythyr hwn yn y Gymraeg ar gais. Cysylltwch gyda ni ar cymraeg@fca.org.uk ac fe wnawn anfon copi atoch.

[Firm details]

[Date]

[Consumer details]

British Steel consumer redress scheme

FINAL REMINDER – We still need some information from you to calculate whether we owe you money

Dear *[Insert name]*,

[If applicable: You were introduced to our firm by *[insert name of introducer firm]* for advice about your British Steel Pension Scheme benefits]

We wrote to you on *[insert date]* to say we need information to help us calculate any money we may owe you for our advice to transfer out of the British Steel Pension Scheme. We have not yet received the information from you.

ACTION YOU NEED TO TAKE

We still need information from you so we can calculate whether we owe you money.

[If information requested from consumer not received]

The information we need is listed in the box below. Please send this information to us by *[insert date - 1 month from date of initial letter]*. You can send this information to us by post (return envelope included) or by email: *[insert firm email]*.

[If letter of authority not received]

So that we can collect this information from other firms on your behalf, please sign the attached 'Letter of Authority' form and return it to us by *[insert date- 1 month from date of initial letter]*.

[If request to calculate augmentation not received]

If you would like us to, we can also calculate how much money can be paid into your pension to ensure the money is invested for your retirement. If you would like us to do this, please complete and return the attached 'Payment into a pension' form by *[insert date- 14 days from the date of this letter]*.

[If consequential loss notification not received]

You also need to let us know about any other losses you think we owe you money for.

Please let us know by completing and returning the attached ‘Other Losses’ form by *[insert date - 14 days from the date of this letter]*.

If we do not receive this information, this could mean that you end up with less money during your retirement than you should have had.

[If letter of authority not returned]

Asking for information from other firms

So that we can collect this information for you from *[insert name of third party the data will be sought from, if known]*, please sign the attached ‘Letter of Authority’ form and return it to us by *[insert date - 14 days from the date of this letter]*.

If we become insolvent before we can complete our review, the Financial Services Compensation Scheme (FSCS) will step in to assess whether you are due a payment. As such, the attached form also asks you to authorise FSCS to collect information on your behalf, should this become necessary.

Information on how FSCS collects and uses your data can be found here:

<https://www.fscs.org.uk/data-protection-statement/privacy-notice/>.

If we do not receive this information, we might not be able to calculate whether we owe you any money. This could mean that you end up with less money during your retirement than you should have had.

[If information from the consumer is not returned]

The information we need from you

Please provide us with the following information by *[insert date]* so we can calculate how much money we may owe you:

[List information required to calculate lump sum redress set out in CONRED 4 Annex 21]

If we do not receive this information, we might not be able to calculate whether we owe you any money. This could mean that you end up with less money during your retirement than you should have had.

If you want us to calculate how much of the money we owe you can be paid into your pension, please also provide the following information.

[List information required to calculate how much redress can be augmented set out in CONRED 4.3.14R(2)]

If we do not receive this information, we can still calculate how much money we owe you, but we will not be able to calculate the amount you can pay into your pension; we will offer you a lump sum instead.

[Please note you should delete the information in this box before you send this letter to the consumer. It is to help you prepare the letter.]

Firms should only request the information set out in CONRED 4 Annex 21R 13.30R that is necessary to complete the case review.

When you request information from a consumer you should:

- *only make requests for information that are necessary and which the consumer can reasonably be expected to provide;*
- *be sensitive when requesting information about a consumer's personal circumstances;*
- *ensure the consumer understands what information they have been asked to provide and in what format;*
- *only ask for information that is likely to be readily accessible to the consumer (and obtain the consumer's authority to approach third parties for information on their behalf);*
- *allow the consumer at least 14 days to respond; and*
- *make clear why the firm is asking for the information and the consequence if the information is not provided.]*

How you want the money we owe you to get paid

You have a choice in how you receive this payment.

- **You can choose to pay this money into your pension. This ensures the money is invested for your retirement.**

There may be restrictions on whether and how much you can pay into your pension. If you are interested in this option, we can work out how much money you can pay into your pension under current tax regulations. We can do this free of charge, whether you choose to invest in your pension or not. You may have to give us additional information so we can do this. If not all of the money can be paid into your pension, then the balance will still be paid to you as a lump sum.

Pensions are designed to help support you financially in your retirement. Adding this payment to your pension will improve your retirement income. This payment aims to provide you with the extra retirement income you would have been given if you had not transferred out of your BPS.

- **Alternatively, you can choose to receive it as a lump sum into your bank account.**

If you receive payment as a lump sum, you should get advice on how to invest it. If you do not invest it, you risk losing out on the income the payment is meant to give you during your retirement.

If you are thinking of saving or re-investing the money you may get, MoneyHelper is there to help. Backed by government, it ensures that everyone in the UK can easily access the information they need to make the right financial decisions.

The service is free and impartial, and you can visit the website at www.moneyhelper.org.uk or call 0800 138 7777 for money advice, 0800 011 3797 for pension advice.

You can also contact an FCA-regulated financial adviser to seek advice, but you may have to pay for this service. You may also find the FCA's Scam Smart guidance helpful.

If you want us to calculate how much of the money we owe you can be paid into your pension, you need to let us know by completing and returning the attached 'Payment into a pension' form by *[insert date – 14 days from the date of this letter]*.

If we do not receive your completed form, we can still calculate how much money we owe you, but we will not be able to calculate the amount you can pay into your pension, and we will offer you a lump sum instead.

Do you think we owe you money for other losses?

You should also tell us if you have suffered or will suffer any other losses because of our unsuitable advice. These losses could include money you had to pay to get tax advice, or any tax charges you had to pay.

In all cases, any payment calculation will include the original fee charged for the unsuitable advice [if consumer has already switched to a new adviser] the fees you paid to change your adviser, and any other past advice fees paid out of your transferred pension. [Add in only if the transfer advice firm has a current advice arrangement with the firm] If you decide you want to change to a new advice firm, you can terminate your arrangement with us but it is important you tell us in the 'Other Losses' form. This will allow us to add an extra amount to what we may owe you to pay for the new advice. This amount will be calculated according to FCA rules. When looking for a new adviser, check what their ongoing adviser fees are. If we owe you any money, your calculation will only cover fees up to 0.5% of your fund each year. If their fees are more than 0.5% you may end up with less retirement income as a result.

We may need to ask you for more information so we can decide whether we think we owe you more money for these other losses.

If you want us to consider whether we owe you money for other losses, you need to let us know by completing and returning the 'Other Losses' form by *[insert date – 14 days from the date of this letter]*.

If we do not receive your completed form, we can still calculate how much money we owe you, but we will not be able to add any money for other losses.

What should you do now?

[If some information from consumer not returned]

The information we need is listed in the box above. Please send this information to us by *[insert date- 14 days from the date of this letter]*.

[If letter of authority not returned]

We can ask for some of this information from other firms on your behalf, but we need you to agree to this first. If you are happy for us to ask other firms for information we need, you need to complete and return the attached 'Letter of Authority' form by *[insert date- 14 days from the date of this letter]*.

[If augmentation calculation request not returned]

You need to let us know if you want us to calculate how much of the money we owe you can be paid into your pension. Please let us know by completing and returning the attached ‘Payment into a pension’ form by *[insert date- 14 days from the date of this letter]*.

[If consequential loss notification not received]

You also need to let us know about any other losses you think we owe you money for. Please let us know by completing and returning the attached ‘Other Losses’ form by *[insert date- 14 days from the date of this letter]*.

You do not need to use a claims management company as it will not affect our calculation and, if you do, they will charge you for the service.

If you need help with the information we need from you or have any questions about our review, you can phone or email us *[insert contact details]*. We are available between *[insert contact hours]*. By returning the enclosed letter, you consent to us collecting the information on your behalf. You can withdraw this consent at any time by contacting us *[using the same contact details.]*

Yours sincerely,

<signature>

<name of adviser or customer service>

Enclosures:

1. Pre-paid envelope

[Only enclose forms not returned]

2. Letter of Authority form

3. Other Losses form

4. Payment into a pension form

LETTER OF AUTHORITY

To whom it may concern

RE: authority to obtain information on behalf of [enter consumer name] [enter consumer date of birth] [enter consumer current address and previous addresses where relevant] [enter policy number if known / applicable] as part of the Financial Conduct Authority's British Steel consumer redress scheme

I, [enter consumer name] [enter consumer date of birth], authorise [enter firm name] [enter firm address] to collect information on my behalf about my previous and current pension arrangements to calculate if I am owed any money following the unsuitable advice to transfer my British Steel Pension Scheme pension benefits, as part of the British Steel consumer redress scheme.

I further authorise the Financial Services Compensation Scheme to collect on my behalf any information it may require to perform its statutory functions, including processing my claim as part of the British Steel consumer redress scheme.

Signature:

Date:

Other Losses

[Insert file reference]

I would like *[name of firm]* to consider if I am owed money for additional losses.

- [if the firm is in a current advice arrangement with the consumer]* I want to terminate my advice arrangement with *[name of the firm]* with immediate effect to look for a new adviser, and for *[name of firm]* to pay me an extra amount to get advice from a new adviser (this amount will be calculated according to FCA rules).**
- Other losses. Please describe the additional losses here and send in supporting documents where you can:**

(You do not have to enter any of the information below if you are not sure)

I feel that the extra money owed to me for these additional losses should be:

Enter amount : £ _____

Date you suffered or will suffer these losses: _____

Name: _____

Signed: _____

Date: _____

Payment into a pension

[Insert file reference]

- **I would like *[name of firm]* to calculate how much of the money they owe me can be paid into my pension**

[Where consumer will be arranging payment into their pension directly with their pension provider or third-party adviser]

If you select this option, you should contact your pension provider or adviser as soon as possible to let them know you are planning on paying some money into your pension, and what steps you should take to do so.

- **I am NOT interested in having my payment paid into my pension**

Name: _____

Signed: _____

Date: _____

4 Annex 12R Redress determination: Redress calculation – information not provided

[*Editor's note:* The letter(s) can be found at this address:
[https://www.handbook.fca.org.uk/form\[xxx\].](https://www.handbook.fca.org.uk/form[xxx].)]

[Please delete or amend any drafting instructions in italics before sending]

Rydym yn hapus i ddarparu copi o'r llythyr hwn yn y Gymraeg ar gais. Cysylltwch gyda ni ar cymraeg@fca.org.uk ac fe wnawn anfon copi atoch.

[Firm details]

[Date]

[Consumer details]

British Steel consumer redress scheme

We are stopping our calculation of any money we may owe you

Dear [*Insert name*],

[If applicable: You were introduced to our firm by [*insert name of introducer firm*] for advice about your British Steel Pension Scheme benefits]

We are not able to complete the calculation of any money we may owe you due to the unsuitable advice we gave you to transfer out of the British Steel Pension Scheme (BSPS). This is because you did not give us the information we asked for in our letters of [*insert dates of initial letter and reminder letter*].

If you are unhappy with our decision, you should contact the Financial Ombudsman Service within 6 months of the date of this letter. We have enclosed a referral form that you can use to refer your complaint on to them.

You can contact the Financial Ombudsman Service by:

- telephone on 0800 023 4567 or 0300 123 9123; or
- email addressed to BSPS@financial-ombudsman.org.uk.

Why we are stopping our calculation of any money we may owe you

We wrote to you on [*insert dates of initial letter and reminder letter*] to tell you that we needed information from you to complete this calculation. We also tried to contact you [*insert details*] without success.

What you can do next

You can still complain to us or take legal action. However, if you do not take action promptly, you may find that the time limit has passed for you to do so.

If you are unhappy with our decision to stop our calculation of any money we may owe you, you should contact the Financial Ombudsman Service within 6 months of the date of this letter. The Financial Ombudsman Service will decide whether we have followed the rules of the consumer redress scheme correctly.

We have enclosed a leaflet explaining the role of the Financial Ombudsman Service, as well as a referral form you can use to refer your complaint on to them. If you decide to complete and send this referral form on to them, they will contact you to set up and look into your complaint. Please inform us if you would like an electronic version of these documents, so that you can email a completed referral form to the Financial Ombudsman Service email address below.

You can find out more information on how the Financial Ombudsman Service can help if you want to complain about our decision at www.financial-ombudsman.org.uk/consumers/complaints-can-help/pensions-annuities/transfers-from-workplace-pensions-and-the-pensions-review/british-steel-pension-scheme.

You can contact the Financial Ombudsman Service by:

- telephone: 0800 023 4567 or 0300 123 9123; or
- email: BSPS@financial-ombudsman.org.uk.

If you still want us to review the advice we gave you, you should make a complaint to us by [*insert details on how to complain*].

You can find out more about the BSPS consumer redress scheme at www.fca.org.uk/bsps. If you want to contact the Financial Conduct Authority (FCA), you can:

- call its Consumer Helpline on 0800 098 4100; or
- email consumer.enquiries@fca.org.uk.

If you would like to contact the FCA using next generation text relay, please call on (18001) 0207 066 1000. If you would like to contact the Financial Ombudsman Service using next generation text relay, please call on (18002) 0207 964 1000.

Yours sincerely,

<signature>

<name of adviser or customer service>

Enclosures:

Financial Ombudsman Service leaflet and bespoke referral form

Mailmerge insert to go with FCA letter to consumers where redress calculation could not be conducted due to insufficient information provided. Details in *Italics* to be pre-populated.



[*Customer name*]
 [*Address 1*]
 [*Address 2*]
 [*Postcode*]
 [*City*]
 [*Email address*]
 [*Telephone number*]
 Firm Name: [X] (the 'Firm')
 Firm Reference Number: [X]

British Steel Pension Scheme Consumer Redress Scheme - Complaint to the Financial Ombudsman Service about Redress calculation - Further Information Required

I have received a letter from my firm saying they are not able to complete the calculation of any money owed on transferring out of my British Steel Pension Scheme because I have not provided further information they requested.

I am unhappy with that decision and would like it to be reviewed by the Financial Ombudsman Service (FOS).

I understand that FOS will contact me to set up my complaint and will request further information. Please tick:

I confirm the contact details at the top of this letter are correct; or

The contact details are not correct and I have updated this information below:

Customer name: _____

Address 1: _____

Address 2: _____

Postcode: _____

City: _____

Email address: _____

Telephone number: _____

How would you like FOS to contact you? Phone Email Post

There will be times FOS need to write to you, for example, to send you the outcome of your complaint. When FOS do, would you prefer an email or letter? Email Post

Have you used FOS services before? Yes No
(This is so FOS can link records)

Do you have any practical needs where we could help by making adjustments – like using large print, Braille or a different language?

Please sign to confirm you would like the FOS to contact you to look into your complaint:

Signed:

Date:

Please return this letter to the Financial Ombudsman Service using their Freepost address at:

Freepost BSPS REDRESS SCHEME

Financial Ombudsman Service

London

E14 9SR

For information on the Financial Ombudsman Service's privacy notice for consumers on how they use your personal information when you contact them, or bring a complaint to the Financial Ombudsman Service, please visit:

- www.financial-ombudsman.org.uk/privacy-policy

4 Annex 13R Redress determination: Result of redress calculation

[*Editor's note:* The letter(s) can be found at this address:
[https://www.handbook.fca.org.uk/form\[xxx\].](https://www.handbook.fca.org.uk/form[xxx].)]

[Please delete or amend any drafting instructions in italics before sending]

Rydym yn hapus i ddarparu copi o'r llythyr hwn yn y Gymraeg ar gais. Cysylltwch gyda ni ar cymraeg@fca.org.uk ac fe wnawn anfon copi atoch.

[Firm details]

[Date]

[Consumer details]

British Steel consumer redress scheme

ACTION REQUIRED – Payment for unsuitable advice to transfer out of the British Steel Pension Scheme

Dear [*Insert name*],

[If applicable: You were introduced to our firm by [*insert name of introducer firm*] for advice about your British Steel Pension Scheme benefits]

[*If not owed money*]

We wrote to you on [*insert date*] to tell you that the advice we gave you to transfer out of the British Steel Pension Scheme (BSPS) was unsuitable. We have now found that we do not owe you money for the advice we gave you to transfer out of the BSPS.

[*If owed money*]

We wrote to you on [*insert date*] to say that we owe you money for the advice we gave you to transfer out of the British Steel Pension Scheme (BSPS) [, and you told us you would like us to calculate how much of this money can be paid into your pension – *delete if not applicable*].

[*If not owed money*]

We have found that we do not owe you money for the advice we gave you to transfer out of the British Steel Pension Scheme (BSPS).

[*If owed money*]

We have calculated the amount we owe you.

[*Where the money is paid as augmentation*]

- If you want to have the money we owe you added to your pension, the total amount that will be added to your pension is £[*insert amount including HMRC relief*]; or

- If you do not want the money we owe you added to your pension, we can pay you a lump sum of £[insert amount].

[Where the money is paid part augmentation part lump sum]

- If you want to have the money we owe you added to your pension, the total amount that will be added to your pension is £[insert amount including HMRC relief], and we will pay you the rest of the money we owe you in a lump sum of £[insert amount]; or

- If you do not want the money we owe you added to your pension, we can pay you all the money we owe you in a lump sum of £[insert amount].

[Where augmentation is not possible]

We have calculated that we cannot add the money we owe you into your pension. So we will pay you the money we owe you in a lump sum of £[insert amount].

[Where consumer did not ask for augmentation or provide the necessary information to calculate this]

We were not able to calculate how much of the money we owe you can be paid into your pension because you [did not ask us for this / asked for this but did not provide us with the information we needed – delete as applicable]. [We wrote to you on [insert dates of initial letter and reminder letter] to tell you that we needed information from you to complete the calculation. We also tried to contact you [insert details] without success – delete if not applicable.]

So, we calculated the money we owe you in a lump sum of £[insert amount].

[If a consequential loss claim was submitted and the information to calculate this was provided]

This amount includes £[insert amount] for the other losses you told us about / does not include any extra money for the losses you told us about because [insert reason].

[If a consequential loss claim was submitted, but the information to calculate this was not provided] You asked us to calculate other losses, but you did not provide us with the information we needed to calculate this. [We wrote to you on [insert dates of initial letter and reminder letter] to tell you that we needed information from you to complete the calculation. We also tried to contact you [insert details] without success – delete if not applicable.] We have therefore been unable to calculate your claim for other losses.

What should you do now?

Look at the calculation report and check that the information about you which we used for the calculation is right. [If owed money] This is to make sure we are offering you the right amount.

Contact us immediately if any information in the calculation report is wrong.

[If the comparator scheme used for the calculation provides lower redress]

Pay close attention to the BPS scheme we used for your calculation when you check the calculation report to make sure the money we owe you is the right amount.

[Where full or part augmentation possible]

Decide if you want the money we owe you added to your pension or if you prefer to be paid in a lump sum.

[Where consumer arranges payment into their pension]

If you want the money we owe you added to your pension, contact your pension provider or adviser to arrange this.

If you would like to accept this offer, you must sign and return the attached 'Settlement form' by *[Insert date – 3 months from date of this letter]*.

[All letters]

If you are unhappy with our decision, you should contact the Financial Ombudsman Service within 6 months of the date of this letter. We have enclosed a referral form that you can use to refer your complaint on to them.

You can contact the Financial Ombudsman Service by telephone on 0800 023 4567 or 0300 123 9123 or by email addressed to BSPS@financial-ombudsman.org.uk.

[If owed money]

The payment aims to put you back in the financial position you would have been in if you had been given suitable advice and stayed in the BSPS. that the redress calculation assumes this payment will be invested for your retirement and paid directly into your current pension where possible.

Pensions are designed to help support you financially in your retirement. Adding this payment to your pension will help improve your retirement income. This amount is intended to provide you with the extra retirement income you would have been given if you had stayed in your BSPS. If you receive the payment as a lump sum, you should get advice on how to invest it. If you do not invest it, you risk losing out on the income this money is meant to give you during your retirement.

Paying the money we owe you into your pension

[Where the money is paid as augmentation]

If you accept this offer we will arrange to pay £*[insert offer amount]* into your current pension / to send you a cheque for £*[insert offer amount]*, which you should arrange to pay into your current pension with your pension provider or adviser.

Your pension provider will claim £*[insert amount]* tax relief from HMRC, which means the total amount that will be added to your pension is £*[insert amount]*.

If you want to accept our offer to pay the money we owe you into your pension, you must tell us by *[insert day date month year]*. Please *[confirm/sign below/etc.]* by *[insert date]* and we will arrange payment to you.

[Where the money is paid as part augmentation part lump sum]

If you accept this offer we will arrange to pay £*[insert offer amount]* into your current pension / to send you a cheque for £*[insert offer amount]*, which you should arrange to pay

into your current pension with your pension provider or adviser. Please see the attached report for a breakdown of how we have calculated this amount.

Your pension provider will claim £[insert amount] tax relief from HMRC, which means the total amount that will be added to your pension is £[insert amount].

We will also pay you £[insert amount] as a lump sum.

If you want to accept our offer to pay the money we owe you into your pension and the rest of it in a lump sum, you must tell us by [insert day date month year]. Please [confirm/sign below/etc] by [insert date] and we will arrange payment to you.

[Where augmentation is not possible]

We have calculated that we cannot add the money we owe you into your pension. So, we will pay you the money we owe you in a lump sum instead.

[if owed money]

Paying the money we owe you in a lump sum

[Where full or part augmentation offer available]

If you do not want the money we owe you added to your pension, you can choose to receive the money we owe you in a lump sum instead.

[If owed money]

We have calculated that we owe you £[insert redress amount] as a lump sum. [If applicable] We did not calculate how much of the money we owe you can be paid into your pension, because you asked us not to [OR] We were not able to calculate how much of the money we owe you can be paid into your pension, because you did not [ask us for this/provide us with the information – delete as applicable].

[If consumer did not indicate whether they wanted an augmentation calculation]

If you would like us to, we can work out how much money you can pay into your pension under current tax regulations. We can do this free of charge whether you choose to invest in your pension or not. You may have to give us additional information so we can do this. If not all of the money can be paid into your pension, then the balance will be paid to you as a lump sum. If you would like us to do this, please complete and return the attached 'Payment into a pension' form by [insert date – 3 months from the date of this letter].

[If owed money]

If you are thinking of saving or re-investing the money we owe you, MoneyHelper is there to help. Backed by the government, it ensures that everyone in the UK can easily access the information they need to make the right financial decisions.

The service is free and impartial, and you can visit the website at www.moneyhelper.org.uk or call 0800 138 7777 for money advice, 0800 011 3797 for pension advice.

You can also contact an FCA-regulated financial adviser to seek advice, but you may have to pay for this service. You may also find the FCA's Scam Smart guidance helpful. **How did we reach this decision?**

[All letters]

We have calculated this amount with the FCA calculator based on the FCA's rules.

We have enclosed a summary of the information about you that we used to calculate the amount owed to you, and you should carefully check that this information is right [*if owed money*], to make sure we are offering you the right amount. If any of the information is wrong, you should contact us immediately. You can also ask us for a full calculation report, which includes all the information we used to calculate your offer.

[*If the comparator scheme used for the calculation provides lower redress*]

Pay close attention to the BSPS scheme we used for your calculation when you check the calculation report, to make sure the money we owe you is the right amount.

Our information shows that if you had stayed in BSPS, you were likely to have chosen the [*select as appropriate: New BSPS scheme or Old BSPS scheme*] / We did not have any information to show whether you were more likely to choose the Old BSPS scheme or New BSPS scheme if you had stayed in BSPS, so the FCA's rules say that the New BSPS scheme should be used for your calculation.

If the [*select as appropriate: New BSPS scheme / Old BSPS scheme*] had been used instead, we would owe you an extra £[*enter difference between higher paying scheme and lower paying scheme*].

[*If a consequential loss claim was submitted and the necessary information was provided*]

This amount includes £[*insert amount*] for the other losses you told us about [[*add if partially including the amount claimed for*] and we did not pay you the full amount you asked for because [*reason*]] [OR] This amount does not include any extra money for the losses you told us about because [*insert reason*].

[All letters]

If you are not happy with the amount we are offering, you can contact the Financial Ombudsman Service or the FCA helpline.

What should you do now?

Look at the calculation report and check that the information about you which we used for the calculation is right. [*If the comparator scheme used for the calculation provides lower redress*] Pay close attention to the BSPS scheme that we used for your calculation. This is to make sure we are offering you the right amount.

[*Where full or part augmentation possible*]

Decide if you want the money we owe you to be added to your pension or, if you prefer, to be paid in a lump sum.

[*Where consumer arranges payment into their pension*]

If you want the money we owe you to be added to your pension, contact your pension provider or adviser to arrange this.

[*If money is owed*]

If you would like to accept this offer, you must sign and return the attached form by *[insert date – 3 months from the date of this letter]*.

[All letters]

If you are unhappy with this outcome, you should contact the Financial Ombudsman Service within 6 months of the date of this letter. The Financial Ombudsman Service will decide whether we have followed the rules of the scheme correctly.

[If owed money]

Help with your decision

If you are not happy with the amount we are offering, you can contact the Financial Ombudsman Service or the FCA helpline. If you are unsure about how to invest any money we owe you, you can contact free guidance services such as MoneyHelper or you can contact an FCA-regulated financial adviser to seek advice. You may also find the FCA's Scam Smart guidance helpful.

Your offer also covers your future investment costs, and this money is there to help reach your retirement goals. *[Only for consumers entitled to initial advice fee]* Your offer also includes £*[insert amount]* for you to get advice from another financial adviser if you want to. This is because *[delete as applicable: you are not currently getting advice, and you may decide you now want advice / your current advice arrangement with us is more expensive than the amount allocated in the money we owe you, and you may want to use another adviser]*. You can find out more about the level of investment costs your payment allows for in your calculation report.

What should you do if you want to accept this offer?

You must accept this offer by *[insert Day Date Month Year – 3 months from date of this letter]*.

If you want to accept this offer, please *[confirm/sign below/etc.]*. We will arrange for you to receive the money we owe you through the method you chose, within 28 days of receiving your acceptance. We will also calculate how the money we owe you would be expected to grow in the period between the date it was calculated and the date you receive it. This amount will be added to your payment.

You do not have to accept this offer, but if you want to, you must respond by *[insert date – 3 months from date of this letter]*, unless there are exceptional circumstances.

If we do not pay or contact you within 28 days of receiving your acceptance, you can contact the FCA using the details below.

[Optional wording]

If you accept this payment, it will be in full and final settlement of all claims against *[me/us/name of firm which provided the advice]* for the advice given by *[me/us/it]* to you to invest in the above-named fund.

[All letters]

If you are unhappy with this outcome, you should contact the Financial Ombudsman Service

within 6 months of the date of this letter. The Financial Ombudsman Service will decide whether we have followed the rules of the scheme correctly.

We have enclosed a leaflet explaining the role of the Financial Ombudsman Service, as well as a referral form you can use to refer your complaint on to them. If you decide to complete and send this referral form on to them, they will contact you to set up and look into your complaint. Please inform us if you would like an electronic version of these documents, so that you can email a completed referral form to the Financial Ombudsman Service email address below.

You can find out more information on how the Financial Ombudsman Service can help if you want to complain about the result of our calculation at www.financial-ombudsman.org.uk/consumers/complaints-can-help/pensions-annuities/transfers-from-workplace-pensions-and-the-pensions-review/british-steel-pension-scheme.

You can contact the Financial Ombudsman Service by:

- telephone: 0800 023 4567 or 0300 123 9123; or
- email: BSPS@financial-ombudsman.org.uk.

You can find out more about the BSPS consumer redress scheme at www.fca.org.uk/bsps. If you want to contact the FCA you can:

- call its Consumer Helpline on 0800 098 4100; or
- email consumer.enquiries@fca.org.uk.

If you would like to contact the FCA using next generation text relay, please call on (18001) 0207 066 1000. If you would like to contact the Financial Ombudsman Service using next generation text relay, please call on (18002) 0207 964 1000.

If you have any questions about the offer or this letter, you can phone or email us [*insert contact details*]. We are available between [*insert contact hours*].

Yours sincerely,

<signature>

<name of adviser or customer service>

Enclosures as applicable:

1. Settlement form
2. Payment into a pension form
3. Summary calculator report
4. Pre-paid envelope
5. FAQs
6. Financial Ombudsman Service leaflet and bespoke referral form

Settlement form

[Insert firm file reference for the offer]

Method of payment

[I/We] have enclosed 2 copies of this settlement form.

If you would like to accept this offer:

- 1) Tick the box next to your preferred payment method on 1 copy of the letter;
- 2) Complete any required fields;
- 3) Sign and print your name; and
- 4) Send the completed letter to [me/us] by [date].
- 5) Keep your letter and 1 copy of the settlement form for your records. On the settlement form you keep, you should mark which choice you selected.

CONFIRMATION OF ACCEPTANCE OF OFFER AND PAYMENT METHOD

In accepting this offer of payment and indicating my preferred method of payment, I am communicating a demand for payment and/or assertion of a right to payment from you and/or making a complaint to you.

[If method of payment is augmentation]

I would like:

£*[insert amount]* to be paid into my current pension by *[name of the firm]*.

Or:

£*[insert amount]* to be paid to me as a lump sum, and I will arrange payment into my pension with my adviser or pension provider.

Or:

£*[insert amount]* to be paid to me as a lump sum, and I do NOT want the payment to be added to my pension.

[Where method of payment is part augmentation, part lump sum]

I would like:

- £[insert amount] to be paid into my current pension by [name of firm] and £[insert amount] to be paid to me as a lump sum.

Or:

- £[insert amount] to be paid to me as a lump sum, and I will arrange payment into my pension with my adviser or pension provider.

Or:

- £[insert amount] to be paid to me as a lump sum, and I do NOT want the payment to be added to my pension.

[Where offer on a lump sum basis only]

- £[insert amount] to be paid as a lump sum.

[All letters]

Where money is paid to me, I would like to receive the payment:

- By cheque
- By payment into bank account

Sort code: _____ Account number: _____

Print name: _____

Signed:

Payment into a pension

[Insert file reference]

- **I would like *[name of firm]* to calculate how much of the money they owe me can be paid into my pension**

[Where consumer will be arranging payment into their pension directly with their pension provider or third-party adviser]

If you select this option, you should contact your pension provider or adviser as soon as possible to let them know you are planning on paying some money into your pension, and what steps you should take to do so.

- **I am NOT interested in having my payment paid into my pension**

Name: _____

Signed: _____

Date: _____

FAQs

1. What is redress for unsuitable DB pension transfer advice and what should I do with my payment?

We must provide a payment if we gave you unsuitable advice to transfer out of your defined benefit (DB) or ‘final salary’ pension scheme and you have lost out as a result. The payment aims to put you back in the financial position you would have been in if we had given you suitable advice and you had stayed in your DB scheme.

You should invest the payment in a personal pension – usually the one that you moved your DB pension funds into when you transferred out. The aim is that the topped-up pension grows to an amount that allows you to buy an annuity which provides a guaranteed income when you retire. The aim is that this income will be similar to what you would have received from your original DB scheme on retirement.

The FCA calculation rules expect your payment to grow to the amount you will need if it is invested prudently, and if the amount you pay for your investment costs are covered by your payment. The information about the investment growth and investment costs is included in your calculation report. You can use this information to decide how to invest your payment or check with your adviser or pension provider.

You do not have to buy an annuity, but it is the best way to get a guaranteed lifetime income, similar to the benefits from your DB scheme. So this is what the redress calculation assumes you will do.

2. How do I accept the offer?

If you would like to accept the offer, please sign and return the attached form by the date given in the letter.

3. Can I negotiate the offer?

No. The offer is not negotiable. We have calculated the amount based on FCA rules and guidance.

4. Do I have to accept the offer?

No. You do not have to accept the offer if you do not want to do so. If you have any questions about the offer, you can contact us.

5. How did you calculate the amount of money I am owed?

We have to use the FCA’s method of calculation. This explains how we should carry out the calculation fairly. We have to use various assumptions about things like future inflation and investment returns to estimate:

- in retirement, how much money you would have been given each year from your DB pension
- on retirement, what it would cost to buy an annuity that provides a guaranteed income similar to what you would have been given from your DB pension

- what that annuity would cost in today's money. If the cost of the annuity today is greater than the current value of your personal pension, then we will make up the difference.

6. Why does the payment I receive depend on when the calculation is carried out?

The payment you receive depends on when the calculation is done and your own individual circumstances. Comparing payments – even with those who appear to be in a similar position – will not tell you whether the offer you have been given is fair.

The method of calculation aims to work out how much money we should pay so that you have enough when you come to buy an annuity on retirement. This should provide a guaranteed income similar to what you would have been given from your DB scheme.

The amount you will need to buy this annuity on retirement will depend on the economic situation until that time. As such, the methodology uses up-to-date, publicly available information from formal sources (including the Bank of England) about what financial markets think will happen in the future. These expectations tend to change when economic conditions change, so redress calculations done at different times can result in different payments.

For example, people may be receiving lower redress payments than if their redress was calculated at a different time. One main cause may be annuities becoming cheaper (and are expected to remain so) because of changes in the economy, such as rising interest rates. If annuities are estimated to be cheaper in the future, you will likely need less money now to buy one when you retire. But if annuities were estimated to be more expensive in the future, then you would need more money to buy one when you retire.

The calculation also takes account of your individual circumstances, which may be different to others. Things that can make a major difference to the calculation include your age, length of service (or date you joined your DB scheme) and what your personal pension is worth when we calculate your offer.

7. Should I delay accepting the offer because of changes in the economy?

The methods for calculation take into account economic changes – see question 6.

You should not wait to accept your offer just because of the changes in the economy.

8. What should I do if I think that the offer is incorrect?

If you have any questions about how we have calculated the offer, you can contact us. If you are unhappy with the offer, you can refer the matter to the Financial Ombudsman Service, who will consider whether we followed the scheme rules when we calculated the offer. If you want to refer the matter to the Financial Ombudsman Service, you must do so within 6 months of the date of the original offer letter.

9. What should I do if I think that the information used to calculate the offer is wrong?

If you think the information we have used to carry out the calculation is wrong, please contact us. If you are unhappy with the offer, you can refer the matter to the Financial Ombudsman Service, who will consider whether we have followed the scheme rules when we calculated the offer. If you want to refer the matter to the Financial Ombudsman Service, you must do so within 6 months of the date of the original offer letter.

10. If I am unhappy with the offer, can I take legal action or refer my case to the Financial Ombudsman Service?

If you are unhappy with the offer, you can refer the matter to the Financial Ombudsman Service, who will consider whether we have followed the scheme rules when we calculated the offer. If you want to refer the matter to the Financial Ombudsman Service, you must do so within 6 months of the date of the original offer letter.

11. What impact will accepting the offer have on my personal tax allowance or tax liabilities?

Your payment has been calculated with the information you provided so that you should not incur any tax charges. If you are unsure how accepting the offer may affect your tax position, including whether getting your payment as a cash lump sum may create an unauthorised payment or unauthorised payment charges, you may want to contact HMRC.

12. Who can I contact if I am not sure how I would like the payment to be paid?

If you are thinking of saving or re-investing the money you may get, MoneyHelper is there to help. Backed by government, it ensures that everyone in the UK can easily access the information they need to make the right financial decisions.

The service is free and impartial, and you can visit the website at www.moneyhelper.org.uk or call 0800 138 7777 for money advice, 0800 011 3797 for pension advice.

You can also contact an FCA-regulated financial adviser to seek advice, but you may have to pay for this service. You may also find the FCA's Scam Smart guidance helpful.

Mailmerge insert to go with FCA letter to consumers where redress calculation concludes no redress/redress amount is not what the consumer expected. Details in *Italics* to be pre-populated.



[Customer name]
 [Address 1]
 [Address 2]
 [Postcode]
 [City]
 [Email address]
 [Telephone number]
 Firm Name: [X] (the 'Firm')
 Firm Reference Number: [X]

British Steel Pension Scheme Consumer Redress Scheme - Complaint to the Financial Ombudsman Service about Redress Calculation

I have received a letter from my firm saying that the advice I received to transfer out of my British Steel Pension Scheme was unsuitable, but I am not owed any money.
(OR (delete as applicable))

I have received a letter from my firm saying that the advice I received to transfer out of my British Steel Pension Scheme was unsuitable and that I am owed money, but I am not happy with the amount they are offering.
(OR (delete as applicable))

I have received a letter from my firm saying they are calculating the money owed to me on transferring out of my British Steel Pension Scheme, but they are not able to calculate how much of that amount I can pay into my pension and/or have not included any amount for other losses I claimed. This is because they say I have not provided further information they requested.

I would like my firm's assessment to be reviewed by the Financial Ombudsman Service (FOS).

I understand that FOS will contact me to set up my complaint and will request further information. Please tick:

I confirm the contact details at the top of this letter are correct; or

The contact details are not correct and I have updated this information below:

Customer name: _____
 Address 1: _____
 Address 2: _____
 Postcode: _____

City: _____

Email address: _____

Telephone number: _____

How would you like FOS to contact you? Phone Email Post

There will be times FOS need to write to you, for example, to send you the outcome of your complaint. When FOS do, would you prefer an email or letter? Email Post

Have you used FOS services before? Yes No

(This is so FOS can link records)

Do you have any practical needs where we could help by making adjustments – like using large print, Braille or a different language?

Please sign to confirm you would like the FOS to contact you to look into your complaint:

Signed:

Date:

Please return this letter to the Financial Ombudsman Service using their Freepost address at:

Freepost BSPS REDRESS SCHEME

Financial Ombudsman Service

London

E14 9SR

For information on the Financial Ombudsman Service's privacy notice for consumers on how they use your personal information when you contact them, or bring a complaint to the Financial Ombudsman Service, please visit:

- www.financial-ombudsman.org.uk/privacy-policy

**4 Annex Request for detailed calculation report
14R**

*[Editor's note: The letter(s) can be found at this address:
[https://www.handbook.fca.org.uk/form\[xxx\].](https://www.handbook.fca.org.uk/form[xxx].)]*

[Please delete or amend any drafting instructions in italics before sending]

Rydym yn hapus I ddarparu copi o'r llythyr hwn yn y Gymraeg ar gais. Cysylltwch gyda ni ar cymraeg@fca.org.uk ac fe wnawn anfon copi atoch.

[Firm details]

[Date]

[Consumer details]

British Steel consumer redress scheme

Detailed calculation report

Dear *[Insert name]*,

[If applicable: You were introduced to our firm by *[insert name of introducer firm]* for advice about your British Steel Pension Scheme benefits]

We have enclosed the detailed calculation report which shows all the information about you that we used to calculate the money we owe you.

Check that the information about you which we used for the calculation is right. This is to make sure we are offering you the right amount.

[If the comparator scheme used for the calculation provides lower redress]

Pay close attention to the British Steel Pension Scheme (BSPS) scheme we used for your calculation when you check the calculation report, to make sure the money we owe you is the right amount.

If the *[select as appropriate: New BSPS scheme / Old BSPS scheme]* had been used instead, we would owe you an extra £*[enter difference between higher paying scheme and lower paying scheme]*.

Contact us immediately if the information in the calculation report is wrong.

We wrote to you on *[insert date]* to say that we owe you money for the advice we gave you to transfer out of the BSPS, and you told us you would like us to send you a detailed calculation report.

We have enclosed a detailed report which shows all the information about you that we used to calculate your compensation. **Please carefully check that this information is right, to make sure we are offering you the right amount.** If any of the information is wrong, you should contact us immediately.

[If the comparator scheme used for the calculation provides lower redress]

Pay close attention to the BSPS scheme we used for your calculation when you check the calculation report, to make sure the money we owe you is the right amount.

Our information shows that if you had stayed in BSPS, you were likely to have chosen the [select as appropriate: New BSPS scheme or Old BSPS scheme] / We did not have any information to show whether you were more likely to choose the Old BSPS Scheme or New BSPS scheme if you had stayed in BSPS, so the Financial Conduct Authority (FCA)'s rules say that the New BSPS scheme should be used for your calculation.

If the [select as appropriate: New BSPS scheme / Old BSPS scheme] had been used instead, we would owe you an extra £[*enter difference between higher paying scheme and lower paying scheme*].

If you are not happy with the amount we are offering about, you can contact the Financial Ombudsman Service or the FCA helpline.

If you have any questions about the offer or this letter, you can phone or email us [*insert contact details*]. We are available between [*insert contact hours*].

Yours sincerely,

<signature>

<name of adviser or customer service>

Enclosures:

Detailed calculation report

4 Annex **Payment confirmation** 15R

*[Editor's note: The letter(s) can be found at this address:
[https://www.handbook.fca.org.uk/form\[xxx\].](https://www.handbook.fca.org.uk/form[xxx].)]*

[Please delete or amend any drafting instructions in italics before sending]

Rydym yn hapus i ddarparu copi o'r llythyr hwn yn y Gymraeg ar gais. Cysylltwch gyda ni ar cymraeg@fca.org.uk ac fe wnawn anfon copi atoch.

[Firm details]

[Date]

[Consumer details]

British Steel consumer redress scheme

Payment for unsuitable advice to transfer out of the British Steel Pension Scheme

Dear *[Insert name]*,

[If applicable: You were introduced to our firm by *[insert name of introducer firm]* for advice about your British Steel Pension Scheme benefits]

Thank you for confirming how you would like to receive payment.

We have added £*[insert amount]* to the amount we offered you, to cover how the money we owe you would have been expected to grow in the period between the date it was calculated and the date you receive it, if it had been invested in the way assumed within the redress calculation.

[If the money is augmentation]

[Select as applicable] We have arranged to pay £*[insert amount]* into your current pension / We have enclosed a cheque for £*[insert amount]* / We have paid £*[insert amount]* into your bank account using the details you provided. ***[If applicable: You should contact your current pension provider or financial adviser and arrange to pay this amount into your current pension.]***

This amount is broken down as follows:

- £*[insert amount]* payment amount
- Your pension provider will claim £*[insert amount]* tax relief from HMRC, which means the total amount that will be added to your pension is £*[insert amount]*
- £*[insert amount]* added

[If the money is part augmentation part lump sum]

The rest of the money is intended to provide you with the retirement income you would have been given if you had stayed in your British Steel Pension Scheme. You should get advice on how to invest it. Pensions are designed to help support you financially in your retirement.

Investing your payment will help improve your retirement income. If you do not invest it, you risk losing out on the extra retirement income your payment is meant to provide.

The total amount is broken down as follows:

- £[insert amount] payment amount
- Your pension provider will claim £[insert amount] tax relief from HMRC, which means the total amount that will be added to your pension is £[insert amount]
- £[insert amount] added

[If the money is paid as a lump sum]

We have enclosed a cheque for £[insert amount] / We have paid £[insert amount] into your bank account using the details you provided. Pensions are designed to help support you financially in your retirement. This could be for a long period of time, so it is important that your pension fund lasts as long as possible. This amount is intended to provide you with the retirement income you would have been given if you had stayed in your British Steel Pension Scheme. You should get advice on how to invest it. If you do not invest it, you risk losing out on the retirement income your payment is meant to provide.

The total amount is broken down as follows:

- £[insert amount] payment amount
- £[insert amount] added

[All letters]

We also enclose a calculation report with full details of the information we used to calculate the money we owe you, for you to keep for your records.

If you have any questions about this letter, you can phone or email us [insert contact details]. We are available between [insert contact hours].

Yours sincerely,

<signature>

<name of adviser or customer service>

Enclosures:

Detailed calculator report

4 Annex 16R Final reminder to accept offer

*[Editor's note: The letter(s) can be found at this address:
https://www.handbook.fca.org.uk/form[xxx].]*

[Please delete or amend any drafting instructions in italics before sending]

Rydym yn hapus i ddarparu copi o'r llythyr hwn yn y Gymraeg ar gais. Cysylltwch gyda ni ar cymraeg@fca.org.uk ac fe wnawn anfon copi atoch.

[Firm details]

[Date]

[Consumer details]

British Steel consumer redress scheme

FINAL REMINDER – Payment for unsuitable advice to transfer out of the British Steel Pension Scheme

Dear *[Insert name]*,

[If applicable: You were introduced to our firm by *[insert name of introducer firm]* for advice about your British Steel Pension Scheme benefits]

We owe you money.

[Where augmentation is possible]

We have calculated that the money we owe you can be added to your pension for a total amount of £*[insert amount including HMRC relief]* *[where part augmentation, part lump sum offer]*, and the rest can be paid to you in a lump sum of £*[insert amount]*.

Or, if you do not want the money we owe you added to your pension, we can pay you a lump sum of £*[insert amount]*.

[Where lump sum offer only]

We have calculated that we owe you £*[insert amount]*.

If you would like to accept our offer, you must sign and return the attached 'Settlement Form' by *[insert date of initial offer]*.

If we do not receive an acceptance from you, we cannot arrange to pay the money. This could mean that you end up with less money during your retirement than you should have had.

If we do not hear from you by *[insert offer deadline]*, you can still complain to us or take legal action. However, if you do not take action promptly, you may find that the time limit has passed for you to do so.

If you are unhappy with our offer, you should contact the Financial Ombudsman Service within 6 months of the date of our original payment offer – *[insert date of initial offer letter]*. We have enclosed a referral form that you can use to refer your complaint on to them.

You can contact the Financial Ombudsman Service by telephone on 0800 023 4567 or 0300 123 9123 or by email addressed to BSPS@financial-ombudsman.org.uk.

We wrote to you on *[insert date]* to tell you that we owe you money for the advice we gave you to transfer out of the British Steel Pension Scheme (BSPS), and we made you a payment offer. We have enclosed 2 copies of this letter.

If you want to accept this offer, please follow the instructions in our letter dated *[insert date of initial offer letter]*. Once we receive your acceptance, we will arrange for the payment through the method you chose within 28 days of receiving your acceptance. We will also calculate and add interest to the amount, to cover the period between the date it was calculated and the date you receive it.

If you do not accept this offer, you may end up with less money in your retirement than you should have had.

If you were not able to accept our offer because of personal circumstances such as bereavement or incapacity, you need to let us know and we will consider whether we can give you more time to accept the offer.

You do not need to use a claims management company and, if you do, they will charge you for the service.

If you are unhappy with our offer, you should contact the Financial Ombudsman Service within 6 months of the date of our original payment offer *[insert date of initial offer letter]*. The Financial Ombudsman Service will decide whether we have followed the rules of the scheme correctly.

We have enclosed a leaflet explaining the role of the Financial Ombudsman Service, as well as a referral form you can use to refer your complaint on to them. If you decide to complete and send this referral form on to them, they will contact you to set up and look into your complaint. Please inform us if you would like an electronic version of these documents, so that you can email a completed referral form to the Financial Ombudsman Service email address below.

You can find out more information on how the Financial Ombudsman Service can help if you want to complain about our payment offer at www.financial-ombudsman.org.uk/consumers/complaints-can-help/pensions-annuities/transfers-from-workplace-pensions-and-the-pensions-review/british-steel-pension-scheme.

You can contact the Financial Ombudsman Service by:

- telephone: 0800 023 4567 or 0300 123 9123; or
- email: BSPS@financial-ombudsman.org.uk.

You can find out more about the BSPS consumer redress scheme at www.fca.org.uk/bsps. If you want to contact the Financial Conduct Authority (FCA), you can:

- call its Consumer Helpline on 0800 098 4100; or
- email consumer.enquiries@fca.org.uk.

If you would like to contact the FCA using next generation text relay, please call on (18001) 0207 066 1000. If you would like to contact the Financial Ombudsman Service using next generation text relay, please call on (18002) 0207 964 1000.

If you have any questions about the offer or this letter, you can phone or email us [*insert contact details*]. We are available between [*insert contact hours*].

Yours sincerely,

<signature>

<name of adviser or customer service>

Enclosures:

1. Copy of redress determination at 13R with enclosures

4 Annex **Redress Determination: payment acceptance not provided** 17R

[*Editor's note:* The letter(s) can be found at this address:
[https://www.handbook.fca.org.uk/form\[xxx\].](https://www.handbook.fca.org.uk/form[xxx].)]

[Please delete or amend any drafting instructions in italics before sending]

Rydym yn hapus i ddarparu copi o'r llythyr hwn yn y Gymraeg ar gais. Cysylltwch gyda ni ar cymraeg@fca.org.uk ac fe wnawn anfon copi atoch.

[Firm details]

[Date]

[Consumer details]

British Steel consumer redress scheme

We are not able to pay you the money we owe you

Dear [*Insert name*],

[If applicable: You were introduced to our firm by [*insert name of introducer firm*] for advice about your British Steel Pension Scheme benefits]

We are not able to pay you the money we owe you. This is because you did not accept our payment offer in our letters of [*insert dates of initial letter and reminder letter*].

If you are unhappy with this outcome, you should contact the Financial Ombudsman Service within 6 months of the date of our original payment offer [*insert date of initial offer letter*]. We have enclosed a referral form that you can use to refer your complaint on to them.

You can contact the Financial Ombudsman Service by:

- telephone on 0800 023 4567 or 0300 123 9123; or
- email addressed to BSPS@financial-ombudsman.org.uk

Why we are not able to pay you the money we owe you

We wrote to you on [*insert dates of initial letter and reminder letter*] to ask you how you would like us to pay you the money we owe you. We also tried to contact you [*insert details*] without success.

What you can do next

This letter does not affect your ability to complain to us or to take legal action. However, if you do not take action promptly, you may find that the time limit has passed for you do so.

If you are unhappy with this outcome, you can contact the Financial Ombudsman Service within 6 months of the date of our original payment offer [*insert date of initial offer letter*]. The Financial Ombudsman Service will decide whether we have followed the rules of the consumer redress scheme correctly.

We have enclosed a leaflet explaining the role of the Financial Ombudsman Service, as well as a referral form you can use to refer your complaint on to them. If you decide to complete and send this referral form on to them, they will contact you to set up and look into your complaint. Please inform us if you would like an electronic version of these documents, so that you can email a completed referral form to the Financial Ombudsman Service email address below.

You can find out more information on how the Financial Ombudsman Service can help if you want to complain about our payment offer at www.financial-ombudsman.org.uk/consumers/complaints-can-help/pensions-annuities/transfers-from-workplace-pensions-and-the-pensions-review/british-steel-pension-scheme.

You can contact the Financial Ombudsman Service by:

- telephone: 0800 023 4567 or 0300 123 9123; or
- email: BSPS@financial-ombudsman.org.uk.

If you still want us to review the advice we gave you, you should make a complaint to us by [*insert details on how to complain*].

You can find out more about the consumer redress scheme at www.fca.org.uk/bsps. If you want to contact the Financial Conduct Authority (FCA), you can:

- call its Consumer Helpline on 0800 098 4100; or
- email consumer.enquiries@fca.org.uk.

If you would like to contact the FCA using next generation text relay, please call on (18001) 0207 066 1000. If you would like to contact the Financial Ombudsman Service using next generation text relay, please call on (18002) 0207 964 1000.

Yours sincerely,

<signature>

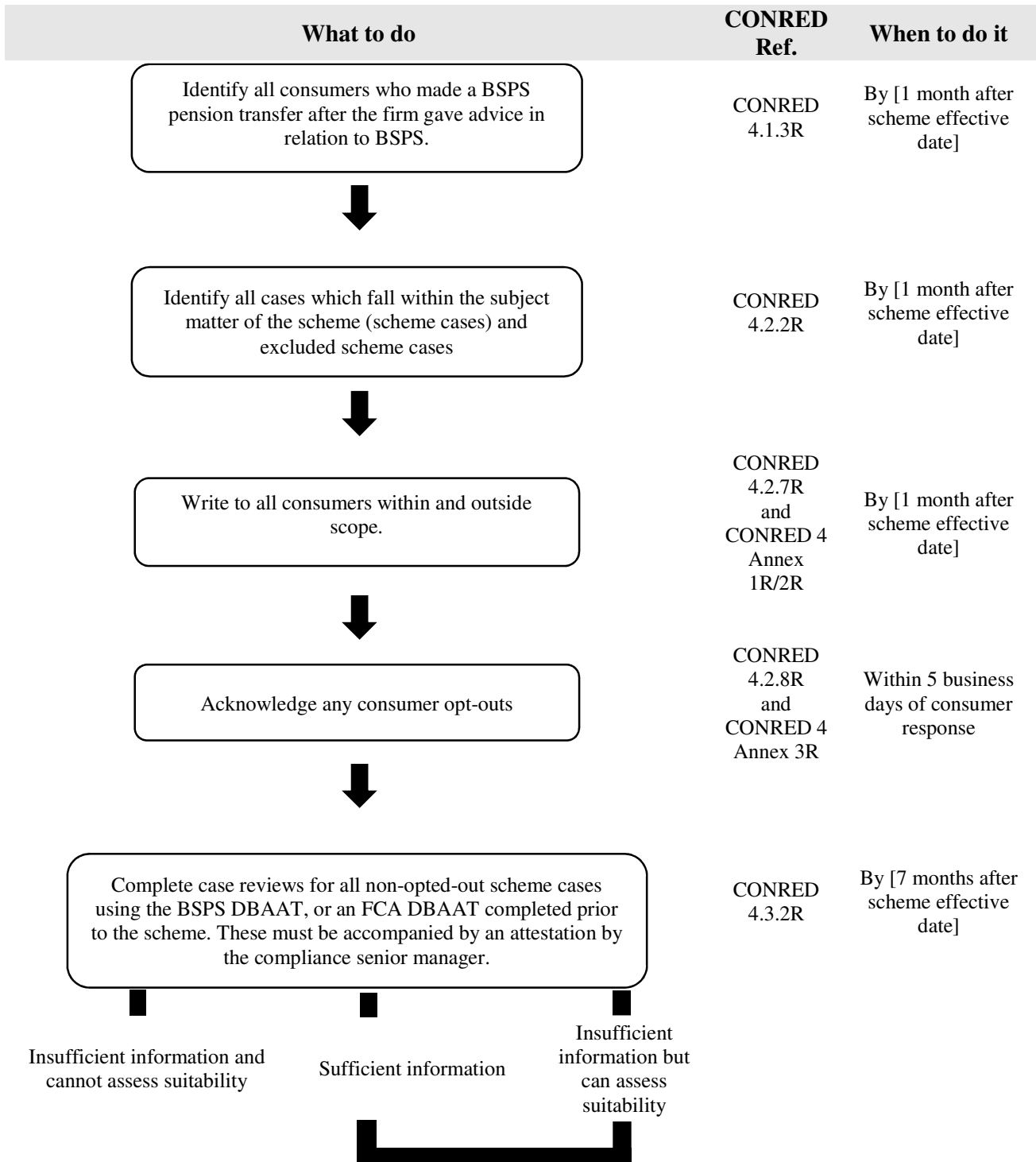
<name of adviser or customer service>

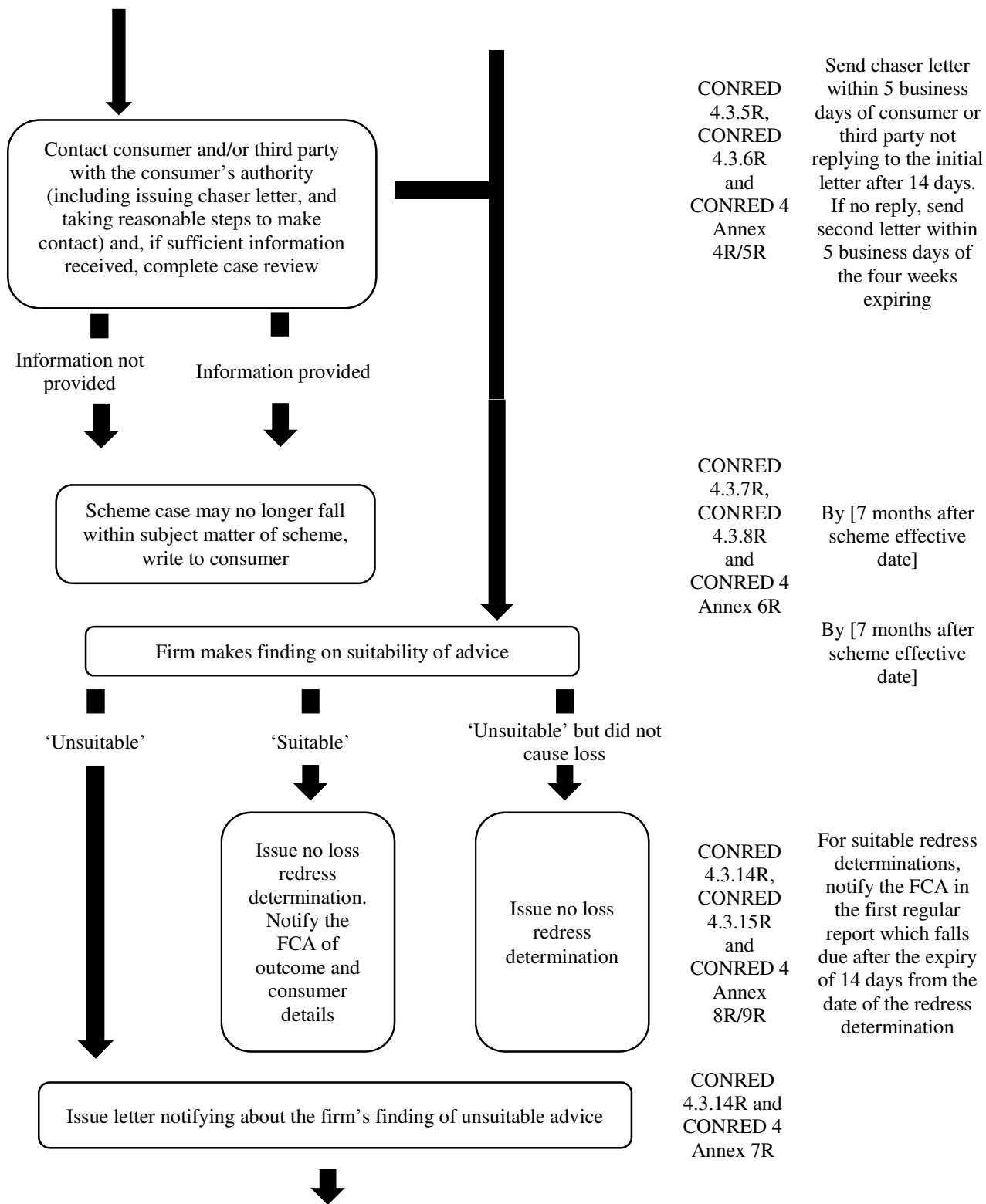
Enclosures:

Financial Ombudsman Service leaflet and bespoke referral form attached to initial offer letter

**4 Annex Summary of scheme flow diagram [CONRED 4.1.11R]
18G**

Summary of redress scheme steps





Contact consumer and/or third party with the consumer’s authority (including issuing chaser letter, and taking reasonable steps to make contact) and, if sufficient information received, complete redress calculation. If consumer requests augmentation, issue a further letter and, if necessary a chaser letter, to third parties to seek necessary information.

CONRED 4.3.14R, CONRED 4.4.14R and CONRED 4 Annex 10R/11R

Send initial letter requesting information at the same time as sending the redress determination (or when authority is received to write to a third party)

Send chaser letter within 5 business days of the consumer or third party not replying to initial letter after 14 days.

Information not provided to calculate redress

Information provided with or without request to augment and/or consider other losses

Scheme case may no longer fall within subject matter of scheme, write to consumer

CONRED 4.4.18R, CONRED 4.4.19R, CONRED 4.4.20R and CONRED 4 Annex 12R

By [10 months after scheme effective date] or By [12 months after scheme effective date] where augmentation offer requested and/or a claim for other losses

Calculate lump sum redress (and, where requested by the consumer and enough information is provided on each, augmentation and/or other losses) that may be owed to consumer

CONRED 4.4.2R

No redress due

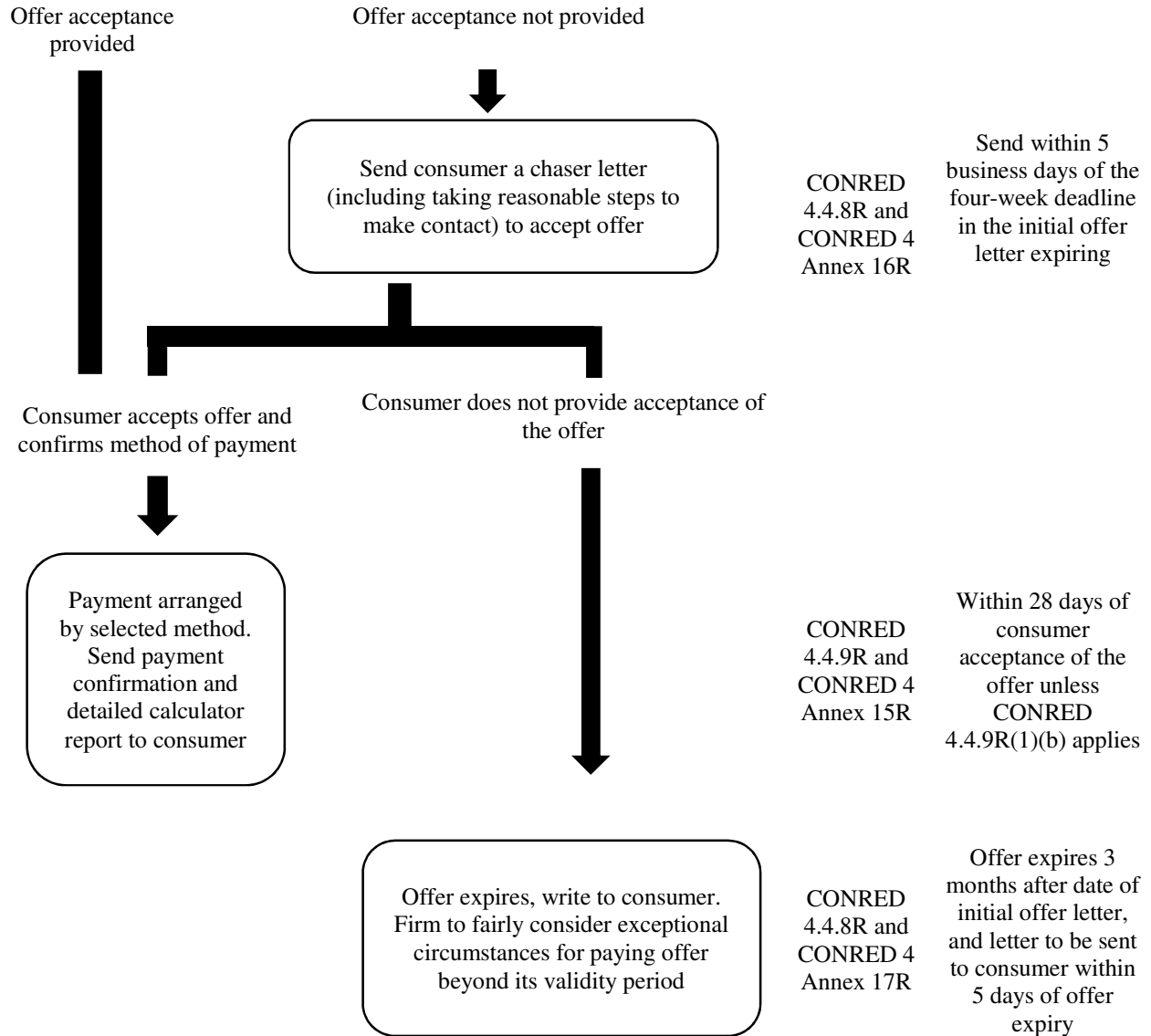
Redress due

Issue no loss redress determination

Issue redress determination to consumer. Ask consumer to check summary calculation report and accept offer confirming method of payment (if consumer requests full calculation report send it within 5 days of the request)

CONRED 4.4.2R, CONRED 4.4.5R, CONRED 4.4.6R CONRED 4.4.7R, and CONRED 4 Annex 13R/14R

By [10 months after scheme effective date] or By [12 months after scheme effective date], where augmentation offer requested and/or a claim for other losses



**4 Annex Form of Attestation for use of FCA DBAAT
19R**

I [name] of [firm] attest on [date] that:

(1)	I have read the BSPS Consumer Redress Scheme <i>rules</i> in <i>CONRED 4</i> and in particular the BSPS DBAAT instructions at <i>CONRED 4 Annex 21R</i> ;
(2)	I am approved to perform the SMF16 (Compliance oversight) <i>FCA controlled function</i> for the <i>firm</i> or [another appropriate <i>senior management function</i>] within the <i>firm</i> ;
(3)	I have reviewed the completed FCA DBAAT in light of the <i>rules</i> for the BSPS DBAAT referred to in (1);
(4)	where applicable, the completed FCA DBAAT has been amended as a consequence of applying the rules referred to in (1);
(5)	where the FCA DBAAT information section rating was ‘non-compliant – unclear’ or ‘non-compliant – proceed to suitability assessment’, the <i>firm</i> has taken the steps in <i>CONRED 4.3.5R</i> and has assessed the case in accordance with the <i>rules, evidential provisions and guidance</i> in <i>CONRED 4.3.2R</i> to <i>CONRED 4.3.4R</i> , <i>CONRED 4.4.12G</i> and <i>CONRED 4.3.13G</i> (or took equivalent steps previously); and
(6)	in my view, the <i>firm</i> would have come to the same conclusion (that the advice was suitable, unsuitable or a rating of ‘not-compliant – unclear’ (as applicable)) if it had used the BSPS DBAAT.

Signed:

4 Annex B **BSPS DBAAT**
20R

BSPS DBAAT

Information assessment

Case details

Consumer identifier	
Review details	
Reviewer	
Date of review	
QA Completed?	
QA Specialist (Name)	
Date of QA review	
Causation QA required?	
QA Causation (Name)	
Date of causation review	
Full advice details	
Date of advice	
Date of last KYC at time of advice	
Recommendation	
Did the client transfer?	
Firm recommended proposed arrangement?	
Was the client treated as insistent?	
Initial advice charge basis	
Initial advice charge (£)	
Initial advice charge (%)	
Ongoing advice charge (£)	
Ongoing advice charge (%)	
Additional comments	

Firm details

Firm / Network name	
FRN	FCA Register
AR (if different)	
Advice Status	

Adviser details

Adviser name	
Adviser reference (IRN)	FCA Register
Was the adviser a PTS? (If no above), name of PTS	

Client referrals

Client referred from third party firm?	
Third party is regulated/unregulated?	
Third party firm name	
Third party firm FRN	FCA Register
Third party adviser name	
Third party adviser reference (IRN)	

Has the firm obtained the necessary information to provide advice?

1. Has the firm obtained the essential facts about the consumer?		Reviewer	QA
Was the advice on a single or joint life basis?			
Surname			Surname

First name		Y	Y
Date of birth (Age at time of earliest advice)			
Marital status			
Employment status			
Current tax rate			
UK Resident			
Health status			
Notes on health (if not good)			
Notes on any dependents			
Is the client considered vulnerable?			
Notes on vulnerability			
Additional comments			

2	Has the firm obtained the necessary information regarding the consumer's objectives?	Reviewer	QA
---	--	----------	----

Has the adviser prioritised objectives?	
Objective	Amount wanted (where relevant)
Priority 1 objective	
Priority 2 objective	
Priority 3 objective	
Priority 4 objective	
Priority 5 objective	
Additional comments	

3	Has the firm obtained the necessary information regarding the consumer's preferences regarding risk taking and their risk profile?	Reviewer	QA
---	--	----------	----

Firm's description of client's attitude to investment risk (tolerance).	
Firm's description of the client's attitude to the risks associated with a pension transfer, including the loss of safeguarded benefits;	
Did the firm use a tool to help assess?	
Name of tool	
Additional comments	

Firm's description of client's ability to take investment risk (capacity).	
Firm's description of the client's capacity for loss of safeguarded benefits,	

Did the firm use a tool to help assess?	
Name of tool	
Additional comments	

Reviewer	QA
----------	----

4 Has the firm obtained the necessary information regarding the consumer's knowledge & experience?

The types of service, transaction and investments with which the consumer is familiar.	
The nature, volume and frequency of the consumer's transactions in investments and the period over which they have been carried out.	
The level of education, profession or relevant former profession of the consumer.	
Additional comments	

Reviewer	QA
----------	----

5 Has the firm obtained the necessary information regarding the consumer's estimated expenditure?

Has the adviser captured detail on the client's expenditure plans in retirement?	
--	--

Current regular expenditure	
Captured monthly or annually?	
Basic cost of living (p.m)	
Lifestyle expenditure (p.m)	
TOTAL non-discretionary expenditure (p.m)	£0.00
Discretionary / savings (p.m)	
Basic cost of living (p.a)	
Lifestyle expenditure (p.a)	
TOTAL non-discretionary expenditure (p.a)	£0.00
Discretionary / savings (p.a)	
Additional comments	

Retirement regular expenditure	
Captured monthly or annually?	
Basic cost of living (p.m)	
Lifestyle expenditure (p.m)	
TOTAL non-discretionary expenditure (p.m)	£0.00
Discretionary / savings (p.m)	
Basic cost of living (p.a)	
Lifestyle expenditure (p.a)	
TOTAL non-discretionary expenditure (p.a)	£0.00
Discretionary / savings (p.a)	
Additional comments	

Reviewer	QA
----------	----

6 Has the firm obtained the necessary information regarding the consumer's financial situation?

Current income (client)		Current income (spouse/partner)	
Salary (p.a)		Salary (p.a)	
Investment/dividend/property income (p.a)		Investment/dividend/property income (p.a)	
Pensions income (p.a)		Pensions income (p.a)	
Other income (p.a)		Other income (p.a)	
TOTAL	£0.00	TOTAL	£0.00
Additional comments			

Income sources in retirement excluding this pension (client)		Income sources in retirement (spouse/partner)	
Forecast state pension (p.a)		Forecast state pension (p.a)	
State pension date		State pension date	
State pension forecast or inferred?		State pension forecast or inferred?	
Secured pension income (p.a.)		Secured pension income (p.a.)	
TOTAL	£0.00	TOTAL	£0.00
Additional comments			

Gross income from non-pension assets (p.a)		Gross income from non-pension assets (p.a)	
Additional comments			

Other assets		Other assets (spouse/partner)	
Other DC pensions (TV)		Other DC pensions (TV)	
Investments (FV)		Investments (FV)	
Cash assets		Cash assets	
Property (ex main residence)		Property (ex main residence)	
Predicted future inheritance		Predicted future inheritance	
Other assets		Other assets	
Additional comments			

Liabilities	
Outstanding mortgage	
Date of final payment (client age)	Y
Type of mortgage	
Other secured debt	
Unsecured debts	
Will this pension be used to repay any of this debt?	
Additional comments	

7	Has the firm obtained the necessary information about the consumer's pension benefits?	Reviewer	OA
---	--	----------	----

Number of periods of service
Number of periods of service advised on?
(where multiple periods of service) Did the adviser recommend all periods were transferred?

Additional comments	
Membership information	
BSP's statement of benefits obtained?	
Time to Choose: pick obtained?	
Time to Choose: election?	
Date of CETV	
Cash equivalent transfer value	
Date joined the scheme	Y M
Date left scheme (Service Years/Months)	
Scheme retirement date (NRD)	
Scheme minimum retirement age.	
Did the client opt out of the scheme in advance of it's closure on 31 March 2017?	
Date of opt-out	
Additional comments	

Additional comments	Reviewer	OA
---------------------	----------	----

Proposed arrangement	
Proposed arrangement product type	
Proposed arrangement provider name	
Is a DIM recommended?	
Name of DIM	
Is a platform recommended	
Name of platform	
Total initial cost of solution (£)	
Total ongoing cost of solution (%)	
Additional comments	

Have NMP/UCIS been recommended?	
Name of provider of NMP/UCIS	
Name of NMP/UCIS investment	
Is the client a self-investor?	
Additional comments	

Additional comments	Reviewer	OA
---------------------	----------	----

9 Has the firm carried out the transfer analysis?	
Client's preferred retirement age	
Client's preferred retirement age (Years)	

Comparator scheme(s)	
Comparator scheme(s)	

Comparison of benefits	Original BSPS	BSPS 2	PPF
Pension (no commutation) p.a.			
Pension (full commutation) p.a.			
PCLS			
Pension (no commutation) p.a.			
Pension (full commutation) p.a.			
PCLS			

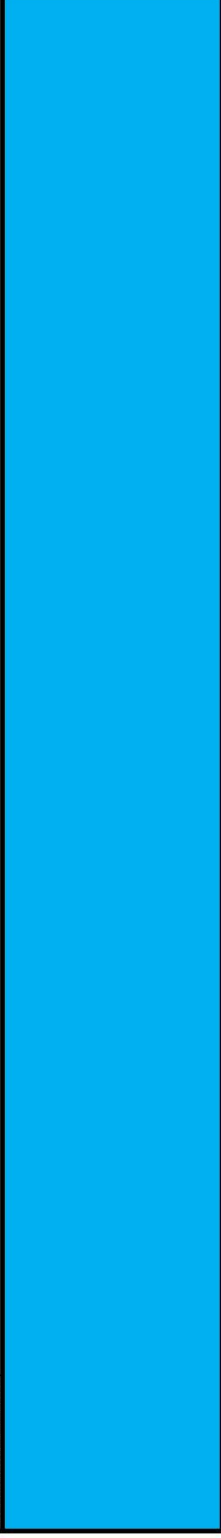
Comparison of critical yield	Original BSPS	BSPS 2	PPF
CY to NRD (Joint)			
CY to NRD (Single)			
Which basis is more relevant?			
CY to preferred retirement date (Joint)			
CY to preferred retirement date (Single)			
Which basis is more relevant?			

Commentary on any other comparison of benefits

Additional comments

Summary of information obtained

Case summary



Tool rating on whether firm has obtained necessary information	
Assessor's rating on whether firm has obtained necessary information	
Assessor's rationale/evidence for information collection rating (include reference to specific rule breaches).	
QA rating on whether firm has obtained necessary information	
QA summary of changes made and feedback to the file assessor	

SUITABILITY ASSESSMENT - PENSION TRANSFER

Examples of unsuitability

No. Example	Reviewer	QA
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		

Suggested suitability rating based upon examples

Assessor's suitability rating	
Assessor's rationale and evidence for suitability rating	
QA suitability rating	
QA summary of changes made and feedback to the file assessor	



CAUSATION ASSESSMENT

Non compliant conduct: Suitability - Pension transfer

Is it more likely than not that the firm's conduct caused the client to take one of the following actions:

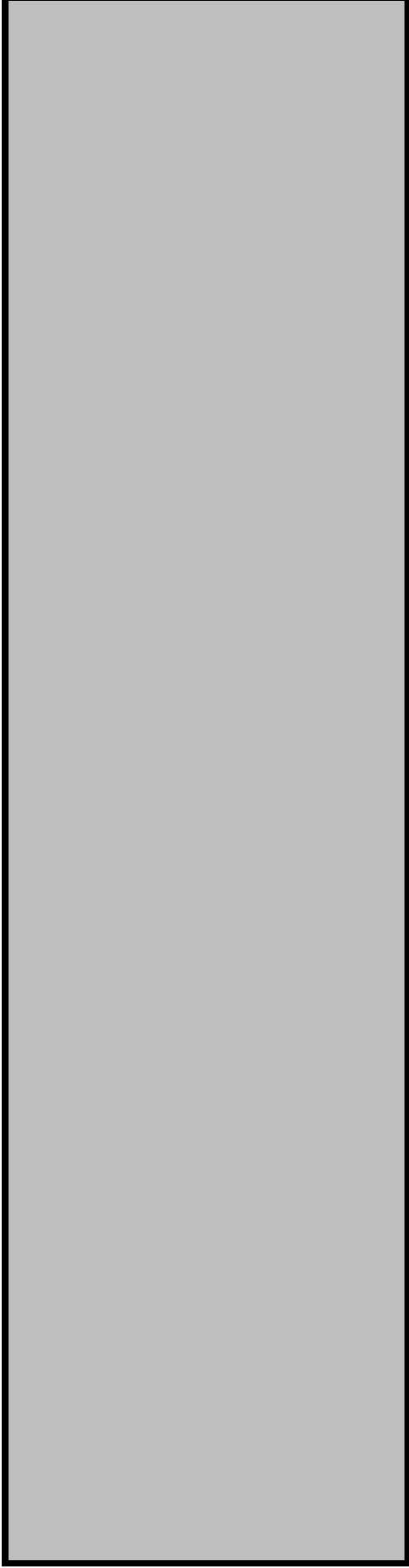
- 1 | Transfer to a pension scheme with flexible benefits.

Reviewer	QA

Causation outcome

Assessor's rationale/evidence for causation rating

QA summary of changes made and feedback to the assessor.



ATTESTATION

Statement:

As the Senior Manager responsible for the compliance oversight of the Firm, I confirm the following:

- 1. I have read the BSPS Consumer Redress Scheme rules and the BSPS DBAAT instructions;**
- 2. The BSPS DBAAT has been completed in accordance with the rules and instructions referred to in (1);**
- 3. That the information recorded in the BSPS DBAAT is factually accurate and based on contemporaneous records; and**
- 4. Where the BSPS DBAAT information section rating was 'Not compliant - Material Information Gap (MIG)' the firm has taken the steps in CONRED 4.3.5R and has assessed the case in accordance with the rules, evidential provisions and guidance in CONRED 4.3.2R to CONRED 4.3.4R, CONRED 4.4.12G and CONRED 4.3.13G.**

Attestation:

Do you attest to the statement outlined above?	
Name of Senior Manager attesting:	
Date of attestation:	

Client notification:

	<p>Has the client opted out for passing their contact details to the FCA?</p>
	<p>Has 2 weeks passed since the client was notified of the suitability outcome?</p>

<p>Client contact details:</p>	
<p>Client email address</p>	
<p>Client telephone number</p>	
<p>Client Title</p>	
<p>Client address: First Line</p>	
<p>Client address: Second line</p>	
<p>Client address: Town/City</p>	
<p>Client address: County</p>	
<p>Client address: Post code</p>	
<p>Has the firm been in recent communication with the client at this address?</p>	

4 **BSPS DBAAT and BSPS Redress Calculator Instructions**

Annex 21R

1 **Introduction**

Limitation on use

- 1.1 G The suitability assessment toolkit reproduced at *CONRED 4* Annex 20R (referred to in these instructions as the ‘BSPS DBAAT’) and instructions in this Annex are to be used only for the purpose of complying with the requirements under *CONRED 4* to assess *pension transfer* advice provided to BSPS members during the relevant period. They should not be used for any other purpose.
- 1.2 G Unless otherwise stated, nothing in *CONRED 4* affects how the FCA DBAAT operates.

Definitions

- 1.3 R In this section we use the following definitions:
- (1) ‘assessor’ means the person filling in the BSPS DBAAT, either at the *firm* or on behalf of the *firm*;
 - (2) ‘available evidence’ means the information collected by the *firm* and held on the *consumer* file or information received from a *consumer*;
 - (3) ‘BSPS’ has the meaning in *CONRED 4.1.1R(1)*;
 - (4) ‘BSPS2’ has the meaning in *CONRED 4.1.1R(2)*;
 - (5) ‘BSPS DBAAT’ has the meaning in *CONRED 4.1.1R(4)*;
 - (6) ‘Causation Section’ is the tab on the BSPS DBAAT Excel Spreadsheet that records whether the *firm*’s failure to comply with the suitability requirements is the effective cause of the *consumer*’s loss;
 - (7) ‘comparator scheme’ means, other than as provided by *CONRED 4* Annex 21 13.1R(4):
 - (a) (if the advice was given on or before 16 May 2017) BSPS;
 - (b) (if the advice was given from 17 May 2017 to 11 October 2017) either or both of BSPS and PPF; and
 - (c) (if the advice was given on or after 12 October 2017) BSPS2 and PPF;

- (8) 'FCA DBAAT' has the meaning in *CONRED* 4.1.1R(11);
- (9) 'information requirements' are the requirements in force during the relevant period and are:
- (a) *COBS* 9.2.1R(2);
 - (b) *COBS* 9.2.2R;
 - (c) *COBS* 9.2.3R;
 - (d) *COBS* 9.2.6R; and
 - (e) *COBS* 19.1.2R;
- (10) 'instructions' means this Annex;
- (11) 'Information Section' is the tab on the BSPS DBAAT Excel Spreadsheet that collects information about the *firm's* compliance with the information requirements that is relevant to the assessment of suitability;
- (12) 'material information gap' has the meaning in *CONRED* 4.1.1R(12);
- (13) 'NRD' is the normal retirement date in the comparator scheme;
- (14) 'pension benefits' has the meaning in *CONRED* 4.1.1R(13);
- (15) 'PPF' means the Pension Protection Fund;
- (16) 'relevant period' is defined at *CONRED* 4.1.1R(16);
- (17) 'scheme case' is defined at *CONRED* 4.1.1(17);
- (18) 'suitability requirements' are the requirements in force during the relevant period specified at *CONRED* 4 Annex 21R 7.1R and are:
- (a) *COBS* 9.2.1R(1); and
 - (b) the common law duty in contract or tort to exercise reasonable skill and care in advising the *consumer* on *pension transfers*;
- and that were in force during the relevant period and applicable to a scheme case;
- (19) 'Suitability Section' is the tab on the BSPS DBAAT Excel Spreadsheet that records the assessment of the *firm's* compliance with the suitability requirements;
- (20) 'transfer value' is the cash equivalent transfer value or CETV;

- (21) ‘transfer value analysis’ is the analysis a *firm* was required to carry out during the relevant period, in accordance with the requirements at *COBS* 19.1.2R; and
- (22) ‘two-adviser model’ has the meaning in *CONRED* 4.1.1R(21).

2 Using the BPS DBAAT

- 2.1 G The BPS DBAAT contains factors for the *firm*’s assessor to take into account to determine whether there has been a failure to comply with the suitability requirements in a scheme case. The instructions are addressed to the assessor carrying out the review.
- 2.2 R The BPS DBAAT is a Microsoft Excel workbook divided into 5 ‘sections’, using worksheet tabs, which must be completed in full except where indicated in these instructions.
- 2.3 R Before completing the BPS DBAAT, an assessor must familiarise themselves with the features, benefits and risks of a *pension transfer* from BPS, including the features, benefits and risks in general of a *pension transfer* that a reasonably competent *firm* should have identified, as illustrated in *CONRED* 4 Annex 22G at Table 1.
- 2.4 R The assessor must answer the questions in the BPS DBAAT and complete the assessment by reference to the available evidence, and where specified the information available to advisers during the relevant period listed in *CONRED* 4 Annex 22G at Tables 2 and 3.
- 2.5 R All answers should be based on information obtained up until the date the *firm* gave the advice or arranged the *pension transfer*, unless otherwise stated.
- 2.6 G When completing the BPS DBAAT, an assessor should ensure that the information they enter, including, without limitation, all values, notes, additional comments, rationale and evidence, is sufficiently detailed for a third-party assessor to:
- (1) gain an accurate and complete overview of the relevant evidence on the *consumer* file; and
 - (2) form a view without the need to refer to the relevant evidence as to whether the *firm* has collected the necessary information to assess suitability and, where applicable, complied with the suitability requirements.
- 2.7 G The BPS DBAAT uses colours to indicate whether fields have been completed. Blue indicates fields still to complete. Grey indicates fields that may not have to be completed, depending on the answer to a question.
- 2.8 G The diagram at 2.9G explains the scheme steps in diagrammatic form, with reference to the relevant sections of the instructions and *CONRED* 4 rules.

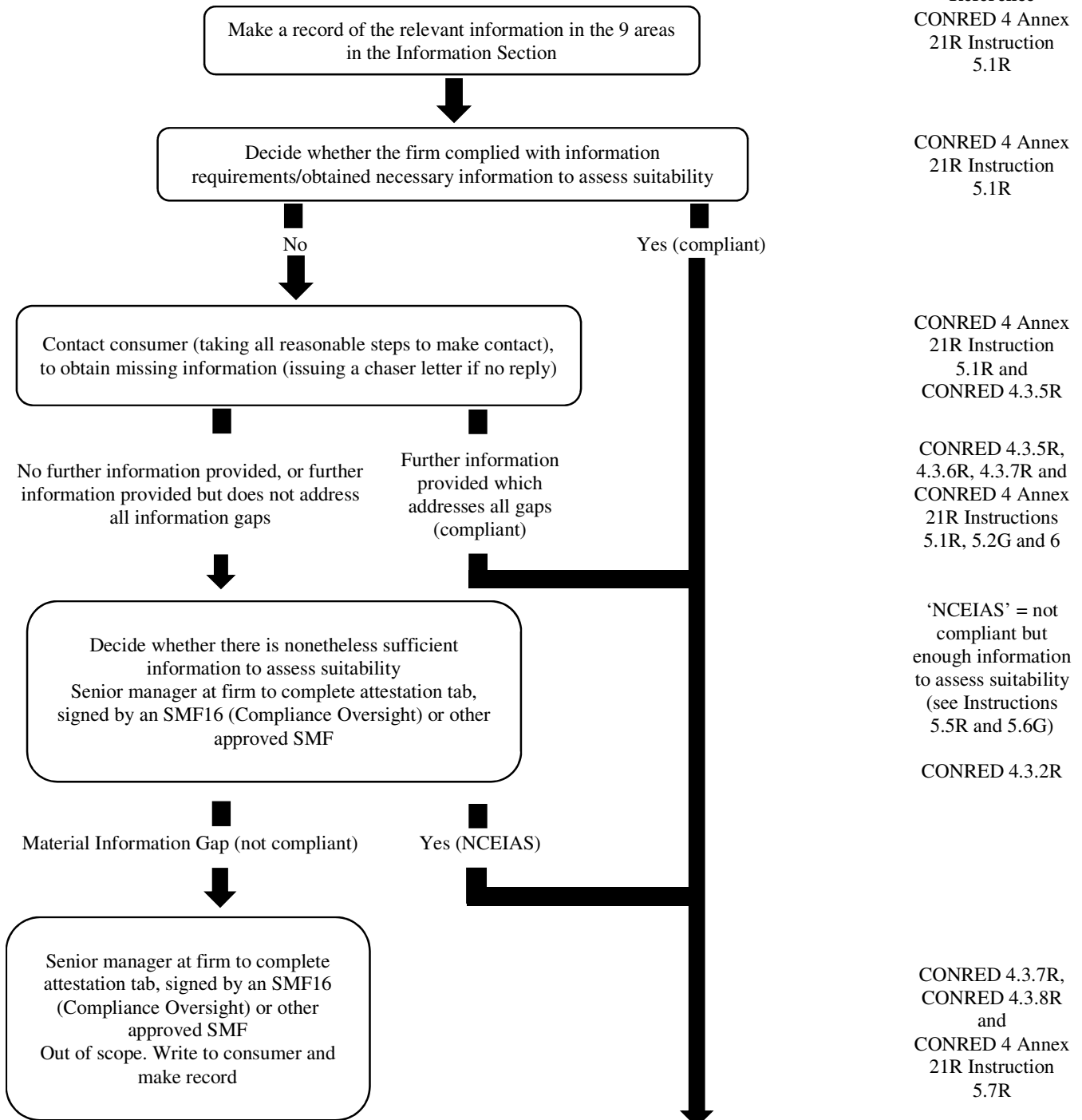
2.9 G The steps to complete a BSPS DBAAT are set out below.

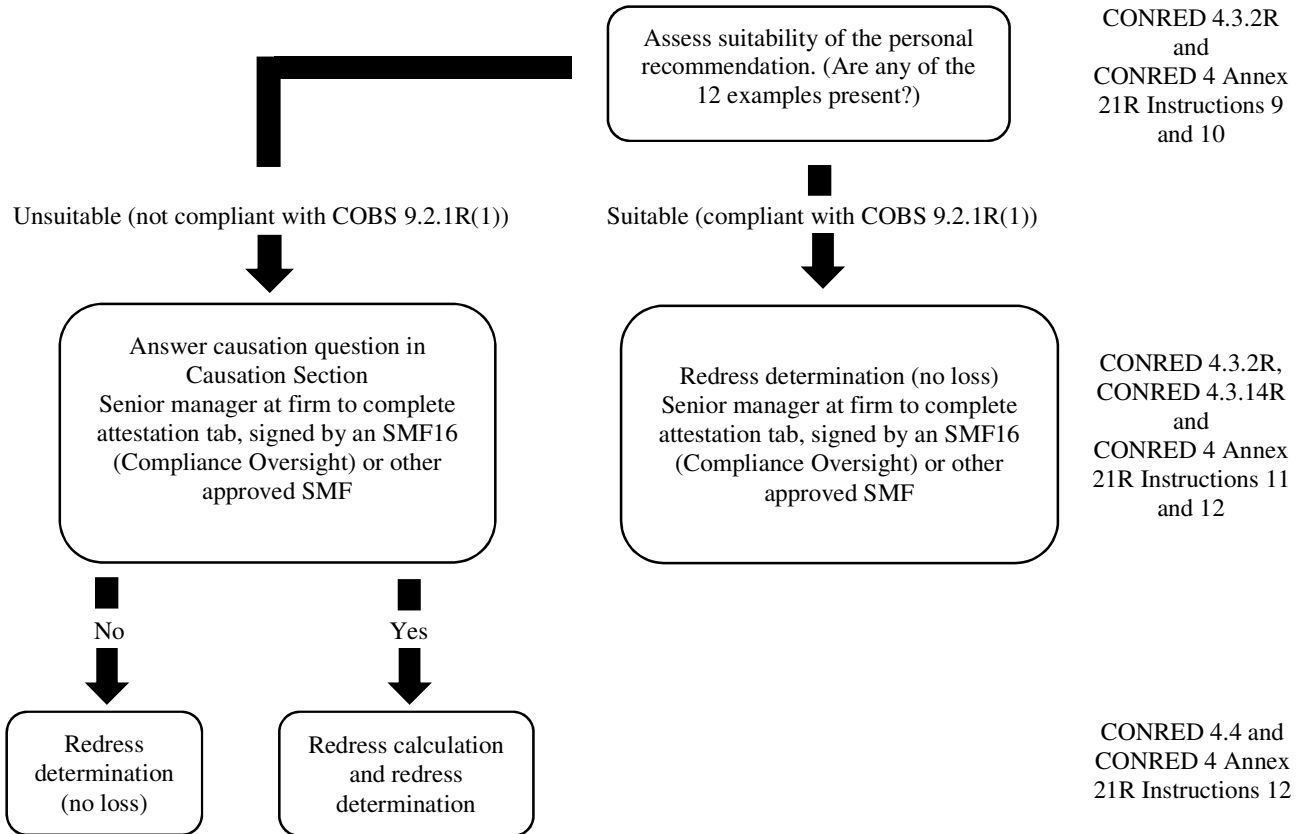
Steps to complete a BSPS DBAAT

Note this diagram should be considered alongside other scheme diagrams

Using the available evidence:

CONRED Reference





3 Use of FCA DBAAT

- 3.1 G If *CONRED* 4.3.2R(2) applies and the *firm* uses a non-BSPS DBAAT to complete the first step under *CONRED* 4.3.2R, it should have regard to the differences between the BSPS and non-BSPS DBAAT and refer to relevant sections of the instructions to identify whether their FCA DBAAT or assessment requires amendment. The material changes include:
- (1) In the Information Section:
 - (a) Information Area 4 is not present in the BSPS DBAAT and the remaining Information Areas have been renumbered;
 - (b) Information Area 7 in the BSPS DBAAT on the comparator scheme (area 8 in the non-BSPS DBAAT) has been significantly revised;
 - (c) Information Area 9 in the BSPS DBAAT on the transfer analysis (area 10 in non-BSPS DBAT) has been significantly revised.
 - (2) In the Suitability Section:
 - (a) the addition of *evidential provisions* in respect of Examples 1 to 11;
 - (b) new Example 11 has been inserted in the BSPS DBAAT;
 - (c) Example 11 from the non-BSPS DBAAT becomes Example 12;
 - (d) Example 12 from the non-BSPS DBAAT has been removed.
 - (3) The Suitability Investment Advice, Disclosure and Insistent Client Sections have been removed.

4 General instructions

- 4.1 R An assessor must complete a separate BSPS DBAAT for each *consumer* and:
- (1) if the *consumer* has more than one period of service in the BSPS, complete a separate BSPS DBAAT for each period of service;
 - (2) if the *consumer* received connected *advice on pension transfers* from a non-BSPS *ceding arrangement* within 6 months of the BSPS advice, have regard to how the connected advice factors into the advice to transfer the *consumer's* BSPS scheme.
- 4.2 G For the purpose of 4.1R, advice on a *pension transfer* from a non-BSPS *ceding arrangement* is likely to be connected with advice to transfer from

BSPS if the advice on the other scheme is integral to the *consumer's* decision to transfer from the BSPS.

- 4.3 R Where the *consumer* is married or has a partner, complete the BSPS DBAAT on a joint life basis unless the *consumer* has instructed the *firm* to advise on a single life basis and their spouse or partner has confirmed that they have sufficient retirement provision of their own.
- 4.4 R Where it is necessary to use multiple BSPS DBAATs:
- (1) use the first BSPS DBAAT for the *ceding arrangement* offering the largest transfer value;
 - (2) label the completed BSPS DBAATs with the *consumer's* name and the number in sequence order that the BSPS DBAATs were completed;
 - (3) re-use the relevant information from the first BSPS DBAAT in any connected BSPS DBAATs and ensure that the following sections are completed using the available evidence about the *consumer* and the *ceding arrangement* the BSPS DBAAT relates to:
 - (a) case details;
 - (b) Information Area 1 – ‘has the *firm* obtained the essential facts about the *consumer*?’;
 - (c) Information Area 7 – ‘has the *firm* obtained the necessary information about the consumer’s pension benefits?’;
 - (d) Information Area 8 – ‘has the *firm* obtained necessary information regarding the *proposed arrangement*?’; and
 - (e) Information Area 9 – ‘has the *firm* carried out the transfer analysis?’; and
 - (4) clearly cross refer between the BSPS DBAATs.

5 Information Section

- 5.1 R An assessor must take these 6 actions to complete the Information Section:
- (1) Enter ‘case details’ of the file review and assessor alongside details of the *firm*, adviser and *pension transfer specialist* (as recorded on the *Financial Services Register*) and the charging basis for the advice.
 - (2) Record the relevant information from the available evidence under each of the 9 Information Areas, following the instructions under each area heading.
 - (3) For each Information Area, decide whether the *firm* has complied with the information requirements and obtained the necessary information to assess suitability and answer ‘yes’ or ‘no’ to each ‘area question’.

- (4) Depending on the answers to questions in Information Areas 1 to 9, the BSPS DBAAT will give the *firm's* information collection 1 of 3 indicative ratings. To complete this action, refer to the instructions at *CONRED* 4 Annex 21R from 5.3R to 5.7R and select from the drop-down list one of the following 'assessor' ratings:
- (a) 'Compliant – Proceed to suitability assessment' – the *firm* has complied with the information requirements and collected the necessary information to assess suitability. Proceed to the Suitability Section of the BSPS DBAAT.
 - (b) 'Non-compliant – Material Information Gap' – the *firm* has not complied with the information requirements and so it is not possible to assess suitability. Complete action (5) before finalising this rating.
 - (c) 'Non-compliant - However enough information to assess suitability' – the *firm* has not complied with the information requirements and has taken the steps at *CONRED* 4.3.5R but there is sufficient information to conclude that the advice was likely to be unsuitable. Proceed to the Suitability Section of the BSPS DBAAT.
- (5) If 4(b) applies, follow the steps in *CONRED* 4.3.5R to obtain the missing information, then carry out actions 5.1R(2) to (4) again and finalise the assessor rating.
- (6) Explain, with reference to the *consumer* file, the reasons for the rating and any actions taken to obtain missing information.

5.2 G The overall assessment part of the Information Section has 2 boxes:

- (1) Tool rating: the BSPS DBAAT's indicative rating of whether the *firm* has obtained the 'necessary information' to make a *personal recommendation* based on the answers to Information Area questions 1 to 9 in the Information Section.
- (2) Assessor rating: this is the assessor's own informed assessment in the round of whether the *firm* has obtained the necessary information to make a *personal recommendation*. The assessor can come to a different rating.

5.3 R To complete the overall assessment of whether the *firm* has collected the necessary information at 5.1R(4), take the following steps. Using the available evidence and with reference to the information requirements:

- (1) review the information recorded and the ratings in each Information Area of the BSPS DBAAT;
- (2) answer 'yes' or 'no' depending on whether the *firm* has complied with the information requirements; and

- (3) insert commentary on whether or not the *firm* has complied with the information requirements.
- 5.4 R If the answer to all of the Information Area questions 1 to 9 is ‘yes’, select ‘compliant – proceed to suitability section’ and proceed to the Suitability Section.
- 5.5 R If one or more of the answers to the Information Area questions 1 to 9 is ‘no’, decide, with reference to the information requirements, whether there is nonetheless sufficient information to assess the suitability of the recommendation and:
- (1) if there is sufficient information, select ‘non-compliant however enough information to assess suitability’ and make a record of the reasons for the assessment in accordance with *CONRED* 4 Annex 21R 5.3(3)R; or
 - (2) if there is not sufficient information, select ‘Non-compliant - Material Information Gap’ and take the second step at *CONRED* 4.3.5R to obtain the missing information then proceed to 5.1R(2).
- 5.6 G There may be sufficient information to assess the suitability of the advice in circumstances where the *firm* has been unable to obtain the necessary information in one or more Information Area. For example:
- (1) where the *consumer* was in *serious financial difficulty* and had a proven urgent need for the transferred funds and the *firm* was unable to obtain the necessary information in Information Area 1, 3, 4 or 5. The types of circumstances in which a *consumer* is likely to be able to show they are experiencing *serious financial difficulty* include where continuing to pay domestic bills and credit commitments is a heavy burden on the *consumer* and the *consumer* has missed payments for any credit commitments and/or any domestic bills in any 3 or more of the last 6 months; or
 - (2) where the *consumer* was in ill health, with death expected imminently, and wanted to transfer in order to pass the value of their pension benefits to beneficiaries and the *firm* was unable to obtain the necessary information in Information Area 3, 4, 5, or 6.
- 5.7 R If, after taking the steps at *CONRED* 4.3.5R, and having regard to the guidance in *CONRED* 4.3.12G to *CONRED* 4.3.13G, the conclusion is that the *firm* has not obtained the necessary information and it is not possible to assess the suitability of the transfer (such that the ‘assessor rating’ is ‘Non-compliant – Material Information Gap’), record:
- (1) a brief summary of the missing information and its significance to the suitability assessment (for example, ‘the *firm* has not recorded any *consumer* objectives and so it cannot form a view on whether the transfer meets the *consumer*’s investment objectives’); and

- (2) that the *firm* has not complied with the information requirements but it is not possible to assess whether the *firm* has complied with the suitability requirements; and
- (3) where the failure relates to the transfer analysis, that the *firm* has not carried out the required transfer analysis in accordance with COBS 19.1.2R.

6 Instructions for Information Areas

- 6.1 G This section sets out how to assess whether the *firm* has collected the necessary information across 9 Information Areas to make a *personal recommendation*. It is also to be used to determine whether the assessor has sufficient information to assess suitability.

Information Area 1: has the firm obtained the essential facts about the consumer?

- 6.2 R Refer to the available evidence and take the following steps:
- (1) Select 'yes' or 'no' depending on whether the *firm* has obtained the essential facts about the *consumer*.
 - (2) Enter the information about the *consumer* and (if relevant) their spouse or partner from the available evidence.
 - (3) Record any information inferred from the available evidence in the comment box.
- 6.3 R Complete the BSPS DBAAT as follows:
- (1) Where advice is on a joint life basis, complete the essential information for the *consumer* and their partner.
 - (2) If the *consumer's* tax rate is not recorded, it can be inferred from the *consumer's* salary at the date of the advice.
 - (3) Record in the additional comments box whether the *consumer* intends to transfer the pension to a Qualifying Recognised Overseas Pension Scheme. Record the relevant currency and overseas tax rates.
 - (4) Where health status is not recorded, absent any evidence suggesting otherwise, infer that the *consumer* is in good health.
 - (5) Record details about any dependants and the *consumer's* responsibility for them.
 - (6) Include details about whether the *consumer* had characteristics of vulnerability. This means someone who, due to their personal circumstances, is especially susceptible to detriment.

Information Area 2: has the firm obtained the necessary information regarding the consumer's objectives?

- 6.4 R Take the following steps to complete this area. Using the available evidence, identify the information recorded on the *consumer's* objectives and:
- (1) if no objectives have been recorded, answer 'no' to this question; or
 - (2) if objectives are recorded, answer 'yes'; and
 - (3) complete the BSPS DBAAT by recording the *consumer's* objectives, using the same wording and ranking or prioritisation as the *firm* and include any observations in the additional comments box.

- 6.5 G For each objective identified, the BSPS DBAAT will indicate fields where further information can be recorded, in the right-hand columns, relating to:
- (1) the amount wanted (to achieve the objective); and
 - (2) the date the amount is needed.

Information Area 3: has the firm obtained the necessary information regarding the consumer's preferences regarding risk taking and their risk profile?

- 6.6 R Take the following steps to complete this area. Using the available evidence:
- (1) select 'yes' or 'no' depending on whether the *firm* has obtained the necessary information about the *consumer's* preferences regarding risk taking and their risk profile;
 - (2) record in the boxes provided the *firm's* description of the *consumer's*:
 - (a) attitude to investment risk;
 - (b) attitude to the risks associated with a *pension transfer*, including the loss of *safeguarded benefits*;
 - (c) capacity for loss (in general); and
 - (d) capacity for loss of *safeguarded benefits*;
 - (3) select 'yes' or 'no' depending on whether the *firm* used a tool for any of the above assessments. If the *firm* used a tool record the name of that tool in the 'name of tool' box; and
 - (4) record in the 'comments' box any additional comments or observations on the *firm's* approach to obtaining this information.
- 6.7 G 'Capacity for loss' refers to the *consumer's* ability to absorb falls in the value of their investment. If any loss of capital would have a materially detrimental effect on their standard of living, this should be taken into account in assessing the risk that they are able to take.

- 6.8 G *COBS 9.2.2R(2)* requires a *firm* to obtain, where relevant, information about the *consumer's* (a) preferences regarding risk taking and (b) risk profile. *COBS 19.1.7G* and *COBS 19.1.7AG* contain guidance to which a *firm* giving *pension transfer* advice should have had regard when identifying the *consumer's* risk preferences and risk profile.
- 6.9 G A *firm* advising a *consumer* during the relevant period should have obtained sufficient information to enable it to consider the *consumer's* attitude to the investment risks specific to a *pension transfer*, including:
- (1) the rate of growth that would have to be achieved to replicate scheme benefits in the *proposed arrangement* (*COBS 19.1.7G* and *COBS 19.1.7AG*);
 - (2) the extent to which benefits may fall short of replicating those in the *defined benefits pension scheme* or other scheme with *safeguarded benefits* (*COBS 19.1.7AG(1)*);
 - (3) the uncertainty of the level of benefit that can be obtained from the purchase of a future *pension annuity* and the investment risk to which the retail *consumer* is exposed until a *pension annuity* is purchased with the proceeds of the proposed *personal pension scheme* or *stakeholder pension scheme* (*COBS 19.1.7AG(2)*);
 - (4) the potential lack of availability of *pension annuity* types (for instance, *pension annuity* increases linked to different indices) to replicate the benefits being given up in the *defined benefits pension scheme* as set out in *COBS 19.1.7AG(1)*; and
 - (5) the risks relevant to a *pension transfer* from the BSPS to a scheme with *flexible benefits* listed at *CONRED 4 Annex 22G* at Table 1.

Information Area 4: has the firm obtained the necessary information regarding the consumer's knowledge and experience?

- 6.10 R Take the following steps to complete this area. Using the available evidence:
- (1) identify the information relevant to the *consumer's* knowledge and experience of *defined benefits pension schemes* and *pension schemes* with *flexible benefits*, including:
 - (a) the types of service, transaction and investments with which the *consumer* is familiar;
 - (b) the nature, volume and frequency of the *consumer's* transactions in *investments* and the period over which they have been carried out; and
 - (c) the level of education, profession or relevant former profession of the *consumer*;

- (2) answer ‘yes’ or ‘no’ depending on whether the *firm* has obtained the necessary information about the *consumer’s* knowledge and experience; and
- (3) record the *consumer’s* knowledge and experience relevant to *pension transfers* in the ‘additional comments’ box.

Information Area 5: has the firm obtained the necessary information regarding the consumer’s estimated expenditure?

- 6.11 R Take the following steps to complete this area. Using the available evidence:
- (1) identify the information relevant to the *consumer’s* financial situation;
 - (2) answer ‘yes’ or ‘no’ depending on whether the *firm* has obtained the necessary information regarding the *consumer’s* estimated expenditure;
 - (3) record relevant information under the headings ‘current regular’ and ‘retirement regular’, including the *consumer’s* expenditure on:
 - (a) basic cost of living;
 - (b) lifestyle expenditure; and
 - (c) discretionary expenditure/savings; and
 - (4) record any additional comments about the steps the *firm* has taken to obtain this information, including any inferences made about current or retirement regular expenditure.
- 6.12 E Answer ‘yes’ to the question at 6.11R(2) if the *firm* has taken reasonable steps to obtain the information under the headings ‘current regular’ and ‘retirement regular expenditure’ but there is information missing and:
- (1) the *consumer* is 5 years or less from their intended retirement age and taking account their personal circumstances, it is possible to use the current regular expenditure as a proxy for retirement regular expenditure; or
 - (2) it is possible to use the current regular expenditure, with *consumer-specific* adjustments, as a proxy for retirement regular expenditure.
- 6.13 G The BPS DBAAT records the necessary information about the *consumer’s* estimated expenditure throughout retirement in 3 categories:
- (1) Basic cost of living: this includes all non-discretionary expenditure. For example, utility bills, council tax, food and any outstanding accommodation payments (such as mortgages and rents) or care expenses if these are ongoing.

- (2) Lifestyle expenditure: this is expenditure to support the *consumer's* lifestyle. For example, *consumers* may wish to spend money on entertainment, holidays or home help.
 - (3) Discretionary expenditure/savings: this is expenditure which is discretionary and could easily be cut back by the *consumer* at any time. It may include current savings into pensions or investments which may well cease upon retirement. This may also be labelled as 'disposable income'.
- 6.14 G If the *firm* has estimated the *consumer's* expenditure in retirement, consider whether it took reasonable steps to do so. Reasonable steps might include:
- (1) gathering the necessary information on the *consumer's* current level of expenditure and liabilities;
 - (2) considering how the *consumer's* personal circumstances and lifestyle (for example, living arrangements, mortgage position, provision of financial support for dependents, recreational activities, and travel) are likely to change upon retirement, and how this might affect future expenditure and liabilities;
 - (3) challenging low estimates of expenditure by using comparative figures derived from (for example) the *firm's* experience with other *consumers* in similar situations, statistical averages, actuarial data and other reliable sources (though it is unlikely that the use of generic data would by itself satisfy the requirement to take reasonable steps);
 - (4) where a *firm* has used a cashflow modelling tool to estimate the *consumer's* level of expenditure in retirement as part of demonstrating how reliant the *consumer* is on this income in retirement;
 - (5) challenging inconsistent information, for example, where the *consumer* suggests they have a high level of available disposable income but low levels of savings, suggesting that their lifestyle expenditure may be more than they represent.

Information Area 6: has the firm obtained the necessary information regarding the consumer's financial situation?

- 6.15 R To complete this area, take the following steps. Using the available evidence:
- (1) identify the information relevant to the *consumer's* financial situation;
 - (2) answer 'yes' or 'no' depending on whether the *firm* has captured the necessary information regarding the *consumer's* financial situation; and
 - (3) record the relevant information for the *consumer* and (for joint advice) their spouse or partner under the headings:
 - (a) *consumer's* current income;

- (b) income sources in retirement (excluding income from the comparator scheme, which is captured in Information Area 7);
 - (c) other assets (excluding the *consumer's* main residence); and
 - (d) liabilities.
- 6.16 G The *consumer's* main residence should not usually be counted as an asset which can be used as an income source in retirement. The *consumer's* main residence typically provides secure accommodation throughout retirement. Where the *firm* has a reasonable basis for treating the main residence as an asset, for example because the *consumer* has a legitimate plan to downsize and the *firm* has a contemporaneous record of these plans, include the value of the main residence in the 'other assets' box.
- 6.17 G If the *consumer* file is incomplete or it is unclear whether the *firm* has collected the necessary information on the *consumer's* financial situation, it may be possible to estimate the *consumer's* income or assets from other information on the *consumer* file. For example:
- (1) if the 'other assets' section in a fact-find is blank, and there is evidence that the *consumer's* income does not exceed or marginally exceeds their expenditure, it may be reasonable to assume that the *consumer* has no other assets;
 - (2) if the 'state pension' section of the fact-find is blank:
 - (a) where there is evidence of the *consumer's* employment history on file or length of service at the scheme employer, it may be possible to estimate entitlement to a state pension;
 - (b) where a *consumer* expects to continue in employment until retirement, it is reasonable to infer, unless there is specific information to the contrary, that the *consumer* would continue to accrue state pension entitlement throughout that period;
 - (3) if details on the 'spouse's/partner's' assets are missing, it may be possible to infer information based on the spouse's circumstances. For example:
 - (a) if the spouse or partner was employed at the time of the advice, it is likely they will have some eligibility for state pension;
 - (b) if the spouse or partner was not employed, this may indicate that they have modest assets, in the absence of evidence suggesting otherwise;
 - (4) if the *consumer* or their spouse or partner held other *defined benefits* of material value, where a benefits statement was delayed, these benefits could be reasonably estimated by contemporaneous records of their salary, length of service and publicly available scheme details;

- (5) if there is an indication that the spouse or partner has a defined contribution pension scheme or other assets but the value is not quantified, where it has already been demonstrated that the *consumer* and spouse or partner have sufficient other guaranteed pension provision to cover their expenditure in retirement, the value of this scheme may not be necessary to assess the suitability of the recommendation to transfer.
- 6.18 G (1) If the available evidence suggests that the *consumer* has a significant amount of disposable income, but the *firm* has obtained limited or no information on them, it is more likely than not that the *firm* has not obtained the necessary information.
- (2) If the available evidence demonstrates that the *consumer* has other assets or liabilities, but the *firm* has obtained limited or no information on them, it is likely that the *firm* has not obtained the necessary information.
- 6.19 G If the *consumer* was concerned about the security of their employment with Tata Steel Ltd and the security of income over the remaining term to retirement, this should have been recorded on the *consumer* file. The *firm* should have inquired as to whether redundancy or loss of income was imminent and was likely to cause significant financial hardship.

Information Area 7: has the firm obtained the necessary information regarding the consumer's pension benefits?

- 6.20 R To complete this area, take the following steps. Using the available evidence:
- (1) (where the *firm* has advised on multiple periods of service in the BSPPS) record under the heading 'number of schemes':
- (a) the number of periods of service in the BSPPS advised on;
- (b) whether the outcome was to transfer all periods of service;
- (2) record the relevant information for the *consumer's* BSPPS membership, including:
- (a) the statement of benefits and date obtained;
- (b) whether the Time to Choose pack was obtained;
- (c) what the *consumer's* Time to Choose election was (BSPPS2 or PPF);
- (d) the date of the CETV and the CETV amount;
- (e) the dates they joined and left the BSPPS (the BSPPS DBAAT will then automatically calculate the length of service);

- (f) their retirement date (NRD) in the BSPS;
 - (g) BSPS minimum retirement age;
 - (h) whether the client opted out of the scheme in advance of its closure and the date of any opt-out;
 - (i) any additional comments;
- (3) answer 'yes' or 'no' depending on whether the *firm* has captured the necessary information regarding the *consumer's* BSPS membership, Time to Choose election, and benefits; and
 - (4) record any comments relevant to the *consumer's* CETV and the comparator scheme(s) in the 'additional comments' box.

Information Area 8: has the firm obtained the necessary information regarding the proposed arrangement?

6.21 R To complete this area, take the following steps. Using the available evidence:

- (1) identify information about the *proposed arrangement*;
- (2) answer 'yes' or 'no' depending on whether the *firm* has captured the necessary information regarding the *proposed arrangement*;
- (3) if the *firm* has not identified a *proposed arrangement*, answer 'no' to this question;
- (4) record the relevant information under the headings 'proposed arrangement'; and
- (5) in the 'additional comments' box, record any relevant information about product and adviser costs and charges.

Information Area 9: has the firm carried out the transfer analysis?

6.22 R To complete this area, take the following steps. For the relevant comparator scheme(s), using the available evidence and with reference to the *firm's* transfer value analysis:

- (1) record the *consumer's* preferred retirement age;
- (2) record the relevant comparator schemes(s);
- (3) record relevant information under the heading 'comparison of benefits' from the comparison carried out by the *firm* to comply with COBS 19.1.2R; and
- (4) record relevant information under the heading 'critical yield', including:

- (a) the critical yield on a joint and single basis to the *consumer's* NRD and preferred retirement date; and
 - (b) identify which critical yield is more relevant (joint or single) by selecting the critical yield which corresponds to the *consumer's* intentions; and
 - (i) if the evidence on file demonstrates that the *consumer* does not intend to take any *pension commencement lump sum*, record the critical yield for a full pension and make a note in the 'additional comments' box; and/or
 - (ii) if the *consumer* is single and there is nothing on file to suggest that this is likely to change, then insert the critical yield calculated on a single life basis and make a note in the 'additional comments' box; and
 - (c) record the critical yield to match the comparator scheme(s) at the *consumer's* preferred retirement date; and
- (5) record commentary on any other comparison of benefits, for example on cashflow modelling or analysis of how long funds are likely to last in the *proposed arrangement*.
- 6.23 G The BSPS DBAAT records the necessary information about the *consumer's* benefits at the comparator scheme(s) and their preferred retirement date in 3 categories:
- (1) Pension (no commutation) per annum (p.a.): the income benefits the *consumer* would receive at NRD if they were to take all their benefits as income only.
 - (2) Pension (full commutation) per annum (p.a.): the (reduced) income benefits the *consumer* would receive at NRD if they chose to maximise their *pension commencement lump sum* by commuting income benefits up to the full permitted limit.
 - (3) *Pension commencement lump sum* (PCLS): the lump sum benefits the *consumer* would receive at their NRD if they chose to maximise their PCLS by commuting income benefits up to the full permitted limit.
- 6.24 G To assess whether the *firm* has carried out the transfer analysis, identify whether:
- (1) (with reference to the assumptions in *COBS 19.1.4R* to *COBS 19.1.4BR* and taking into account the dates these rules were in force) the analysis has been undertaken on the correct assumptions, including whether, if more cautious assumptions have been used, those assumptions are reasonable; and

- (2) the analysis is consistent with product-related documents such as the *key features illustration*.

7 Suitability requirements

- 7.1 R The following requirements are specified as ‘suitability requirements’:
- (1) *COBS 9.2.1R(1)*, which requires a *firm* to take reasonable steps to ensure that a personal recommendation is suitable for its *client*; and
 - (2) the common law duty in contract or tort to exercise reasonable skill and care in advising the *consumer* on *pension transfers*.
- 7.2 G The contract between the *firm* and the *consumer* may have included a specific term providing that the *firm* would exercise reasonable skill and care in advising the *consumer* on investments. If it did not do so, such a duty is likely to have been implied into the contract.
- 7.3 G The standard of care under the *FCA rules* and the common law is that of a reasonably competent *firm* carrying on a similar business to that of the *firm* assessed.
- 7.4 G The suitability requirements arise from *FCA rules* and the common law. For the requirements specified, the standards required of the *firm* are materially similar, regardless of whether their origin is a *rule* or the common law.
- 7.5 G *COBS 9.2.1R(2)*, *COBS 9.2.2R* and *COBS 9.2.3R* indicate matters of which a *firm* must take account when assessing whether the *firm* failed to comply with the suitability requirements. In summary, these are the *consumer’s*:
- (1) investment objectives;
 - (2) financial situation; and
 - (3) knowledge and experience in the *investment* field relevant to the specific type of designated *investment* or service.
- 7.6 G The starting point for *pension transfer* advice is the *guidance* in *COBS 19.1.6G* that a *firm* should only consider a transfer, conversion or opt-out to be suitable if it can clearly demonstrate, on contemporary evidence, that the transfer, conversion or opt-out is in the *client’s* best interests.

8 Assessing scheme cases for compliance with suitability requirements

- 8.1 R (1) The ‘Suitability Section’ in the BPS DBAAT and associated additional provisions in these instructions contain ‘examples’ which tend to show failure to comply or compliance with the suitability requirements specified at 7.1R.

- (2) The examples are indicators that advice may be unsuitable, and an overall view of suitability or unsuitability must be reached taking account of all of the circumstances.
- 8.2 R For each scheme case, the assessor must:
- (1) fairly consider and give appropriate weight to all available evidence of the *firm's* compliance or non-compliance with applicable suitability requirements; and
 - (2) decide, including with reference to the examples in the BSPS DBAAT, whether it is more likely than not that the *firm* complied or failed to comply with the suitability requirements.
- 8.3 R In considering the available evidence, the assessor must:
- (1) not assume that a *firm* complied with a suitability requirement solely on the basis that:
 - (a) the *consumer* signed documentation that records their understanding or agreement to matters set out in that documentation;
 - (b) the advice was given to a *consumer* who had transferred from a *defined benefit occupational pension scheme* in the past;
 - (2) give more weight to evidence of the *consumer's* particular circumstances or the circumstances at the time than to general evidence of the selling practices of the *firm* or its advisers at the relevant time;
 - (3) determine that an example is present on the 'balance of probabilities' when it is more likely than not to have occurred.
- 8.4 R When assessing whether a *firm* complied with the suitability requirements, the assessor must take into account the following:
- (1) the *consumer's* investment objectives, including their willingness to bear the risks associated with transfer (transfer risk);
 - (2) the *consumer's* financial situation, including their ability, financially, to bear the risks associated with the recommended transfer consistent with their investment objectives;
 - (3) the *consumer's* ability, in the light of the following, to understand the risks associated with a *pension transfer*:
 - (a) the experience and knowledge of the *consumer* relevant to a *pension transfer*; and
 - (b) any communications received from the comparator scheme(s) regarding the *pension transfer*.

- 8.5 R When assessing the reasonableness of a *firm's* conduct, the assessor must:
- (1) assess the *firm's* conduct against what was reasonable at the time when the *firm* gave the advice; and
 - (2) have regard to the information available at various times, including the information listed at Table 3 of *CONRED 4 Annex 22G*; and
 - (3) conclude that the conduct of the *firm* assessed was reasonable only where that *firm* displayed the degree of skill, care and diligence that would at that time have been exercised in the ordinary and proper course of a similar business to that of the *firm*.
- 8.6 G Where the advice is given using a two-adviser model and the advisers are employed by different *firms*:
- (1) identify which *firm* is responsible for the *pension transfer* advice and which *firm* is responsible for the investment advice;
 - (2) take into account that it will generally be reasonable for the *firm* providing *pension transfer* advice to rely on information provided to it in writing by the *firm* providing investment advice, unless it is aware or ought reasonably to be aware of any fact that would give reasonable grounds to question the accuracy of that information (*COBS 2.4.6R* and *COBS 2.4.8G*).

9 Completing the Suitability Section of the BSPS DBAAT

- 9.1 G The Suitability Section is used to record the assessment of whether the *firm* has complied with the suitability requirements.
- 9.2 R The assessor must take the following steps to complete the Suitability Section:
- (1) review the available evidence and the information recorded in the Information Section of the BSPS DBAAT;
 - (2) take the steps in Section 10 of this Annex to determine whether the available evidence shows overall that an example is present, or not;
 - (3) indicate whether any or all of Examples (1) to (12) are present, or not, by selecting 'yes' or 'no';
 - (4) conclude, taking into account all of the available evidence and the presence of any examples indicating unsuitable advice, whether the *firm* complied with the suitability requirements; and
 - (5) comment on whether or not the *firm* complied with the suitability requirements, with reference to the example or examples that support their conclusion.
- 9.3 G If an example is present, this will tend to indicate the *firm's* potential non-compliance with the suitability requirements. There may be other factors

which mean that the *firm* has, despite the presence of the example, complied, or not complied, with the suitability requirements. For example:

- (1) if Example 9 is present because the transfer analysis does not support a recommendation to transfer, but the recommendation is nonetheless suitable because the *consumer* has little or no reliance on the transfer value from the comparator scheme and no requirement to replicate the amount or shape of the comparator scheme benefits; or
- (2) if Example 1 is present but the recommendation is nonetheless suitable because the *consumer* is in serious ill health with a shortened life expectancy and:
 - (a) the *consumer's* objective is to transfer to preserve the value of their scheme benefits for beneficiaries; and
 - (b) the beneficiaries would be financially better off if the funds were transferred to a scheme with *flexible benefits* rather than remaining in the comparator scheme(s).

- 9.4 G The BPS DBAAT rating will indicate a conclusion of 'Compliant' or 'Non-Compliant' based on the answer to the example questions in the BPS DBAAT. The BPS DBAAT rating is not definitive of suitability; it is an indication of the *firm's* compliance with the suitability requirements.

10 Examples that indicate unsuitable advice

- 10.1 G This section contains rules, evidential provisions, and guidance for determining whether the available evidence shows overall that an example is present, or not.

Example 1: the consumer is, or will be, reliant on income from the comparator scheme

- 10.2 R Take the following steps to determine whether this example is present:
- (1) Review the available evidence in Information Areas 5, 6, 7, 8 and 9 of the Information Section.
 - (2) Using the available evidence, identify the amount the *consumer* needs to meet anticipated expenses and personal outlays throughout retirement, taking into account:
 - (a) any forecast expenditure plans that the *firm* has identified with the *consumer*;
 - (b) any intention or preference for early retirement;
 - (c) any existing liabilities that the *consumer* continues to pay off (for example, their mortgage) and their plans for clearing these debts;

- (d) whether the forecast expenditure appears reasonable in light of their current expenditure patterns and plans to pay off liabilities; and
 - (e) where the *firm* has not collected a forecast expenditure plan, an estimate (if possible) of the *consumer's* likely expenditure patterns based on the information on file.
- (3) Using the available evidence, identify the anticipated income from the comparator scheme at NRD or the *consumer's* preferred retirement date, whichever is earlier. Where the *consumer* wishes to retire early, assess whether the *consumer* can afford to retire early or whether this will give rise to or increase the risk of the *consumer* running out of income in retirement.
- (4) Assess how the income from the comparator scheme, including inflationary increases, contributes to the *consumer's* income needs in (2).
- (5) Assess whether the *consumer* can produce the same or similar contribution towards their planned expenditure needs throughout retirement (using a range of possible life expectancies) as identified in (2) using the available assets, including from:
- (a) contribution-based pension schemes, including the *proposed arrangement*, taking into account the impact of the following factors on the sustainability of these schemes throughout retirement:
 - (i) the frequency of withdrawals (ad hoc or regular payments);
 - (ii) the timing of withdrawals (monthly, yearly);
 - (iii) the amount of the withdrawals; and
 - (iv) investment performance;
 - (b) savings and investments;
 - (c) other *pension schemes* with *safeguarded benefits*;
 - (d) (if the *consumer* is eligible) state pension;
 - (e) (if the *consumer* is managing income on a joint basis) the spouse's/partner's other assets, pensions and entitlement to the state pension, and how this contributes to their total household income.
- (6) Using the assessments in 10.2R(4)-(5) decide (yes or no) whether:

- (a) the *consumer* can produce the same or similar contribution towards their income needs, as identified in 10.2R(2), from the *proposed arrangement*; and
 - (b) the *consumer* has the requisite capacity for loss, taking into account the impact of the factors considered at 10.2R(5)(a) on the sustainability of the *proposed arrangement*.
- 10.3 E (1) If the answer to 10.2R(6)(a) and (b) is ‘yes’, conclude that the *consumer* is not likely to be reliant on income from the comparator scheme.
- (2) If the answer to either 10.2(6)(a) or (b) is ‘no’, conclude that the *consumer* is likely to be reliant on income from the comparator scheme.
- (3) If the *firm* has not obtained the necessary information in all of the Information Areas 5, 6 and 7 of the Information Section and so it is not possible to carry out the steps in 10.2R(1) to (6), conclude that the *firm* has not demonstrated that it has a reasonable basis for believing that the *consumer* is able to bear the risk of the *pension transfer* to achieve their objective.

Example 2: the aim of the transfer is to pass the value of the pension to beneficiaries on the member’s death, but the firm has not demonstrated that the consumer can bear the risk of the transfer that would be needed to achieve this objective

- 10.4 R Refer to Information Area 2 of the Information Section:
- (1) if the *consumer* has a priority objective to pass the value of the pension to beneficiaries on their death, take the steps in 10.5R; or
 - (2) if the *consumer* does not have this priority objective answer ‘no’ to this question and proceed to Example 3.
- 10.5 R Take the following steps to determine whether this example is present:
- (1) Review the available evidence in Information Areas 2, 5,6 and 7 of the Information Section.
 - (2) Refer to Tables 1 and 2 in *CONRED 4 Annex 22G* and the available evidence to identify what death benefits were likely to be available for beneficiaries on the member’s death:
 - (a) (in all cases) in the *proposed arrangement* having regard to the way the *consumer* is likely to access their pension scheme throughout retirement; and
 - (b) in the comparator scheme.

- (3) Identify whether there was an alternative way to meet the *consumer's* objective without giving up comparator scheme benefits, including:
 - (a) level term assurance for the required sum; or
 - (b) decreasing term assurance for an appropriate term; or
 - (c) using available death in service cover.
 - (4) Decide whether the *firm* has a reasonable basis for believing that:
 - (a) the recommendation to transfer in order to pass the value of the pension to beneficiaries on the member's death meets the *consumer's* investment objectives; and
 - (b) the *consumer* is able financially to bear any transfer-related risks consistent with their investment objectives.
- 10.6 E Answer 'yes' to this question when the available evidence demonstrates that:
- (1) the *consumer* did not have the requisite capacity for loss because they were not able to forego comparator scheme benefits to achieve this objective; and/or
 - (2) a lower risk suitable alternative was available to achieve this objective; and/or
 - (3) it was likely that the *consumer* would exhaust their pension savings during their lifetime (having regard to how the *consumer* will access their pension savings and the factors listed at 10.2R(5) above) and so there will be minimal death benefits available; and/or
 - (4) the *firm* has not obtained the necessary information in both of the Information Areas 5 and 6 of the Information Section and so it is not possible to complete the assessment in 10.4R because the *firm* has not demonstrated that it has a reasonable basis for believing that the *consumer* is able to bear the risk of the *pension transfer* to achieve this objective; and/or
 - (5) the *firm* has not obtained the necessary information in Area 2 of the Information Section and so it is not possible to understand the *consumer's* rationale for pursuing this objective.

Example 3: the aim of the transfer is to access income-related benefits flexibly but the firm has not demonstrated that the consumer can bear the risk of the transfer that would be needed to achieve this objective

- 10.7 R Refer to the available evidence in Information Area 2 of the Information Section:

- (1) if the *consumer* has a priority objective to access income-related benefits flexibly or to take control of their benefits, take the steps in 10.8R; or
 - (2) if the *consumer* does not have this priority objective, answer ‘no’ to this question and proceed to Example 4.
- 10.8 R Take the following steps to determine whether this example is present:
- (1) Review the available evidence in Information Areas 2, 5 and 6 of the Information Section.
 - (2) Identify why the *consumer* requires flexible access to or control over their income-related benefits and how the features of the *proposed arrangement* meet their objective(s).
 - (3) Identify whether any alternatives are available to meet the *consumer’s* objective.
 - (4) Decide whether the *firm* has a reasonable basis for believing that the recommendation to transfer to access income-related benefits flexibly:
 - (a) meets the *consumer’s* investment objectives; and
 - (b) the *consumer* is able financially to bear any related risks consistent with their investment objectives.
- 10.9 E Answer ‘yes’ to this question when the available evidence demonstrates that:
- (1) the *consumer* does not have the requisite capacity for loss because they were not able to forego scheme benefits to achieve this objective; and/or
 - (2) there is an alternative way for the *consumer* to meet their objectives using other assets instead of transferring their BPS scheme; and/or
 - (3) the *firm* has not collected the necessary information in both of the Information Areas 5 and 6 of the Information Section and so it is not possible to complete the assessment in 10.8R because the *firm* has not demonstrated that it has a reasonable basis for believing that the *consumer* is able to bear the risk of the *pension transfer* to achieve this objective; and/or
 - (4) the *firm* has not collected the necessary information in Information Area 2 of the Information Section and so it is not possible to understand the *consumer’s* rationale for pursuing this objective.
- 10.10 G (1) The objective may be recorded as ‘flexibility’ or ‘control’ without further explanation. It is up to the *firm* to demonstrate what is meant by ‘flexibility’ or ‘control’ with reference to the *consumer’s* circumstances and how the recommendation meets the *consumer’s*

objectives and is suitable for their financial situation. The following examples may demonstrate a need for flexibility:

- (a) if the *consumer* wishes to retire early and would like to access a higher amount of income in the short term in order to bridge an income gap until other guaranteed income commences, such as state pension;
 - (b) if the *consumer* is in *serious financial difficulty* or facing financial hardship and needs to pay off or reduce debt prior to its planned redemption date, and the *pension commencement lump sum* from the comparator scheme(s) would be insufficient to meet this objective. The types of circumstances in which a *consumer* is likely to be able to show they are experiencing *serious financial difficulty* include where continuing to pay domestic bills and credit commitments is a heavy burden on the *consumer* and the *consumer* has missed payments for any credit commitments and/or any domestic bills in any 3 or more of the last 6 calendar *months*;
 - (c) the *consumer* intends to reduce their working hours or take alternative work which may produce a lower income, prior to retiring fully, and it can be demonstrated that the transfer value is of sufficient value to support this objective without the risk of running out of money in the *consumer's* lifetime.
- (2) A *consumer* may have a strong desire to transfer to obtain flexibility and control where they have real or perceived concerns regarding the financial viability in the scheme. The circumstances of the BSPS restructuring may have encouraged a greater than usual proportion of members to seriously consider the option of transferring out, which may in turn have led to an increased occurrence of *consumers* expressing a strong desire to transfer. However, this does not absolve the *firm* from its responsibility to only recommend a transfer if it can demonstrate that it is suitable.

Example 4: the aim of the transfer is to maximise PCLS but the firm has not demonstrated that the consumer can bear the risk of the transfer that would be needed to achieve this objective

- 10.11 R Refer to the available evidence in Information Area 2 of the Information Section:
- (1) if the *consumer* has a priority objective(s) to maximise their *pension commencement lump sum* (PCLS), take the steps in 10.12R; or
 - (2) if the *consumer* does not have this priority objective, answer 'no' to this question and proceed to Example 5.
- 10.12 R Take the following steps to determine whether this example is present:

- (1) Refer to the available evidence in Information Areas 2, 5 and 6 of the Information Section on the *consumer's* objectives and financial situation.
- (2) Identify the PCLS option in the relevant comparator scheme(s).
- (3) Identify why the *consumer* wants to access their PCLS.
- (4) Identify whether the *consumer* needs to transfer to the *proposed arrangement* to access their PCLS or could have used:
 - (a) the PCLS from the comparator scheme; or
 - (b) other assets to create a lump sum without transferring the pension.
- (5) Identify the impact taking their PCLS may have on the level of other benefits which the *consumer* may obtain from the comparator scheme.

10.13 E Answer 'yes' to this question when the available evidence demonstrates that:

- (1) the *consumer* did not have the requisite capacity for loss because they were not able to forego scheme benefits to achieve this objective; and/or
- (2) there was an alternative way for the *consumer* to access income-related benefits flexibly without transferring their pension benefits; and/or
- (3) Example (1) is present and taking higher PCLS makes it likely that the *consumer* would exhaust their pension savings during their lifetime (having regard to how the *consumer* will access their pension savings and the factors listed at 10.2R(5) above); and/or
- (4) the *firm* has not collected the necessary information in both of the Information Areas 5 and 6 of the Information Section and so it is not possible to complete the assessment in 10.11R because the *firm* has not demonstrated that it has a reasonable basis for believing that the *consumer* is able to bear the risk of the *pension transfer* to achieve their objective; and/or
- (5) the *firm* has not obtained the necessary information in Information Area 2 of the Information Section and so it is not possible to understand the *consumer's* rationale for pursuing this objective.

10.14 G For the purposes of 10.12R(4)(b), the *firm* should have considered the following alternative options, where they were available:

- (1) where the lump sum need/objective relates to paying off a debt, whether they can restructure a mortgage or other debt;

- (2) making increased contributions to a workplace pension scheme to increase the PCLS;
- (3) whether using the PCLS provision in the comparator scheme(s) will meet the *consumer's* lump sum need/objective;
- (4) whether the *consumer* can meet their lump sum need/objective using other available funds in a scheme with *flexible benefits* or from other savings or investments;
- (5) taking a short-term loan.

Example 5: an aim of the transfer is to preserve or protect the value of the consumer's pension benefits but the comparator scheme(s) benefits would meet the consumer's needs

- 10.15 R Refer to the available evidence in Information Area 2 of the Information Section:
- (1) if the *consumer* has any objective related to preserving the value of their pension benefits or protecting their benefits from the PPF, take the steps in 10.16R; or
 - (2) if the *consumer* does not have this objective, answer 'no' to this question and proceed to Example 6.
- 10.16 R Take the following steps to determine whether this example is present:
- (1) Refer to the available evidence in Information Areas 2, 5 and 6 of the Information Section on the *consumer's* objectives and financial situation.
 - (2) Identify the relevant comparator scheme(s) benefits.
 - (3) Identify whether the comparator scheme(s) benefits would have met the *consumer's* needs. To do this:
 - (a) identify the *consumer's* needs in retirement;
 - (b) refer to the available evidence and Table 2 in *CONRED 4 Annex 22G* to identify the pension benefits the *consumer* would be likely to receive from the comparator scheme(s), having regard to the PPF income cap as it applied prior to 19 July 2021; and
 - (c) decide whether the level of comparator scheme benefits would meet the *consumer's* needs in (a).
- 10.17 E (1) Answer 'yes' to this question when the available evidence demonstrates that:

- (a) the level of comparator scheme benefits meets the *consumer's* income needs; and/or
 - (b) where Example 7 is present, the *consumer* wanted guaranteed income or returns and the comparator scheme met those needs; and/or
 - (c) the *firm* has not collected the necessary information in both of the Information Areas 5 and 6 of the Information Section and so it is not possible to complete the assessment in 10.16R because the *firm* has not demonstrated that it had a reasonable basis for believing that the *consumer* was able to bear the risk of the *pension transfer* to achieve their objective.
- (2) Answer 'no' to this question where the level of comparator scheme benefits was not likely to meet the *consumer's* income needs in retirement.

Example 6: the consumer wants to retire early but can meet their objective(s) in the comparator scheme(s)

- 10.18 R Refer to the available evidence in Information Area 2 of the Information Section:
- (1) if the *consumer* has a priority objective related to accessing benefits from their pension prior to the relevant scheme NRD (an 'early retirement objective'), take the steps in 10.19R; or
 - (2) if the *consumer* does not have this priority objective, answer 'no' to this question and proceed to Example 7.
- 10.19 R Take the following steps to determine whether this example is present:
- (1) Refer to the available evidence in Information Areas 2, 5 and 6 of the Information Section on the *consumer's* objectives and financial situation.
 - (2) Refer to the available evidence and Table 2 in *CONRED 4 Annex 22G* to identify what early retirement options were likely to be available and any protected retirement ages in:
 - (a) the *proposed arrangement*; and
 - (b) the comparator scheme(s).
 - (3) Consider whether the *consumer* may have retired at a protected retirement age in the comparator scheme(s).
 - (4) If (3) was not an option, identify whether there was an alternative way to meet the *consumer's* objective without giving up the comparator scheme(s) benefits, including using:

- (a) other pensions (defined benefit or defined contribution);
 - (b) income from part time work; and
 - (c) savings, investments or other assets.
- (5) Decide whether the *firm* has a reasonable basis for believing that the recommendation to transfer to retire early:
- (a) meets the *consumer's* investment objectives; and
 - (b) the *consumer* is able financially to bear any risks consistent with their investment objectives.
- 10.20 E Answer 'yes' to this question when the available evidence demonstrates that:
- (1) the *consumer* could have retired in the comparator scheme(s) at a protected retirement age; and/or
 - (2) the *consumer* did not have the requisite capacity for loss because they were not able to forego comparator scheme benefits to achieve this objective; and/or
 - (3) a lower risk suitable alternative was available to achieve this objective; and/or
 - (4) it was likely that the *consumer* would exhaust their pension savings during their lifetime (having regard to how the *consumer* will access their pension savings and the factors listed at paragraph 10.2R(5) above) and so there will be minimal death benefits available; and/or
 - (5) the *firm* has not collected the necessary information in both of the Information Areas 5 and 6 of the Information Section and so it is not possible to complete the assessment in 10.19R because the *firm* has not demonstrated that it has a reasonable basis for believing that the *consumer* is able to bear the risk of the *pension transfer* to achieve this objective; and/or
 - (6) the *firm* has not collected the necessary information in Information Area 2 of the Information Section and so it is not possible to understand the *consumer's* rationale for this objective.

Example 7: the consumer wants or prefers guaranteed income or returns

- 10.21 R Refer to the available evidence in Information Areas 2 and 3 of the Information Section:
- (1) if the *consumer* wants or indicates a preference for guaranteed income or returns, take the steps in 10.22R; and/or

- (2) if the *consumer* does not have this objective, answer ‘no’ to this question and proceed to Example 8.
- 10.22 R Take the following steps to determine whether this example is present:
- (1) Refer to the available evidence in Information Areas 2, 6 and 7 of the Information Section on the *consumer’s* objectives and financial situation.
 - (2) Identify whether the *proposed arrangement*:
 - (a) guarantees the *consumer’s* income or returns; or
 - (b) takes into account the *consumer’s* preference for a guarantee and puts in place a sustainable strategy to achieve this end.
 - (3) Determine whether the recommendation to transfer met the *consumer’s* preference for guaranteed income or returns.
- 10.23 E Answer ‘yes’ to this question when the available evidence demonstrates that:
- (1) the *consumer* wants or has indicated a preference for guaranteed income or returns throughout retirement; and
 - (2) the *firm* has recommended that the *consumer* transfer into a *proposed arrangement* that does not meet these needs; or
 - (3) the *firm* has not collected the necessary information in Information Area 3 of the Information Section about the *consumer’s* attitude towards secure income or guarantees and so it is not possible to complete the assessment in 10.22R because the *firm* has not demonstrated that it has a reasonable basis for believing that the *consumer* has the requisite attitude to risk; or
 - (4) Example 8 is present.

Example 8: the consumer does not have the necessary attitude to risk

- 10.24 R Take the following steps to determine whether this example is present:
- (1) Refer to the available evidence in Information Areas 3 and 5 of the Information Section regarding the *consumer’s* preferences regarding risk taking and risk profile and their understanding of the risk of transfer.
 - (2) Compare (a) with (b):
 - (a) the *consumer’s* preferences regarding the risks specific to *pension transfers* in general, focusing on the *consumer’s* attitude to:

- (i) *safeguarded benefits* or guarantees;
 - (ii) *flexible benefits* or the ability to control how and when they withdraw money from their pension savings;
 - (iii) managing their investments or paying for someone to manage their investments on their behalf; and
 - (iv) the long-term sustainability of their fund;
- (b) the risks associated with a *pension transfer* that the *consumer* must have been willing to take for a recommendation to transfer to be suitable. The relevant transfer risks are:
- (i) that their investments in the *proposed arrangement* will not perform as expected, and they will have less income in retirement (investment risk);
 - (ii) that the withdrawals from the *proposed arrangement* (planned and/or ad hoc) are not sustainable and the *consumer* will run out of money in retirement (longevity risk);
 - (iii) that inflation will erode the real value of the income they are able to draw from the *proposed arrangement* (inflation risk); and
 - (iv) that the *consumer* and/or their partner may become less able to make the necessary financial decisions in relation to their income as they age (for example, due to illness or diminishing capacity).
- (3) Decide, with reference to (2)(a), whether the *consumer* was willing to take the risks associated with a *pension transfer* in (2)(b).
- 10.25 E (1) Answer ‘yes’ when the available evidence demonstrates that:
- (a) the *consumer* was not willing to take the risks in 10.24R(2)(a); and/or
 - (b) Example 7 or 10 is present; and/or
 - (c) the *firm* has not collected the necessary information in Information Area 3 or 4 of the Information Section and so it is not possible to complete the assessment in 10.24R(3) because the *firm* has not demonstrated that the recommendation meets the *consumer’s* objectives.

Example 9: the firm’s transfer analysis does not support a recommendation to transfer

- 10.26 R Take the following steps to determine whether this example is present:
- (1) Refer to the available evidence in Information Areas 7, 8 and 9 of the Information Section, the transfer value analysis and the *suitability report*.
 - (2) Identify the benefits and options available in the *proposed arrangement*.
 - (3) Identify the benefits and options likely (on reasonable assumptions) to be paid in the comparator scheme(s).
 - (4) Review the *firm's* analysis of the effect of replacing the benefits in the comparator scheme with the benefits in the *proposed arrangement*, having regard to the *consumer's* circumstances, including their age, marital status and, where relevant, their objectives for taking a PCLS or early retirement.
 - (5) Compare (a) with (b):
 - (a) the rate of return required on investments in the *proposed arrangement* to match the income benefits in the comparator scheme(s) that is relevant to the *consumer's* circumstances and objectives:
 - (i) if the *consumer* is single or unmarried, use the single life critical yield;
 - (ii) if the *consumer* is taking a PCLS, use the critical yield that factors in the *consumer* taking the PCLS;
 - (iii) if the *consumer* wishes to retire early, use the critical yield at the early retirement date;
 - (b) the investment risk that the *consumer* must be willing and able to take in the *proposed arrangement* (taking into account a realistic rate of return) to match the desired income benefits in the comparator scheme(s).
 - (6) Review how the *firm* says the transfer analysis supports the *firm's* recommendation to transfer.
 - (7) Decide whether the *firm* has demonstrated that the transfer analysis supports the recommendation to transfer, taking into account:
 - (a) the comparison undertaken at (5); and
 - (b) the analysis carried out by the *firm* and assessed at (4) and (6).
- 10.27 E (1) Answer 'yes' to this question when the available evidence demonstrates that:

- (a) the *firm* has not demonstrated that the transfer analysis supports the recommendation to transfer, for example because:
 - (i) the critical yield indicated in the transfer value analysis is likely to be unattainable, factoring in the term to retirement and the *consumer's* attitude to investment risk; or
 - (ii) the capitalised value of death benefits (where this is a priority objective) is significantly higher under the comparator scheme(s) than that available from the *proposed arrangement*; and/or
- (b) the *consumer* would not have been able to match the rate of return to replicate the benefits being given up if they invested in line with their attitude to risk; and/or
- (c) Example 8 is present; and/or
- (d) Example 1 is present; and/or
- (e) the *firm* has not collected the necessary information in Information Area 7 or 9 of the Information Section and so it is not possible to complete the assessment in 10.26 because the *firm* has not demonstrated that the recommendation meets the *consumer's* objectives.

Example 10: the firm did not have a reasonable basis for believing that the consumer had the necessary knowledge and experience to understand the risks involved in transferring their DB scheme

10.28 R Take the following steps to determine whether this example is present:

- (1) Refer to the available evidence and the information recorded in Information Area 4 of the Information Section, including:
 - (a) the correspondence with the *consumer*;
 - (b) the transfer analysis; and
 - (c) the *suitability report*.
- (2) Establish the *consumer's* level of investment experience and knowledge of *pension transfers*, pensions and investments at the time of the advice:
 - (a) in relation to *defined benefit occupational pension schemes*;
 - (b) in relation to defined contribution schemes;

- (c) in relation to the cash equivalent transfer value offered, including any actuarial reductions;
 - (d) in relation to the separate roles of the trustee and the sponsoring employer of a scheme;
 - (e) in relation to the features, benefits and risks of the comparator scheme available to it at the time; and
 - (f) generally, in relation to pensions and investments.
- (3) Identify the steps that the *firm* took to establish that the *consumer* could appreciate the nature of the risks they were taking with this transfer.
- (4) Identify the steps the *firm* took to address the *consumer's* behavioural response to their situation in a balanced and rational way, including:
- (a) any misunderstandings the *consumer* had about the benefits available in the comparator scheme(s);
 - (b) the roles of trustee and the employer where the *consumer* was concerned about belonging to a scheme where the employer would continue to be involved;
 - (c) the level of the cash equivalent transfer value on offer, including any actuarial reductions that were being applied at the time the value was prepared;
 - (d) any concerns the *consumer* had about the financial viability of the comparator scheme(s); and
 - (e) the role of the *firm* and their professional duties when providing *pension transfer advice*.
- (5) Identify the steps that the *firm* took to ensure that the *consumer* understood the *firm's* transfer analysis and its advice.
- (6) Decide whether the *consumer* had the necessary experience and knowledge to understand the risks involved in transferring to the *proposed scheme*, taking into account, in particular:
- (a) what the *consumer* already understood, including information such as:
 - (i) information about the *consumer's* existing investment and pensions portfolio and the nature, volume and frequency of the *consumer's* transactions in pensions and investments;
 - (ii) how long the *consumer* has been an investor;

- (iii) the *consumer's* experience with, and knowledge of, personal, stakeholder or workplace pension schemes;
 - (iv) the *consumer's* experience of managing their pension or other investments or using a financial adviser to manage these investments;
 - (v) the *consumer's* profession (if any), including whether it is relevant to understanding defined benefit *pension transfer* advice and investment advice;
 - (vi) whether the *consumer* had characteristics of vulnerability and the impact this had on the suitability of advice;
- (b) how the *firm* communicated the following to the *consumer*:
- (i) the risks of transferring the *consumer's* pension and investing in a scheme with *flexible benefits*;
 - (ii) the outcomes from the transfer analysis and whether the *firm* drew the attention to the factors that did, and did not, support the *firm's* advice;
 - (iii) the option to remain in BPS while it entered the PPF assessment period, and the overall safety of their pension savings during this time; and
 - (iv) the option to transfer to BPS2, including the role of the trustee and the sponsoring employer and the ability to transfer out of BPS2 at a later date;
- (c) if the *consumer* approached the *firm* for advice before 12 October 2017 and the Time to Choose period, consider:
- (i) whether the *firm* should have waited until more information was available about the comparator scheme(s) to provide the recommendation;
 - (ii) what information the *firm* was able to provide the *consumer* with about the options in the comparator scheme(s); and
 - (iii) the effect of any failure to obtain information about the comparator scheme(s) on the *consumer's* understanding of their options and the risk of transfer;
- (d) what the *consumer* is likely to have understood after this information was provided, taking into account the overall impression that the *consumer* would reasonably have had of the features and risks of a transfer, particularly in the light of:

- (i) the entirety of the *firm's* communications with the *consumer*, including communications the *consumer* received from the scheme trustees;
- (ii) the extent to which the *firm's* communications were balanced and rational in their presentation of features and risks; and
- (iii) the *consumer's* relevant experience and knowledge in (2) above.

10.29 E Answer 'yes' to this question where:

- (1) the *firm* did not communicate in substance the risks of transferring in a way the *consumer* would have understood; and/or
- (2) the *firm* did not take reasonable steps to ensure that the *consumer* understood the *firm's* transfer analysis, their option to transfer to a comparator scheme, and its advice; and/or
- (3) the *firm* did not take reasonable steps to correct any misunderstandings the *consumer* had in relation to the benefits available and/or the security of their benefits in the comparator schemes; and/or
- (4) the *firm* has not collected the necessary information in Information Area 4 of the Information Section and so it is not possible to complete the assessment in 10.28R because the *firm* does not have a reasonable basis for believing that the *consumer* has the necessary knowledge and experience to transfer.

Example 11: the consumer is under 50 and cannot bear the risks of transfer

- 10.30 R (1) Refer to the available evidence in Information Area 1 of the Information Section; and
- (2) Identify whether the *consumer's* age at the time of the advice is 50 or under and:
- (a) if the *consumer* is under 50, take the steps in 10.31R; or
 - (b) if the *consumer* is 50 or over, answer 'no' to this question and proceed to Example 12.

10.31 R Take the following steps to determine whether this example is present:

- (1) Refer to the available evidence recorded in the Information Areas 1, 2, 3, 7 and 9 of the Information Section and to the scheme benefits available in the comparator scheme(s) (see *CONRED 4 Annex 22G* at Table 2).

- (2) Identify the minimum age that the *consumer* can draw benefits from the comparator scheme(s), including their option to take any protected retirement benefits.
- (3) Identify the objective for the transfer and:
 - (a) the amount needed;
 - (b) the date the amount is needed; and
 - (c) why the *consumer* needs to transfer their comparator scheme(s) benefits now, taking into account when the *consumer* wants to:
 - (i) release capital and/or tax-free cash from their scheme; and
 - (ii) draw an income from the scheme;
 - (d) the alternatives available to achieve the objective, including:
 - (i) the option to remain in the scheme and wait for the outcome of the PPF assessment;
 - (ii) the option to remain in the scheme and transfer into BPS2; and
 - (iii) use of other assets to achieve the *consumer's* objective.
- (4) Consider the investment strategy in the *proposed arrangement* and whether the *consumer* had the requisite attitude to the risks of investment in the *proposed arrangement*, including inflation risk.
- (5) If the *consumer* approached the *firm* for advice before 12 October 2017 and the Time to Choose period, consider:
 - (a) whether the *firm* should have waited until more information was available about the comparator scheme(s) to provide the recommendation;
 - (b) what information the *firm* was able to provide the *consumer* with about the options in the comparator scheme(s); and
 - (c) evaluate the effect of any failure to obtain information about the comparator scheme(s) on the *consumer's* understanding of their options and the risk of transfer.
- (6) Decide whether the *firm* had a reasonable basis for believing that the *consumer* was able financially to bear the investment risk consistent with their investment objectives and had the knowledge and experience to transfer.

10.32 E Answer ‘yes’ to this question when the available evidence demonstrates that:

- (1) the *consumer* was unable financially to bear the long-term investment risks associated with an investment in the *proposed arrangement*; and/or
- (2) Example 10 is present and the *consumer* did not have the requisite knowledge and experience to understand their options and the risk of transfer; and/or
- (3) the *firm* should have waited for more information to become available before it advised the *consumer* ahead of the Time to Choose exercise; and/or
- (4) the *consumer’s* objectives for the transfer, their intended retirement date, and investments were uncertain or not clearly defined and the *firm’s* recommendation to transfer has exposed the *consumer* to financial and other risks that they did not need to take with this investment.

Example 12: the recommendation to transfer is unsuitable for the consumer’s investment objectives or for their financial situation for some other reason

10.33 R Take the following steps:

- (1) Refer to the available evidence and the information recorded in Information Areas 2, 6 and 7 of the Information Section.
- (2) Refer to the features and benefits of the comparator scheme(s) at *CONRED 4 Annex 22G*.
- (3) Consider whether there is any reason, other than the reasons at examples 1 to 11 above, why the recommendation to transfer was unsuitable for the *consumer’s* investment objectives or financial situation.

10.34 G This example may be present when:

- (1) the transfer would result in a tax liability that the *consumer* is unwilling or unable to pay; and/or
- (2) the *consumer* could have taken an alternative course of action to meet their objectives (other than the specific objectives identified in the examples above) with less cost or less risk; and/or
- (3) the *consumer* has a specific objective in mind for the transfer (other than the objectives listed in Examples 2, 3, 4, 5 and 6 above), but this objective can be met without a *pension transfer*; and/or
- (4) the *firm* has recommended a transfer to mitigate against the risk of future redundancy, when there is no evidence on file that the *consumer*

is at imminent risk of being made redundant or that redundancy was likely to cause significant financial hardship.

11 Causation Section

- 11.1 G The Causation Section is used to record the assessment of whether or not the *consumer's* loss was as a result of (or caused by) the *firm's* failure to comply with the suitability requirements.
- 11.2 G The Causation Section proceeds on an assumption that the *consumer* suffered a loss by transferring their BSPS to the *proposed arrangement*. Whether or not there was actually a loss is dealt with in the Redress Section.
- 11.3 R Complete the Causation Section where the assessor has concluded that the *firm* has failed to comply with the suitability requirements.
- 11.4 R Take the following steps to complete the Causation Section:
- (1) Review the available evidence any communications to *consumers* during the relevant period, including those listed in *CONRED 4 Annex 22G* at Table 3, and any other relevant information recorded in the Information Section and Suitability Section of the BPS DBAAT.
 - (2) Determine whether the *firm's* failure to comply with the suitability requirements ('non-compliant conduct') caused the *consumer* to transfer their BPS to the *proposed arrangement* (the 'causation question').
 - (3) Answer the causation question by selecting 'yes' or 'no'.
 - (4) Explain the conclusion on the causation question with reference to the evidence at (1).
- 11.5 R To answer the causation question, decide whether it is more likely than not that the *firm's* non-compliant conduct was the effective cause of the *consumer's* decision to transfer.
- 11.6 G The effective cause in 11.5R above does not have to be the sole or primary cause of the *consumer's* decision. In particular:
- (1) as long as the non-compliant conduct was an effective cause of the *consumer's* decision, it is immaterial that other factors (for example, the influence of a third party such as an introducer) also influenced that decision;
 - (2) the *firm's* non-compliant conduct will not have been the effective cause of the *consumer's* loss if it is more likely than not that the *consumer* would have transferred their BPS to the *proposed scheme* in the absence of non-compliant conduct. This may occur if, for example, the *firm* gave an unsuitable recommendation to transfer but

the *consumer* would still have transferred their BPS to the *proposed scheme* even if the *firm* had complied with the suitability requirements.

- 11.7 G For the purposes of the determination under 11.4R(2), have regard to the impact of the *firm's* non-compliant conduct on the *consumer's* decision to transfer, including:
- (1) the *consumer's* demands, needs and intentions at the time of the advice, including in relation to:
 - (a) the *consumer's* financial situation;
 - (b) any potential tax or other liabilities the *consumer* has;
 - (c) the *consumer's* objectives and future financial needs throughout retirement;
 - (d) the *consumer's* age and expected retirement age;
 - (e) the *consumer's* state of health; and
 - (f) the *consumer's* timeline for making any relevant decision about their BPS in light of the BPS restructuring;
 - (2) the *consumer's* knowledge and experience at the relevant time, including:
 - (a) the *consumer's* knowledge and experience as recorded in the Information Section;
 - (b) the extent to which the *consumer* understood the changes to the BPS, the operation of the PPF, and other relevant matters in the BPS restructuring following the publication of the Regulated Apportionment Agreement, or whether the *consumer* would have made a decision solely or primarily on the *firm's* recommendation;
 - (c) the extent to which the *consumer* understood the detailed reasoning (if any) within the *firm's* advice, or would have made a decision solely or primarily based on the *firm's* recommendation overall;
 - (d) the extent to which the *consumer* read the *firm's* written advice (or would have made a decision solely or primarily based on advice given orally); and
 - (e) the extent to which the *consumer* considered whether to take the relevant step independently of the *firm's* advice.

- (3) whether the *consumer* had characteristics of vulnerability as recorded in the Information Section;
- (4) the relevance of surrounding circumstances, including publicly available information at the time, such as the information listed in CONRED 4 Annex 22G at Table 3, paying due regard to the reliance the *consumer* was reasonably likely to place on the *personal recommendation* of the *firm* as compared with generic and/or publicly available information;
- (5) the significance of any particular features of the BSPS, BSPS2, the PPF and the *proposed arrangement*, as regards the *consumer's* specific demands, needs and intentions;
- (6) whether the *consumer* sought specific information from the *firm* and to what extent that information was provided to the *consumer*. If the *consumer* has sought specific information from the *firm*, then it is more likely that the information was relatively important to the *consumer* when making a decision as to whether to take a relevant action;
- (7) whether the *consumer* was informed about the particular risks and benefits of:
 - (a) staying in the BSPS and moving into the PPF;
 - (b) joining BSPS2; or
 - (c) transferring to the *proposed arrangement*,
 where those risks and benefits were of particular concern to the *consumer* (given their demands, needs and intentions);
- (8) whether a failure to provide information under (7)R above may make it more likely that the non-compliant conduct caused the *consumer* to take the decision they did;
- (9) the *consumer's* knowledge and experience at the relevant time, including:
 - (a) the *consumer's* knowledge and experience as recorded in the Information Section;
 - (b) the extent to which the *consumer* understood the changes to the BSPS, the operation of the PPF, and other relevant matters in the BSPS restructuring following the publication of the Regulated Apportionment Agreement, or whether the *consumer* would have made a decision solely or primarily on the *firm's* recommendation;
 - (c) the extent to which the *consumer* understood the detailed reasoning (if any) within the *firm's* advice, or would have made

a decision solely or primarily based on the *firm's* recommendation overall;

- (d) the extent to which the *consumer* read the *firm's* written advice (or would have made a decision solely or primarily based on advice given orally); and
- (e) the extent to which the *consumer* considered whether to take the relevant step independently of the *firm's* advice.

12 Attestation Section

- 12.1 G This section is for the *senior manager* at the *firm* to complete in compliance with *CONRED* 4.3.2R(3).
- 12.2 R The attestation must be signed by an *individual* approved to perform the SMF16 (Compliance oversight) *FCA controlled function* for the *firm* or by an *individual* approved to perform another appropriate *senior management function* within the *firm*.
- 12.3 R For the purposes of 12.2R, a notification is to be treated as signed where any of the following apply:
 - (1) it contains an image of a 'wet ink' signature applied by the appropriate *individual*;
 - (2) it contains an electronic signature applied by the appropriate *individual*; or
 - (3) it contains a typed signature applied by, or with the express consent of, the appropriate *individual*.

13 Redress Calculation BSPS calculator instructions

- 13.1 R The following definitions are used in this section:
 - (1) 'assumptions' are the economic, demographic and other assumptions to be used in the redress calculation set out at *DISP* App 4 Annex 1;
 - (2) 'BSPS calculator' has the meaning in *CONRED* 4.1.1R(3);
 - (3) 'calculation date' has the meaning in *DISP* App 4.1.1R(6);
 - (4) 'comparator scheme' is the scheme identified at *CONRED* 4 Annex 21 13.21R to 13.26R;
 - (5) 'DC pension arrangement' means any pension arrangement holding the value of the *consumer's* pension benefits which originated from the BSPS, including where the arrangement has been subsequently switched to a new arrangement;

- (6) 'DOL' is the date that the BSPS member left active service in the BSPS;
- (7) 'input' is information entered into the BSPS calculator;
- (8) 'output' is the report produced by the BSPS calculator setting out the redress calculation, together with a summary of the inputs and the effect of any adjustments made;
- (9) 'PPF' includes any benefits bought out by PIC. The BSPS PPF benefit structure will be automatically mapped to PIC Scheme Benefits that are expected to be secured with PIC in 2022/2023;
- (10) 'PIC' is the Pensions Insurance Corporation;
- (11) 'primary compensation sum' is the amount calculated in accordance with *DISP* App 4.3.19R, adjusted to take account of the *consumer's* tax position and any entitlement to means-tested state benefits;
- (12) 'quarter' is the period of three *months* commencing 1 January, 1 April, 1 July and 1 October in each year;
- (13) 'secondary compensation sum' is the amount comprising any consequential losses, including any initial *adviser charges* on the DC pension arrangement and the primary compensation sum;
- (14) 'Section' is each former *defined benefit occupational pension scheme* that was merged into the BSPS over time;
- (15) 'tranche' is an element of pension benefit which typically has a unique combination of revaluation increases before coming into payment and pension increases during payment, but may also have a unique payment starting age or payment end age; and
- (16) 'valuation date' has the meaning in *DISP* App 4.1.1R(25).

Using the BSPS calculator

- 13.2 R This section sets out the instructions for using the BSPS calculator. The BSPS calculator is used to calculate the redress (if any) payable to a *consumer*, their spouse or beneficiary in a scheme case where the *firm* has determined that:
- (1) the *firm* has failed to comply with the suitability requirements; and
 - (2) the *firm's* non-compliant conduct was the effective cause of the consumer's BSPS pension transfer.
- 13.3 R (1) The BSPS calculator carries out Step 3 at *DISP* App 4.3.19R to 4.3.26R and the parts of Step 4 at *DISP* App 4.3.27R to 4.3.29R and *DISP* App 4.3.32.

- (2) The BSPS calculator does not calculate the redress sum that would be payable by full or partial augmentation.
- 13.4 R The BSPS calculator compares the position the *consumer* is in with the position they would have been in if the *firm* had complied with the suitability requirements.
- 13.5 R The BSPS calculator has a number of sections which must be completed in full except where indicated in these instructions.
- 13.6 R All inputs into the BSPS calculator must be based on information obtained by the *firm* prior to the calculation date.
- 13.7 G The BSPS calculator will only produce a redress calculation where the *firm* inputs the necessary information.
- 13.8 G The diagram at *CONRED 4 Annex 23G* explains the steps to complete the redress calculation using the BSPS calculator in diagrammatic form, with reference to the relevant sections of the instructions, *DISP App 4* and *CONRED 4 rules*.

Use of the BSPS calculator

- 13.9 G The BSPS calculator and instructions in this Annex are to be used for the purpose of complying with the requirements under *CONRED 4* to calculate redress owed to a BSPS member as a result of a *firm's* failure to comply with the suitability requirements.
- 13.10 G Nothing in the BSPS calculator affects how the FCA DBAAT or BSPS DBAAT works.

General instructions

- 13.11 R A *firm* must carry out a separate calculation on the BSPS calculator for each period of the *consumer's* service or membership of the BSPS.
- 13.12 R The valuation date will be the first day of the quarter (for calculations undertaken within that quarter).
- 13.13 G The redress calculation date will fall within the same *quarter* as the valuation date but does not have to be the same date as the valuation date.
- 13.14 R The BSPS calculator will base calculations on the new assumptions available on the first day of each new quarter, using publicly available data from the final *business day* of the quarter immediately before.
- 13.15 R (1) Subject to *DISP App 4.3.25R*, redress calculations using the BSPS calculator will remain valid for 3 *months* from the date the *redress determination* is sent to the *consumer*, irrespective of quarterly changes to the assumptions.

- (2) If a firm carries out a further redress calculation after expiration of the validity period in (1), that calculation must be based on the new assumptions for the quarter in which it is carried out.

Steps for redress calculation

- 13.16 G The BSPS calculator can be accessed on the *FCA*'s website from April 2023.
- 13.17 R A *firm* must take the following steps to complete the redress calculation using the BSPS calculator:
- (1) Step 1: obtain the necessary information to calculate redress, including identifying the relevant comparator scheme by following the instructions at *CONRED* 4 Annex 21 13.21G to 13.26R.
 - (2) Step 2: identify when the *consumer* would have taken retirement benefits from the comparator scheme by following Step 2 of *DISP* App 4.
 - (3) Step 3: carry out a redress calculation by:
 - (a) inputting the necessary information into the calculator, overriding default settings where appropriate, as specified in *CONRED* 4 Annex 21 13.30R; and
 - (b) running the BSPS calculator and obtaining a calculator report.
 - (4) Step 4: work out the redress offer for the *redress determination* in accordance with the requirements at *DISP* App 4.3.27R to 4.3.30R and *CONRED* 4.4.2R and *CONRED* 4.4.3R.
 - (5) Step 5: send the *redress determination* to the *consumer* in accordance with the requirements at *CONRED* 4.4.2R, *CONRED* 4.4.5R and *CONRED* 4.4.6G.

Step 1: obtain necessary information

- 13.18 G A *firm* should follow the steps in *CONRED* 4.3.14R and, where applicable, at *CONRED* 4.4.14R to obtain the necessary information to carry out a redress calculation using the BSPS calculator.
- 13.19 G The necessary information to carry out a redress calculation using the BSPS calculator is specified at *CONRED* 4 Annex 21 13.30R.
- 13.20 R A *firm* is entitled to rely on the information provided by the *consumer* unless it is aware that the information is out of date, inaccurate or incomplete.

Step 2: identify comparator scheme and retirement date

- 13.21 R A *firm* must identify the appropriate comparator scheme to:

- (1) complete Step 2 in *DISP* App 4.3.15R to 4.3.18G; and
 - (2) use for the purpose of the redress calculation.
- 13.22 G Former BSPS members who did not complete a *pension transfer* had two options during the ‘Time to Choose exercise’ implemented by the BSPS:
- (1) move to BSPS2; or
 - (2) remain in the original BSPS scheme, which would move into the PPF.
- 13.23 R A *firm* must determine whether the evidence on the client file demonstrates that the *consumer* would have been more likely than not to choose the BSPS2 or the PPF.
- 13.24 E Where there is evidence in a *firm’s* client file that a *consumer* selected either the BSPS2 or PPF during the Time to Choose exercise, a *firm* must take that choice into account in the determination required by *CONRED* 4 Annex 21 13.23R. The *firm* must also take account of any other evidence on the client file including where it may have displaced such choice and with reference to the evidential provision at *CONRED* 4 Annex 21 13.25R.
- 13.25 E
- (1) The following evidential provisions provide examples of circumstances which make it more likely than not that the *consumer* would have chosen the BSPS2 over the PPF:
 - (a) the *consumer* was under 50 at the time of the advice;
 - (b) the *consumer* could not accept a reduction in the starting pension entitlement at retirement; or
 - (c) the *consumer* wanted to retain the option to transfer benefits in the future.
 - (2) The following evidential provisions provide examples of circumstances which make it more likely than not that the *consumer* would have chosen the PPF over BSPS2:
 - (a) the *consumer* needed to take the highest *pension commencement lump sum* available at their retirement date; and
 - (b) the *consumer* had a considered plan for taking retirement benefits early which would have met their income needs in retirement when taking into account the PPF reduction in starting pension entitlement at retirement.
- 13.26 R Where the *firm* is unable to determine which scheme a *consumer* would have been more likely than not to choose during the Time to Choose exercise, it must calculate the amount of redress using the BSPS2 as the comparator scheme.

Retirement date

- 13.27 R A *firm* must determine the *consumer's* retirement date using the *rules* and *guidance* at *DISP* App 4.3.15R to 4.3.18G, with the following modification: any reference to the *defined benefit occupational scheme* is to be replaced with a reference to the comparator scheme identified in accordance with *CONRED* 4 Annex 21 13.21R to 13.26R.

Step 3: carry out redress calculation

- 13.28 R The third step is for the *firm* to carry out the redress calculation using the BSPS calculator. The BSPS calculator will calculate whether 'X' is greater than 'Y' on the valuation date, using the formula at *DISP* App 4.4.2R, where:
- (1) 'X' is the estimated value of the benefits in the *defined benefit occupational pension scheme*; and
 - (2) 'Y' is the value of the benefits from the *consumer's* DC pension arrangement.
- 13.29 R Where 'X' is greater than 'Y', the *consumer* has suffered a loss and the amount calculated is the primary compensation sum to be used at Step 4.
- 13.30 R A *firm* must input the following information into the BSPS calculator to carry out the redress calculation:
- (1) Information relevant to the *consumer's* personal and financial situation including, where relevant, and overriding the default setting where different:
 - (a) date of birth;
 - (b) marital status;
 - (c) spouse/civil partner's date of birth;
 - (d) the appropriate comparator scheme identified in accordance with *CONRED* 4 Annex 21 13.21R to 13.26R;
 - (e) the *consumer's* presumed date of retirement from the appropriate comparator scheme, identified in accordance with *CONRED* 4.4.3R and Step 2 of *DISP* App 4.3.15R to 4.3.18G;
 - (f) whether the *consumer* is alive or deceased on or before the calculation date (default is that the *consumer* is still alive). If the *consumer* is deceased, the *consumer's* date of death.
 - (2) Where the comparator scheme is the BSPS (PPF) data relating to the *consumer's* former benefit entitlement in the BSPS, including:

- (a) the relevant Section (the BSPS calculator will provide a list of options);
 - (b) the DOL;
 - (c) annual BPS pension at DOL split by tranche, as applicable to each section. The tranches expected will be pre-populated based on the Section selected. All tranches will be optional; however, there must be one or more non-zero amounts (the BPS calculator will provide a list of tranches by Section);
 - (d) the value at DOL of the automatic lump sum entitlement due at retirement split by tranche, as applicable to each Section;
 - (e) confirmation of any lower unreduced retirement age that applies to any tranches due to any enhanced early retirement provision (optional - default is Section's retirement age will apply);
 - (f) the value at DOL of any other associated benefits, for example for a bridging pension; and
 - (g) details of any adjustment applicable to the transfer as part of a pension sharing order entered into (optional - default is no adjustment).
- (3) Where the comparator scheme is the BPS2, data relating to the *consumer's* former benefit entitlement in the BPS2, including:
- (a) Section (the BPS calculator will provide a list of Sections);
 - (b) the DOL;
 - (c) annual BPS2 pension at DOL split by tranche, as applicable to each Section. The tranches expected will be pre-populated based on the Section selected. All tranches will be optional; however, there must be one or more non-zero amounts (the BPS calculator will provide a list of tranches by Section);
 - (d) the value at DOL of the automatic lump sum entitlement due at retirement split by tranche, as applicable to each Section;
 - (e) confirmation of any lower unreduced retirement age that applies to any tranches due to any enhanced early retirement provision (optional - default is the BPS2's retirement age will apply);
 - (f) the value at date of leaving of any other associated benefits, for example for a bridging pension; and

- (g) details of any adjustment applicable to the transfer as part of a pension sharing order entered into (optional - default is no adjustments apply).
- (4) Data relating to the DC pension arrangement, including:
- (a) date of transfer out of the BSPS;
 - (b) value of each investment fund attributable to the original transfer value at the valuation date;
 - (c) valuation date for each investment fund;
 - (d) product and adviser-related percentage charges, including annual management charges;
 - (e) non percentage charges in addition to the charges at (4)(d) (option - default is nil); and
 - (f) whether the *consumer* requires initial advice in future, and whether an initial *adviser charge* needs to be applied.
- (5) Where the *consumer* has already commenced taking their pension benefits:
- (a) the amount of any *pension commencement lump sum* taken and dates of payment;
 - (b) the amount of any funds accessed flexibly and dates of payments; and
 - (c) the date of any annuity purchased and for that annuity:
 - (i) its amount;
 - (ii) increases (fixed, *RPI* linked, *CPI* linked, applicable cap, applicable floor);
 - (iii) spouse/civil partner's pension – proportion on death;
 - (iv) the guarantee period from the commencement date (enter in years);
 - (v) payment in arrears or advance and the payment frequency; and
 - (vi) annuity commencement date.
- (6) An amount for any consequential losses claimed by a *consumer* pursuant to *CONRED* 4.3.14R(1)(b)(iii)(C) which the *firm* accepts are properly payable.

- (7) The amount at 13.34R(1) and (2) combined and adjusted to take account of the *consumer's* tax position calculated in accordance with *DISP* App 4.3.31G.
- (8) The amount at 13.34R(3) adjusted to take account of the *consumer's* tax position calculated in accordance with *DISP* App 4.3.31G.

Use of assumptions from *DISP* App 4

- 13.31 G The BSPS calculator uses the assumptions in *DISP* App 4 Annex 1 for the purpose of calculating redress. These assumptions may include (depending on the type of case and the information entered in the calculator):
- (1) pre-retirement discount rate, adjusted for the default product charges and default ongoing *adviser* charges (see *DISP* App 4 Annex 1 8.1G and 9.1G);
 - (2) post-retirement discount rate, adjusted for a *pension commencement lump sum*, if relevant (see *DISP* App 4 Annex 1 7G);
 - (3) *RPI* inflation (see *DISP* App 4 Annex 4 3.1G);
 - (4) *CPI* inflation (see *DISP* App 4 Annex 4 4.1G);
 - (5) Earnings inflation (see *DISP* App 4 Annex 4 5.1G);
 - (6) pension increases in payment, with reference to the relevant inflation index, caps and floors (see *DISP* App 4 Annex 1 6.1G);
 - (7) default product charge % (see *DISP* App 4 Annex 1 9.1G);
 - (8) default *adviser charge* % (see *DISP* App 4 Annex 1 9.1G);
 - (9) Bank of England Base Rate;
 - (10) mortality for *consumer* and spouse / dependant (see *DISP* App 4 Annex 1 10.1G);
 - (11) spouse / dependant age difference (if the spouse / dependant date of birth is not available) (see *DISP* App 4 Annex 1 10.2G); and
 - (12) proportion married / having a dependant at retirement age (if status unknown) (see *DISP* App 4 Annex 1 10.3G).
- 13.32 G These assumptions will be derived in line with *DISP* App 4 Annex 1 and will be updated on a quarterly basis. All the assumptions needed will be automatically calculated based on the information inputted and the market conditions at the valuation date.
- 13.33 G The BSPS calculator will be temporarily unavailable at quarter ends for a short period while updates for latest assumptions are made.

Step 4: work out redress offer for redress determination

- 13.34 R The BSPS calculator will produce the following outputs:
- (1) a primary compensation sum, calculated in accordance with *DISP* App 4.3.19R and 4.3.20R;
 - (2) a secondary compensation sum comprising any consequential losses, including any:
 - (a) initial adviser charges on the DC pension arrangement and the primary compensation sum at (1) in accordance with *DISP* App 4.3.32G, calculated using the formula at *DISP* App 4.4.19R;
 - (b) amount as described at 13.30R(6);
 - (3) an additional compensation sum to compensate the *consumer* for the lapse of time between the valuation date and the payment date, calculated in accordance with the formula at *DISP* App 4 Annex 1 14.1G to 14.3G; and
 - (4) the total of the amounts in 13.30R(7) and (8).

Step 5: redress determination

- 13.35 R The amount at 13.34R(4) is the redress payable to a *consumer* in the form of a cash lump sum for the purpose of *CONRED* 4.4.2R.

4 Annex 22G **BSPS DBAAT Annex**

1 Features, benefits and risks of a pension transfer

- 1.1 The definitions in *CONRED* 4 and *CONRED* 4 Annex 21 1.3R apply to this Annex.
- 1.2 Table 1 illustrates in general the relative features and benefits of a *defined benefit occupational pension scheme* ('DB scheme') and a *non-DB pension scheme* ('DC scheme').
- 1.3 Table 1 should be read alongside the *consumer's* BSPS Scheme Rules and Handbook to determine how the BSPS benefits below apply to the *consumer* at the point the *firm* advised the *consumer*. Where there were special benefits in the BSPS that may be relevant to the *firm's* advice and disclosure of risks and benefits of transfer in general these are mentioned in 'notes' in Table 1.

Table 1:

	DB Scheme	DC Scheme
Benefits available	<p>Defined by scheme rules.</p> <p>Pay a regular income based on the <i>consumer's</i> salary and length of the <i>consumer's</i> membership in the pension scheme.</p>	<p>Benefits depend on <i>consumer</i> contributions. The <i>consumer</i> builds up a pension 'pot' over time.</p> <p>Benefits available include taking withdrawals directly from the pot either via <i>uncrystallised funds pension lump sums</i> (UFPLS) or flexi-access drawdown (FAD) or using part/all of the pot to purchase an annuity to secure a guaranteed income for life.</p>
When can benefits be taken?	<p>Scheme benefits are intended to be taken at the scheme Normal Retirement Date (NRD), defined in the scheme rules (e.g. at age 65).</p> <p>Most schemes permit benefits to be drawn earlier than NRD (but only once the <i>consumer</i> reaches the scheme's minimum pension age), though with an actuarial reduction typically applied for every year they are taken before NRD.</p> <p>Note – <i>Consumers</i> that joined the BSPS before 6 April 2006 had a protected minimum pension age of 50. This benefit was lost on transfer to a DC pension (unless it was done as part of a block/buddy transfer) but may have been retained in BSPS2 and the PPF.</p>	<p>Benefits can be withdrawn from the pension at any point once the <i>consumer</i> meets their normal minimum retirement age.</p>
Is a <i>pension commencement lump sum</i> (PCLS) available?	<p>A PCLS is available and is typically achieved by 'commuting' pension benefits for lump sum benefits using a commutation factor outlined in the scheme rules. This typically leads to a lower PCLS available than from a DC scheme.</p>	<p>25% of the pension 'pot' is available to be withdrawn as a PCLS.</p>

<p>Are benefits protected against inflation?</p>	<p>The pension benefits under a DB scheme typically have a level of inflation protection (the income will increase every year) both in deferment (before the <i>consumer</i> accesses the pension) and in payment.</p> <p>The level of inflation protection depends on the type of benefits accrued (for example, Guaranteed Minimum Pension ('GMP'), excess over GMP) and when they were accrued. It is also impacted by certain minimums set out in legislation. The scheme rules detail the level of indexation and escalation that is applied.</p>	<p>There is no explicit inflation protection for benefits invested in a DC scheme. DC pension pots may be invested in the markets to generate a return to offset inflation.</p> <p>Where a <i>consumer</i> uses their pot to purchase an annuity, they can purchase levels of inflation protection, though this comes at the cost of reducing the initial income payment to the client.</p>
<p>What flexibility is available within the scheme?</p>	<p>DB schemes typically have flexibility around when benefits are taken from the pension, subject to confirmation in the scheme rules on early retirement and the factors that are used.</p> <p>All benefits are usually taken simultaneously – for example, PCLS and income benefits are usually taken in their entirety at the same time.</p>	<p>DC schemes allow for flexibility as to when and how benefits are taken. Further, not all benefits have to be taken at the same time. For example, partial or full PCLS can be taken without starting to withdraw income benefits.</p>
<p>Benefits available on death of consumer</p>	<p>A DB scheme will usually include a spouse's pension, which will continue to pay a proportion of the <i>consumer's</i> income after their death.</p> <p>There may also be pensions for dependent family <i>consumers</i>. Some schemes may make minor lump sum payments depending on when the <i>consumer</i> dies (e.g. if it was not long after they elected to take benefits).</p>	<p>Whatever is left in the pension pot at the <i>consumer's</i> death is an asset which is available to be inherited by a nominated individual. Annuities may also have other benefits (e.g. a spouse's pension) built in at the time of purchase which will continue paying an income to a spouse, though typically at a reduced rate.</p>

- 1.4 The key risks associated with a transfer from a DB scheme to a DC scheme include:
- (1) the loss of *safeguarded benefits*, in the form of a guaranteed lifetime income from the DB scheme for the *consumer* and their eligible dependants (usually spouses and dependent children);
 - (2) the loss of the inflationary protection that is provided by the DB scheme associated with the pension (both in deferment and in payment);
 - (3) the transfer of investment risk from the DB scheme (and sponsoring employee) to the *consumer*. Poor investment returns will directly impact on the value of the *consumer's* benefits in a DC scheme. In a DB scheme, investment returns impact on the scheme's funding position and the sponsoring employer must make good any shortfall;
 - (4) the transfer of longevity risk, which is the risk of running out of money in retirement and having to rely on the state pension. This is a key risk for *consumers* that choose to withdraw money from their pension via UFPLS or FAD. It is not a risk that is present in a DB scheme;
 - (5) the transfer of responsibility for decisions about scheme assets. A *consumer* must keep their DC scheme assets under review, particularly where benefits are withdrawn via either UFPLS or FAD. In these situations, the *consumer* will need to continue monitoring their pension and potentially making complex and important investment and withdrawal decisions for the remainder of their lives. Where professional support is needed to help with the monitoring and these decisions, this will come at a cost that will reduce the available benefits within the pension.

2 Comparison of benefits provided by BSPS2 and the Pension Protection Fund (PPF)

- 2.1 Table 2 compares the benefits available from the proposed BPS2 with the benefits available from the PPF for deferred (rather than retired) *consumers* who were eligible for a *pension transfer*. This information would have become available when Time to Choose packs were sent out between 9 and 11 October 2017 at the beginning of the Time to Choose period.
- 2.2 The BPS2 first entered the PPF assessment period on 29 March 2018. During the assessment period, the PPF considers whether the assets of the scheme can be used to secure benefits for the *consumer* in excess of those provided by the PPF. If they cannot, the scheme is transferred to the PPF. During the assessment period, *consumers* who retire receive benefits at PPF levels.

Table 2:

	Benefits and features of BSPS2	Benefits and features of the PPF	Comparison of BSPS2 to PPF
'Starting' income benefits by comparison to Old BSPS scheme – Consumers aged 65 or over at date of PPF assessment	No reduction	No reduction	Both options are the same.
'Starting' income benefits by comparison to Old BSPS scheme – Consumers below age 65 at date of PPF assessment	No reduction	All income benefits reduced by 10% AND subject to the benefit cap (see 3.1(3)): <ul style="list-style-type: none"> April 2016 to April 2017 – £37,420.42 at age 65 April 2017 to April 2018 – £38,505.61 at age 65 	BSPS2 provides unreduced income benefits for all scheme <i>consumers</i> .
Revaluation of benefits in deferment (pre-retirement) Source: Time to Choose Information Pack (for BPS2)	Benefits accrued: <ul style="list-style-type: none"> Before 5 April 2006 – CPI with no cap 5 April 2006 to 5 April 2009 – CPI capped at 4% a year 5 April 2009 to 5 April 2012 – CPI capped at 4% a year 5 April 2012 to 5 April 2016 – CPI capped at 3% a year From 5 April 2016 – CPI capped at 2.5% a year 	Benefits accrued: <ul style="list-style-type: none"> Before 5 April 2006 – CPI capped at 5% a year 5 April 2006 to 5 April 2009 – CPI capped at 5% a year 5 April 2009 to 5 April 2012 – CPI capped at 2.5% a year 5 April 2012 to 5 April 2016 – CPI capped at 2.5% a year From 5 April 2016 – CPI capped at 2.5% a year 	BSPS2 generally provides more favourable revaluation in deferment, except for: <ul style="list-style-type: none"> benefits between 5 April 2006 and 5 April 2009 where PPF revaluation is better benefits from 5 April 2016 which are revalued at the same rate

<p>Indexation of benefits in payment (post-retirement)</p>	<ul style="list-style-type: none"> • GMP benefits between 5 April 1978 and 5 April 1988 – No increases • GMP benefits between 5 April 1988 and 5 April 1997 – CPI capped at 3% a year • Excess over GMP pre-5 April 1997 – No increases • Pension benefits between 5 April 1997 and 5 April 2005 – CPI capped at 5% a year • Pension benefits from 5 April 2005 – CPI capped at 2.5% a year 	<ul style="list-style-type: none"> • GMP benefits between 5 April 1978 and 5 April 1988 – No increases • GMP benefits between 5 April 1988 and 5 April 1997 – No increases • Excess over GMP pre-5 April 1997 – No increases • Pension benefits between 5 April 1997 and 5 April 2005 – CPI capped at 2.5% a year • Pension benefits from 5 April 2005 – CPI capped at 2.5% a year 	<p>BSPS2 generally provides more favourable indexation in retirement except for:</p> <ul style="list-style-type: none"> • GMP benefits between 5 April 1978 and 5 April 1988 where neither provide indexation; • excess over GMP pre-5 April 1997 where neither provide indexation; and • pension benefits from 5 April 2005 where indexation is at the same rate.
<p>Spouse and dependents benefits</p>	<ul style="list-style-type: none"> • Continued income benefits valued at 50% of the <i>consumer's</i> pension, calculated with reference to the <i>consumer's</i> pension before any is commuted for a PCLS. • In Time to Choose packs (issued between 9 and 11 October 2017), there was uncertainty over whether same sex spouses or civil partners would be eligible to pension 	<ul style="list-style-type: none"> • Continued income benefits valued at 50% of the <i>consumer's</i> pension, calculated with reference to the <i>consumer's</i> pension after any is commuted for a PCLS. • PPF treats same sex spouses and civil partners in the same way as an opposite sex 	<p>Death benefits under BSPS2 are generally more beneficial due to higher reference point for calculating spouses' pension plus the presence of a lump sum payment if death occurs in the first 5 years.</p> <p>However, there are question marks over eligibility for payments to same sex spouses and civil partners under BSPS2. These question marks do not apply to the PPF, which treats same and</p>

	<p>payments relating to benefits accrued before 1997.</p> <ul style="list-style-type: none"> • The scheme pays out a lump sum if the <i>consumer</i> dies less than 5 years after taking their pension. This equals the total amount of remaining pension they would have received in those 5 years. This is in addition to the spouse's pension. • Children's allowance paid for 'qualifying dependent children'. 	<p>spouse – they are eligible for a spouse pension relating to all benefits accrued, regardless of when they were accrued.</p> <ul style="list-style-type: none"> • No lump sum death benefits are paid from the PPF. • Dependent's pension available for qualifying children either under 18 or over 18 but under 23 in 'qualifying education' or with a 'qualifying disability'. 50% of <i>consumers</i> compensation if there is one child, or 100% split equally if there are 2 or more children. 	<p>opposite sex spouses/civil partners the same.</p>
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<p><i>Pension commencement lump sum (PCLS)</i></p>	<p>PCLS is available from BPS2 by commuting income.</p> <p>The commutation factors range from £12.60 to £23 of lump sum for every £1 of income, depending on the age at which the <i>consumer</i> retires and when the <i>consumer</i> built up benefits in the old scheme.</p> <p>Where a significant proportion of the <i>consumer's</i> rights are in the form of GMP benefits, this may inhibit the amount of pension they are able to commute for a PCLS in BPS2.</p>	<p>PCLS is available from the PPF by commuting income.</p> <p>The commutation factors range from £20.22 to £43.57 of lump sum for every £1 of income, depending on the age at which the <i>consumer</i> retires and when the <i>consumer</i> built up benefits in the old scheme.</p>	<p>The PPF provides more favourable PCLS commutation factors in all instances.</p> <p>Where a <i>consumer</i> wishes to take the maximum PCLS, the PPF will typically provide both a larger PCLS and a larger starting income (even after accounting for the 10% reduction in the PPF) than BPS2.</p>
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Early retirement	<p>Early retirement is available from BSPS2.</p> <p>The early retirement factor ranges from 0.73 to 0.97, depending on the age at which the <i>consumer</i> retires and when the <i>consumer</i> built up benefits in the old scheme.</p> <p>Where a significant proportion of the <i>consumer's</i> rights are in the form of GMP benefits, this may reduce the level of income they can withdraw if they seek early retirement.</p>	<p>Early retirement is available for the PPF.</p> <p>The early retirement factor ranges for 0.819 to 0.978, depending on the age at which the <i>consumer</i> retires.</p>	<p>The PPF provides more favourable early retirement factors than BSPS2 in all circumstances, regardless of the <i>consumer's</i> age and when they accrued benefits.</p> <p>However, the PPF reduces starting income by 10% (BSPS2 does not). After this reduction is applied, BSPS2 typically provides a higher starting income.</p>
Potential for future transfer requests	BSPS2 allowed <i>consumers</i> the option to transfer out at any time up to a year from the <i>consumer's</i> NRD.	Once a scheme enters the PPF assessment period, <i>consumers</i> are no longer permitted to transfer out of the scheme.	BSPS2 provided <i>consumers</i> with more flexibility of options, in regard to the ability to transfer out at a future date, than the PPF.

3 Information available to advisers during the relevant period

3.1 The following information was available to advisers about the PPF benefits:

- (1) Once a scheme enters the PPF assessment period, the benefits that will be available to *consumers* of the BPS who have not yet commenced drawing a pension are calculated by reference to provisions governing the PPF and will not be the same as the pension that would have been available in the BPS.
- (2) The PPF treatment of *consumer* benefits throughout the relevant period was published or available:
 - (a) on the PPF website (<https://www.ppf.co.uk/>);
 - (b) directly from the PPF;

- (c) through continuing professional development, including in the study material for the qualifications required to be a *pension transfer specialist*.
- (3) In July 2021, the Court of Appeal ruled that the PPF compensation cap was unlawful on the grounds of age discrimination. The PPF confirmed that the compensation cap would no longer apply and it would be removed from affected PPF pensioners. Whilst this is the case now, advisers at the time would not have been aware of this change, so it would have been reasonable to assume that the cap would still apply to those *consumers* with benefits above the cap. More information is found at <https://www.ppf.co.uk/trustees-advisers/valuation-guidance/compensation-cap-factors>.

3.2 The information in Table 3 was available to advisers about BPS2 benefits during the relevant period.

Table 3:	
Date	Information
30 March 2016	Tata Steel Ltd announcement examining options for restructuring business and calling into question the future of BPS.
26 May 2016	DWP launch consultation on BPS outlining 4 options for the future of BPS.
26 May 2016	Letter to consumers from BPS Trustee (Allan Johnston) outlining Government consultation on potential changes to BPS.
16 June 2016	BPS Trustees response to the DWP consultation .
12 August 2016	Trustee update to consumers .
7 December 2016	Tata Steel UK announcement on proposal to close BPS to future accrual.
7 December 2016	Trustee update to consumers following Tata Steel UK Ltd's announcement on proposal to close BPS to future accrual.
12 January 2017	Trustee statement on potential future of the scheme.

27 January 2017	Trustee letter to consumers providing an update on developments.
31 March 2017	The old BSPS scheme closed to accrual and all active <i>consumers</i> became deferred.
1 April 2017	Trustee amendment to how the CETV was calculated resulting in most <i>consumers</i> seeing an increase in their CETV after 1 April 2017 compared to before.
16 May 2017	PPF and TPR announcements on key commercial terms for an RAA being agreed in principle.
11 August 2017	TPR announcement on initial approval of RAA for BSPS.
25 August 2017	Trustee announcement to <i>consumers</i> on CETV change.
11 September 2017	Trustee announcement on RAA.
9-11 October 2017	Time to Choose packs sent out to <i>consumers</i> (received by <i>consumers</i> between 9 and 11 October 2017) which detailed personalised benefits for <i>consumers</i> under BSPS2.
29 November 2017	The deadline for <i>consumers</i> to make a decision under Time to Choose was extended from 11 December to 22 December 2017.
16 February 2018	The trustees stated deadline for receiving transfer applications.
29 March 2018	The old BSPS scheme entered the PPF assessment period and was closed to transfer.

4 Annex 23G **BSPS Calculator steps in diagrammatic form**

This Annex belongs to *CONRED* 4 Annex 21 13.8G

The diagram illustrates the steps to take to calculate redress and to complete a *redress determination* using the BSPS calculator.

Step 1: Obtain the necessary information to calculate redress

- Types of information are specified in CONRED 4 Annex 21R.
- Information will be collected by reviewing client files; contacting the consumer; contacting pension provider and contacting former DB scheme trustees.
- ask consumer if they would like the firm to calculate redress by augmentation and if they want to claim for any other losses

Relevant rules: CONRED 4 Annex 21R 13.18G – 13.20R

Step 2: Identify the comparator scheme and the retirement date

- Determine the comparator scheme according to CONRED4 Annex 21R 13.21R - 13.26
- Determine retirement date using the rebuttable presumption at DISP App 4.3.16R, noting the modification to this outlined in CONRED 4.4.3R. Guidance on circumstances is provided in DISP App 4.3.17G, noting the modification to this outlined in CONRED 4.4.3R.

Relevant rules: CONRED 4 Annex 21R 13.21R – 13.27R

Step 3: Carry out lump sum redress calculation

- Using the BSPS calculator, follow the instructions as set out in CONRED 4 Annex 21 13R
- Calculate according to the rules and guidance in DISP App 4 and DISP App 4 Annex 1, as modified by CONRED 4.

Relevant rules: CONRED 4 Annex 21R 13.28R – 13.33G

Step 4: Work out the lump sum redress offer for the redress determination

- A firm must promptly offer a consumer redress that, as far as possible, puts the consumer into the position they would have been in if they had received compliant pension transfer advice.
- Follow the requirements at DISP App 4.27R to DISP 4.30R and CONRED 4.4.2R to CONRED 4.4.3R

Relevant rules: CONRED 4 Annex 21R 13.35R

Step 5: Lump sum offer redress determination

- The output of the BPS calculator must be saved in an Excel spreadsheet and PDF format. The outputs include a summary of inputs and the lump sum redress payable.

Relevant rules: CONRED 4 Annex 21R 13.35R

Send redress determination letter to consumer (CONRED 4.4.2R)

- If consumer requested full or partial augmentation offer, work out augmentable offer according to DISP App 4 and DISP App 4 Annex 1
- Send a redress offer to the consumer in the form of the letter set out in CONRED 4 Annex 13R, and in accordance with the instructions at CONRED 4.4.2R, 4.4.5R and 4.4.6G

Pay the redress to the consumer (CONRED 4.4.9R)

- Once offer accepted by consumer, firm to access calculator to calculate the additional compensation sum
- Pay the consumer the updated compensation sum within 28 days in accordance to selected method of payment
- Send the consumer a payment confirmation in the form of the letter set out in CONRED 4 Annex 15R enclosing the detailed calculator report showing the updated compensation amount

Amend the following as shown.

App 1 Key definitions

App 1.1 Key definitions

[**Note:** the following definitions relevant to *CONRED 1* and *2* are extracted from the Glossary.]

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Schedule Record keeping requirements

1

After Sch 1.2G, insert the following table as Sch 1.3G. The text is all new and is not underlined.

Handbook reference	Subject of record	Contents of record	When record must be made	Retention period
<i>CONRED</i> 4.9.1R(1)(a)	BSPS consumer redress scheme	Evidence of posting for each letter sent	When letter sent	5 years
<i>CONRED</i> 4.9.1R(1)(b)	BSPS consumer redress scheme	Copy of each letter sent	When letter sent	5 years
<i>CONRED</i> 4.9.1R(1)(c)	BSPS consumer redress scheme	Record of attempts to contact <i>consumer</i> , any other relevant <i>firm</i> or obtain further information	When attempts made	5 years
<i>CONRED</i> 4.9.1R(1)(d)	BSPS consumer redress scheme	A copy of the Excel spreadsheet containing a completed BSPS DBAAT or FCA DBAAT for each scheme case	When BSPS DBAAT completed	5 years
<i>CONRED</i> 4.9.1R(1)(e)	BSPS consumer redress scheme	A record of the redress calculation performed by the BSPS calculator in Excel	When the redress calculation carried out	5 years

		Spreadsheet format		
<i>CONRED</i> 4.9.1R(1)(f)	BSPS consumer redress scheme	Information on the <i>consumer</i> file and information received from the <i>consumer</i>	When located on <i>consumer</i> file or obtained	5 years

Schedule 2 Notification requirements

After Sch 2.1G, insert the following table as Sch 2.2G. The text is all new and is not underlined.

Handbook reference	Matters to be notified	Contents of notification		Time allowed
<i>CONRED</i> 4.8.2R(1) and (2) and <i>CONRED</i> 4.8.3R	Information about each case the <i>firm</i> has taken scheme steps for	(1)	<i>consumer</i> identifier;	By 1 <i>month</i> after the scheme effective date and then every 2 weeks
		(2)	the date the letter at <i>CONRED</i> 4 Annex 2R was sent;	
		(3)	whether the <i>consumer</i> receiving the letter in (2) has opted out of the scheme and the date a <i>firm</i> received notification from the <i>consumer</i> of their decision to opt-out;	
		(4)	where the <i>firm</i> has carried out the case review at <i>CONRED</i> 4.3.2R:	
		(a)	the date the case review was completed;	
		(b)	a copy of the completed FCA or BSPS DBAAT;	
		(c)	whether the scheme case was rated suitable, unsuitable or ‘non-compliant due to a material information gap(s)’ or ‘not-compliant-unclear’ (in the case of the FCA DBAAT);	

			(d) for scheme cases rated as unsuitable, the result of the causation assessment;	
		(5)	in a case where a <i>firm</i> has concluded that the advice was suitable:	
			(a) the date a <i>firm</i> sent the letter at <i>CONRED</i> 4 Annex 9R;	
			(b) the <i>consumer's</i> name, address, telephone number(s) and, where available, email address (in the BSPS DBAAT or, where using an FCA DBAAT, in the Reg Data report);	
			(c) whether a <i>firm</i> is aware that the consumer has complained to the <i>Financial Ombudsman Service</i> about the determination communicated in (a);	
			(d) the date a <i>firm</i> became aware of any complaint in (c); and	
			(e) the outcome of the complaint (both suitability and causation as applicable) as notified to the <i>firm</i> by the <i>Financial Ombudsman Service</i> in accordance with <i>DISP</i> 3.6.6R(5);	
		(6)	in a case where a <i>firm</i> has concluded that the advice was unsuitable and answered 'no' to the causation question, the date a <i>firm</i> sent the letter at <i>CONRED</i> 4 Annex 8R;	

		(7)	in a case where a <i>firm</i> has concluded that the advice was unsuitable and answered ‘yes’ to the causation question the date a <i>firm</i> sent the letters at:	
		(a)	<i>CONRED</i> 4 Annex 7R; and	
		(b)	<i>CONRED</i> 4 Annex 10R;	
		(8)	where a <i>firm</i> has completed the redress assessment as required by <i>CONRED</i> 4.4.2R, the following in respect of the latest offer of redress made pursuant to the <i>consumer redress scheme</i> created by this chapter:	
		(a)	the date on which the redress calculation was completed;	
		(b)	the redress amount rounded to the nearest pound sterling;	
		(c)	the date the letter at <i>CONRED</i> 4 Annex 13R was sent to the <i>consumer</i> ;	
		(d)	a copy of the redress calculation from the BSPS calculator;	
		(e)	whether the <i>consumer</i> has accepted the offer of redress in (c); and	
		(f)	the date on which any redress was paid.	
<i>CONRED</i> 4.8.2R(3) and <i>CONRED</i> 4.8.4R	Information about BSPS cases excluded from the scheme,	(1)	the number of cases in relation to which a <i>firm</i> has sent a <i>consumer</i> a letter pursuant to:	By 6 weeks after the scheme effective date
		(a)	<i>CONRED</i> 4 Annex 1R;	

	<i>consumer</i> opt outs		(b) <i>CONRED</i> 4 Annex 2R; and	
		(2)	in respect of (1)(a), a breakdown of the reasons such cases were excluded from the scheme with reference to the relevant condition or conditions at <i>CONRED</i> 4.2.2R.	

Amend the following as shown.

Schedule 3 Fees and other required payments

There are no provisions for fees in *CONRED*. As noted in *CONRED* 2.5.19G and *CONRED* 4.5.9G, a fee is payable in any case where the *FCA* exercises its powers under *CONRED* 2.5.12R or *CONRED* 4.5.1R to take steps instead of a firm, or appoint one or more competent persons to do so. This fee is as specified in the table at *FEES* 3.2.7R.