

AMPS Response to CP18/15 'Claims Management: How we propose to regulate claims management companies'

AMPS would like to express our support for the FCA in regulating Claims Management Companies (CMC's) given the misconduct issues raised, both in terms of consumer detriment and the impact upon financial services firm's resources and workloads.

AMPS represent the SIPP and SSAS industry, which until recently had only experienced a small number of claims from CMC's, however this number has risen. There has also been an increasing marketing focus on SIPP and SSAS firms from CMC's including targeted radio advertisements on national radio stations.

AMPS support a consistent regulatory approach to governing and managing CMC's by FCA, following the changes in April 2019. We agree with the new disclosure documentation requirements and support the taping of telephone calls and retention of emails and text messages for twelve months, which is in line with many regulated firm's obligations under SYSC10A. We also strongly agree that the requirements of the Senior Managers and Certification Regime should be enforced on CMC's and senior managers should be responsible for the actions of their firms and employees.

However, it is our understanding that there will be some firms, who carry out a similar role to a CMC, that will not be covered by these new rules. This is because they are regulated by another regulatory body, such as the Solicitors Regulation Authority (SRA). We would question the effectiveness of such a regime, whereby firms are carrying out the same roles but are governed by different regulators with different expectations. We would also query who reviews the effectiveness of regulators such as SRA and how the remits of SRA and FCA are comparable.

In our view this could lead to the creation of multiple regimes, which has the potential to cause even more detriment for consumer, with firms operating under different sets and strengths of regulation and consumers unable to differentiate between them.

About AMPS:

History:

- Founded in 2005 to provide a collective voice and lobbying forum for representatives of the self-invested pensions industry (Self-Invested Personal Pensions, SIPP, and Small Self-Administered Schemes, SSAS)
- Formed by merging the Association of Pensioner Trustees and SIPP Provider Group in anticipation of the simplified pensions regime introduced on 6 April 2006 ("A Day").

Structure:

- Managed by a Committee of elected members
- Monthly Committee meetings with a formal agenda
- Sub-Committees dealing with various key areas: Compliance, HMRC Technical, Legal and Platforms

Membership*:

- Approximately 150 SIPP Operators including James Hay, Suffolk Life and AJ Bell
- Membership operates/administers the vast majority of both SIPP and SSAS
- Number of SIPP under administration: 1m+
- SIPP assets under administration: £125bn+
- Number of SSAS under administration: 16,000
- SSAS assets under administration: £26.5bn+
- Law firms which specialise in pensions and compliance issues
- Information technology firms which provide ancillary services to SIPP/SSAS operators
- Independent compliance firms

Objectives:

- To provide an industry forum for the exchange of views and knowledge for our members
- To interact with government departments and regulators on industry issues
- To liaise with other Industry bodies in areas of mutual interest
- To provide a source of informed comment to the media

Activities:

- Engagement with HM Revenue & Customs, Department for Work and Pensions, The Pensions Regulator, HM Treasury and Financial Conduct Authority
- Providing training to our membership through regular targeted conferences and workshops
- Issuing newsletters to our membership
- Reporting items of interest on the membership website and facilitating open discussion and forums
- Responding to government-led and regulator-led consultations
- Maintaining close links with other industry bodies including the Association of British Insurers (ABI), Tax Incentivised Savings Association (TISA), Investment and Life Assurance Group (ILAG) and Personal Investment Management and Financial Advice Association (PIMFA).

* Membership data based on latest estimates

Distribution

This is a public document available on the AMPS website: www.ampsonline.co.uk

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Dated

23 July 2018