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Our ref: CP11/1*

Dear Ms McGinley

**CP11/1* Quarterly Consultation No 27 Chapter 5:
Removal of the requirement to annuitise pension savings by age 75**

This is the Financial Services Consumer Panel's response to the proposals in Chapter 5 of CP11/1* arising from the removal of the requirement to annuitise pensions savings by age 75.

The Panel is not in a position to respond to the detailed questions within Chapter 5, but the replacement of the unsecured pension arrangement and alternatively secured pension arrangement with two new drawdown arrangements is clearly of importance to consumers. Advisers themselves are best placed to know whether they need additional suitability guidance from the FSA in the light of these changes, although we would expect the professionalism/CPD requirements that advisers have to meet would ensure that they were in a position to offer suitable and informed advice to their clients.

Nevertheless we think that this is an area of significant potential detriment to individual consumers. We recommend that the FSA monitors sales of the new drawdown arrangements particularly closely from the outset, with a view to responding quickly to unexpectedly high uptake of the new products and/or high levels of commission or other sales incentives being offered by providers.

Yours sincerely

Adam Phillips
Chair
Financial Services Consumer Panel