

23 November 2015

Today, we are sending a sample of pension and retirement income providers a request for data which seeks evidence about charges in the pensions decumulation market.

On 1 July 2015 we sent you our pension freedoms data request, and the responses to this revealed a significant increase in sales of pension drawdown products. At this time we made it clear that we intended to return to firms later in the year requesting further information about the development of the market.

This new data request will allow us to monitor the impact of this market development on consumers and tailor our regulatory approach to achieve an appropriate degree of consumer protection. It will support our on-going supervisory and policy work and will also be used in our forthcoming Retirement Outcomes market study.

The data request seeks information about the:

1. products offered to consumers accessing their pensions flexibly over time
2. mix of investments held within these products and distribution of size of holding by customer
3. level of charges over time and how these vary by the size of investment made and approach to accessing retirement savings.

We will shortly be inviting all firms who have been asked to respond to this data request to a session here at the FCA to discuss any concerns or questions they have about this data request. Separately, we have provided detailed responses to the questions we received during piloting of the survey.

We are aware that many firms have already provided us with significant information in their responses to our recent pension freedoms data request, and more recently as part of our ongoing supervision, thematic and competition work. Inevitably, at a time of significant

market change our information needs also change. Where possible, we have sought not to duplicate previous requests for information. As with the previous pensions freedoms data request, we plan to publish a report summarising aggregated results from this data request.

I would be grateful if you could provide a response to this request by 5pm on 15 February 2016. We hope that firms can comply with this data request to the best of their abilities within this timescale.