

Ipsos MORI

Stakeholder Survey 2005

The Pensions
Regulator 



March 2006



Objectives and Methodology

Key Findings

1. Profile Information

2. Awareness and Knowledge

3. Perceptions

4. Performance

5. Contact and Communications

Summary and Implications

Objectives

- To assess any shifts in awareness, usage and experiences with the Regulator from last year
- To evaluate stakeholders' attitudes towards the Regulator
- To measure perceptions of the Regulator's performance - as both a regulator and information provider
- To provide ratings of specific services, including publications, guidance and Front Office
- To evaluate the quality of the Regulator's service delivery

Key Findings

Key Findings: what's gone well

- Overall, stakeholders' views of the Regulator's performance remain positive, with a slight increase compared to 2004
- The Regulator's role is well understood and this has improved from last year
- Satisfaction with the quality of the Regulator's communication has increased
- Unlike last year, the more stakeholders know about the Regulator the better they think of it
- Overall performance ratings by professionals have improved

- Some answers to questions are either 'don't know' or 'too early to say'
 - Indicating that there are stakeholders who do not yet have a fully formed impression of the Regulator
- Areas with high proportions of 'don't knows' include:
 - Rating of the Regulator on factors such as punishing and investigating misconduct/breaches

Key Findings: what's not gone well

- In-house perceptions of the Regulator's performance are consistently less positive than professionals
- The overall performance rating by in-house stakeholders has declined since last year
- Although communication is good, stakeholders who contacted the Regulator on specific issues are slightly less happy than those in 2004
- Around half believe your profile in the industry needs to be raised further

Profile Information

- 801 interviews carried out on the telephone lasting around 20-30 minutes
- Comprised of
 - 200 Lay trustees
 - 171 In-house scheme managers/administrators
 - c. 50 in each of Actuaries, Auditors, IFA/ consultants, Lawyers, Professional trustees, Third-party managers/administrators
- Unlike last year 150 Employers (Finance Directors/ Pensions Directors) included

- 22% response rate
 - Varied by audience e.g. 24% in-house, 17% lawyers
 - Lower than last year: timings, lack of named sample possible causes

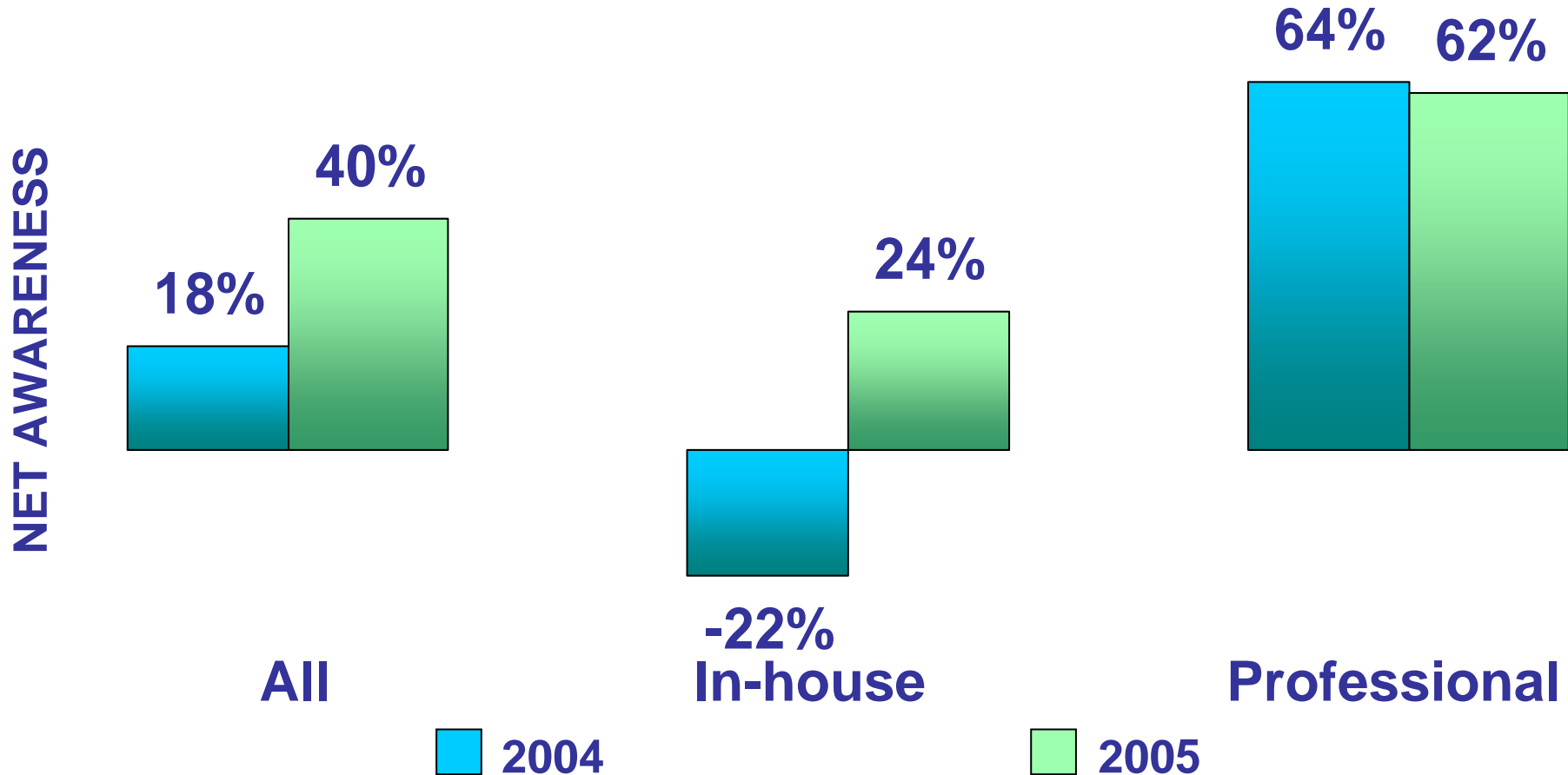
- Those subject to an investigation excluded from the survey

Awareness and Knowledge

- Very high awareness that the Regulator is the successor to Opra (94%)
- A clear distinction between awareness levels of professionals and in-house
 - But an improvement in awareness of in-house on 2004
- Lowest awareness amongst:
 - Small-sized schemes (<100)
 - Industry-wide schemes
 - Directors rather than managers
 - Public sector schemes

Encouraging increase in awareness of the Regulator amongst in-house roles

Q How much, if anything, do you feel you know about Opra/the Regulator?



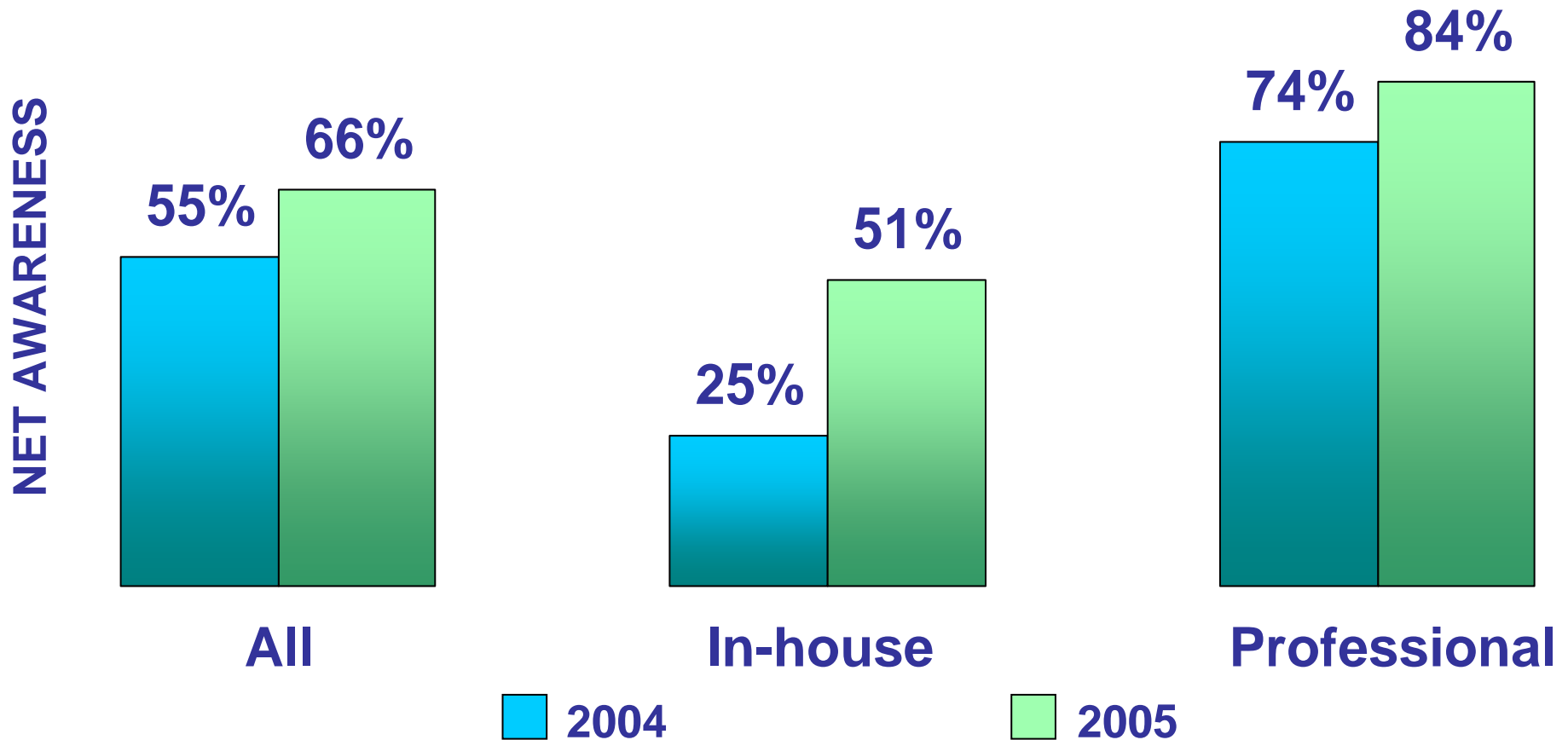
Clear tiers of awareness

Q *How much, if anything, do you feel you know about Opra/the Regulator?*

	2004	2005	
Lawyers	83%	82%	NET AWARENESS
Actuaries	86%	76%	
Auditors	68%	66%	
Third party administrators	52%	56%	
Professional trustees	57%	47%	
IFA/ benefit consultancy	37%	45%	
Lay trustees	-10%	33%	
Employers	n/a	21%	
In-house administrators	-37%	15%	

And an encouraging increase in understanding of the Regulator's role

Q *How well, if at all, do you feel you understand Opra's/the Regulator's role and its objectives?*



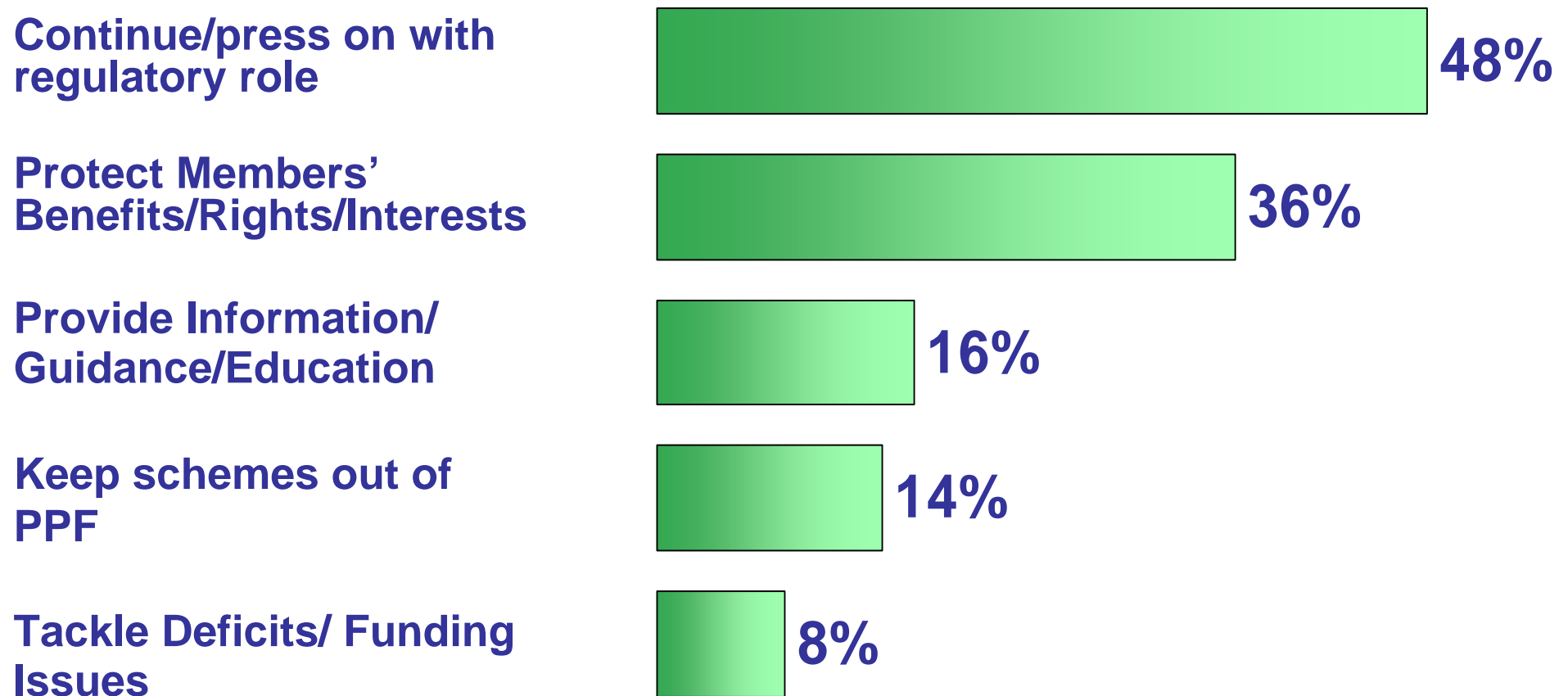
Understanding of role has increased across most groups

Q How well, if at all, do you feel you understand Opra's/the Regulator's role and its objectives?

	2004	2005	
Lawyers	84%	90%	NET UNDERSTANDING
Professional trustees	76%	93%	
Auditors	84%	80%	
Actuaries	98%	81%	
Third party administrators	52%	74%	
IFA/ benefit consultancy	45%	81%	
In-house administrators	29%	62%	
Lay trustees	22%	43%	
Employers	n/a	48%	

Stakeholders see regulation as being at the heart of what you do

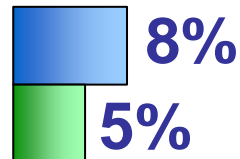
Q What do you consider the Pensions Regulator main function or role to be?



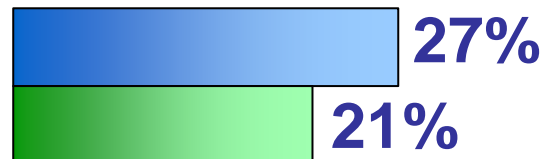
Considering the requirements on lay trustees now, this is a positive picture

Q Which of the following best describes your level of understanding of matters relating to occupational pension schemes? Would you say ...

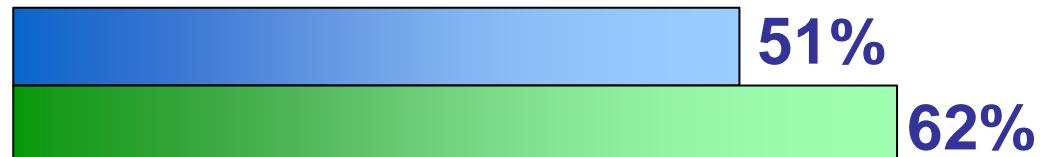
I consider myself an expert



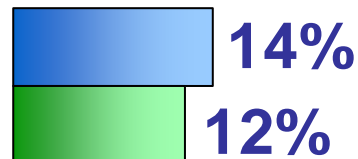
I have a very good understanding of the area



I have a working knowledge which is sufficient to enable me to carry out my duties



I have some knowledge but should know more to better carry out my duties



2004

2005

**Stakeholders who don't know
much about you**

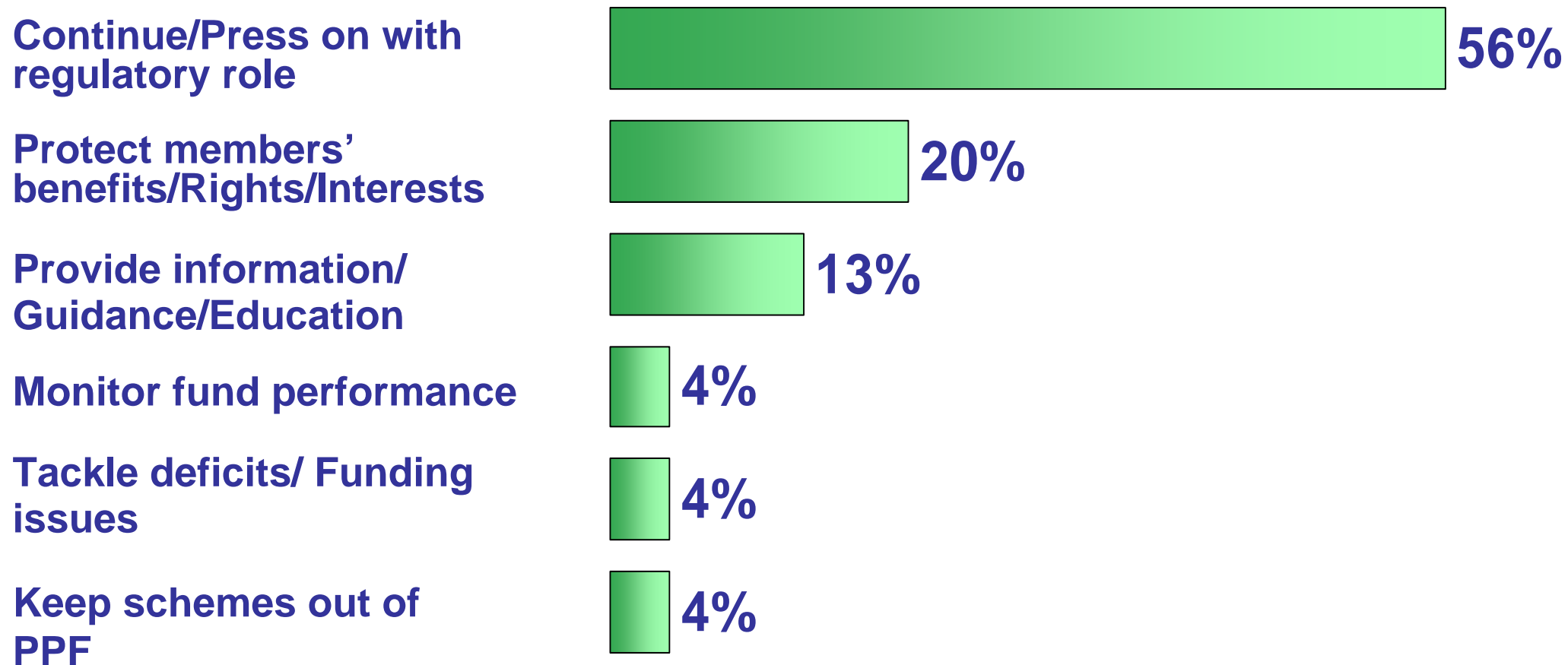
Lack of scheme problems = Low awareness

Q *Which of the following reasons, if any, do you feel have contributed to your relatively low awareness of Opra/the Regulator?*

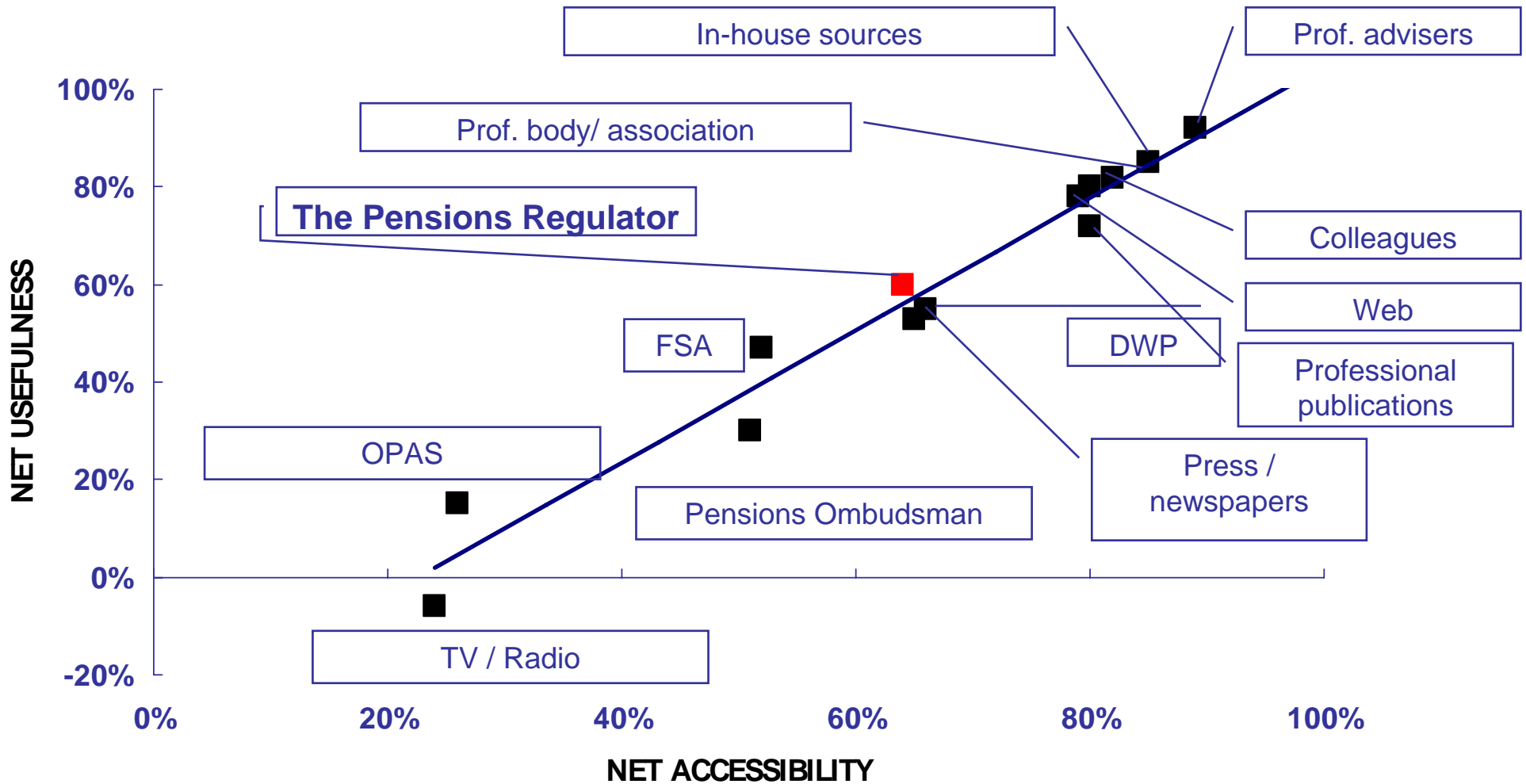
	Priority	
Your pension scheme is well run/ had no problems	1	51%
Occupational pensions take up a small proportion of your time	2	34%
Other people have greater responsibility for this area	3	30%
Your role does not require any detailed knowledge of the area	4	22%
You have not received any information or communication from the Regulator	5	17%
Your involvement in occupational pensions is very recent/ you are new to the job	6	14%

But some knowledge of the Regulator's role

Q What do you consider the current role or responsibilities of the Regulator to include?

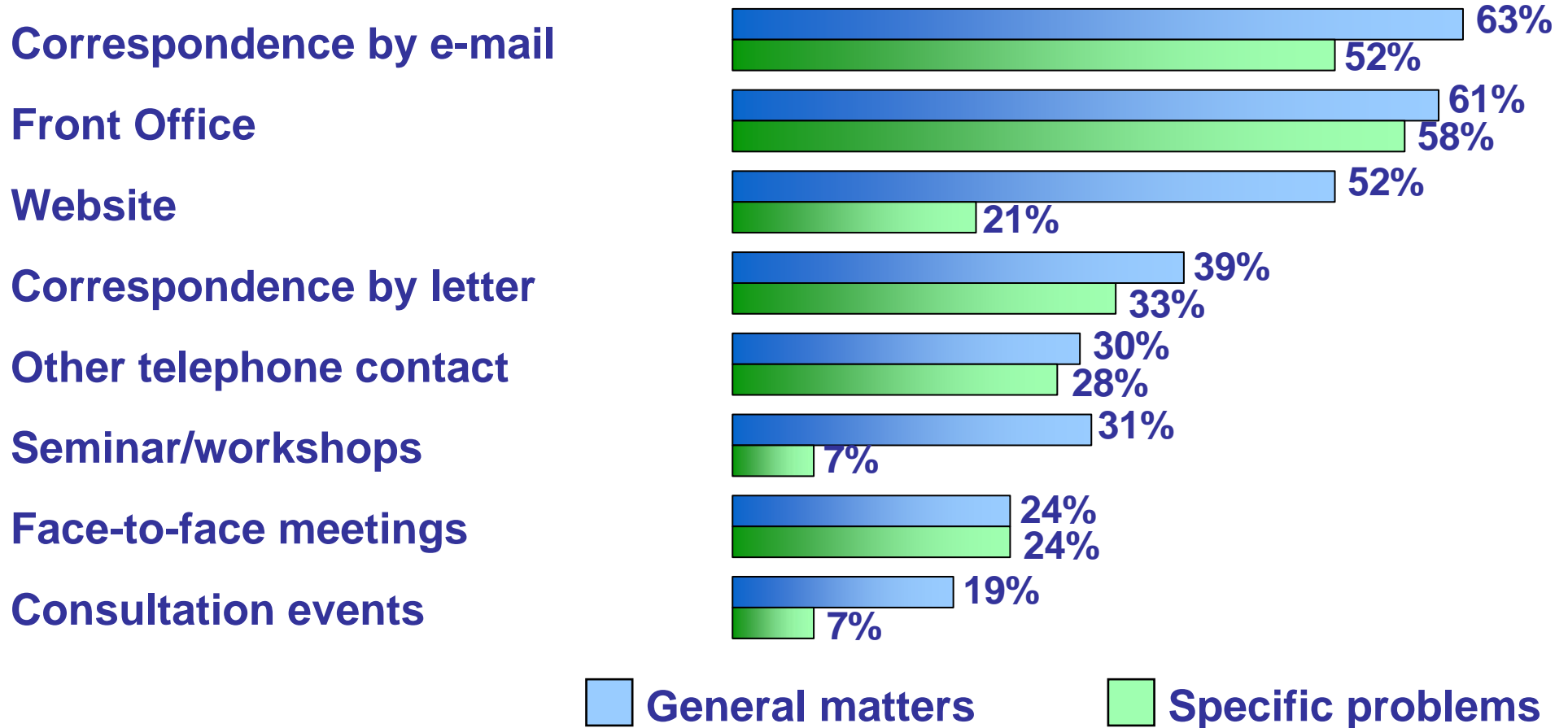


The Regulator is in the 'middle ground' as main source for guidance on pensions



E-mail and Front Office first ports of call for most with low awareness

Q If you were in contact with the Pensions Regulator (or other pensions regulatory bodies) in the future, which method would you prefer for general matters / or if you had a specific problem?



Perceptions

- The role of the Regulator is understood and in line with what you think your role should be
- There are some areas where perceptions could be improved and it may be that your messages are not getting across
 - Raising your profile within the industry
 - Ensuring that actions are proportionate to the risk posed
- The Regulator is seen to have sufficient powers

In many areas you are living up to your own standards ...

Q To what extent do you agree or disagree with the following statements?



The Pensions Regulator is a trusted source of information



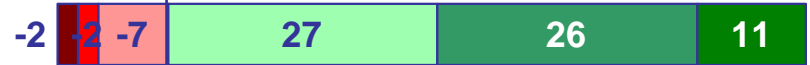
I would recommend the Pensions Regulator as a source of information to others



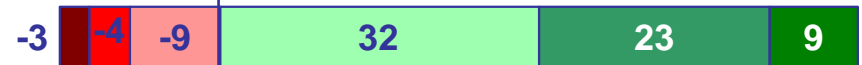
It is able to influence improvements in governance and the administration of pension schemes



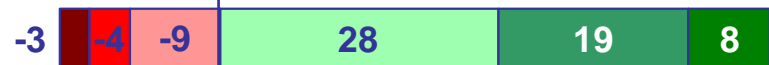
The Pensions Regulator is focused on the most important risks to scheme members' benefits



It makes clear what it expects from schemes



It is proactive in reducing serious risks to pension scheme members' benefits



... many feel your profile needs to be raised and you have enough power

Q To what extent do you agree or disagree with the following statements?



It explains clearly why decisions affecting occupational pension schemes have been made



The Pensions Regulator is consistent in its approach to enforcing pension scheme regulation



It needs to raise its profile in the industry



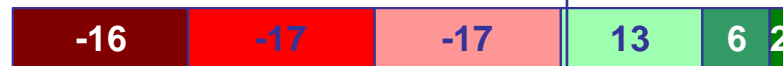
It works well with the Government to ensure that regulation is appropriate



Its actions are proportionate to the risk posed



The Pensions Regulator currently has too few powers to make a difference to the pensions sector



Overall the Regulator has aided understanding but more clarification needed on A day

Q To what extent has the Regulator improved your understanding of...?



The purpose of the Pension Protection Fund



The roles and responsibilities of your employer



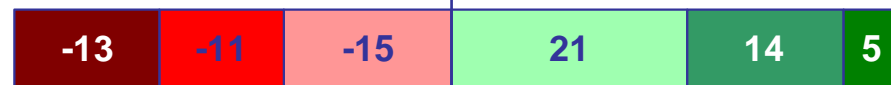
Your roles and responsibilities



The new scheme funding arrangements for Defined Benefit Schemes



The changes that have to be made as a result of pension tax simplification

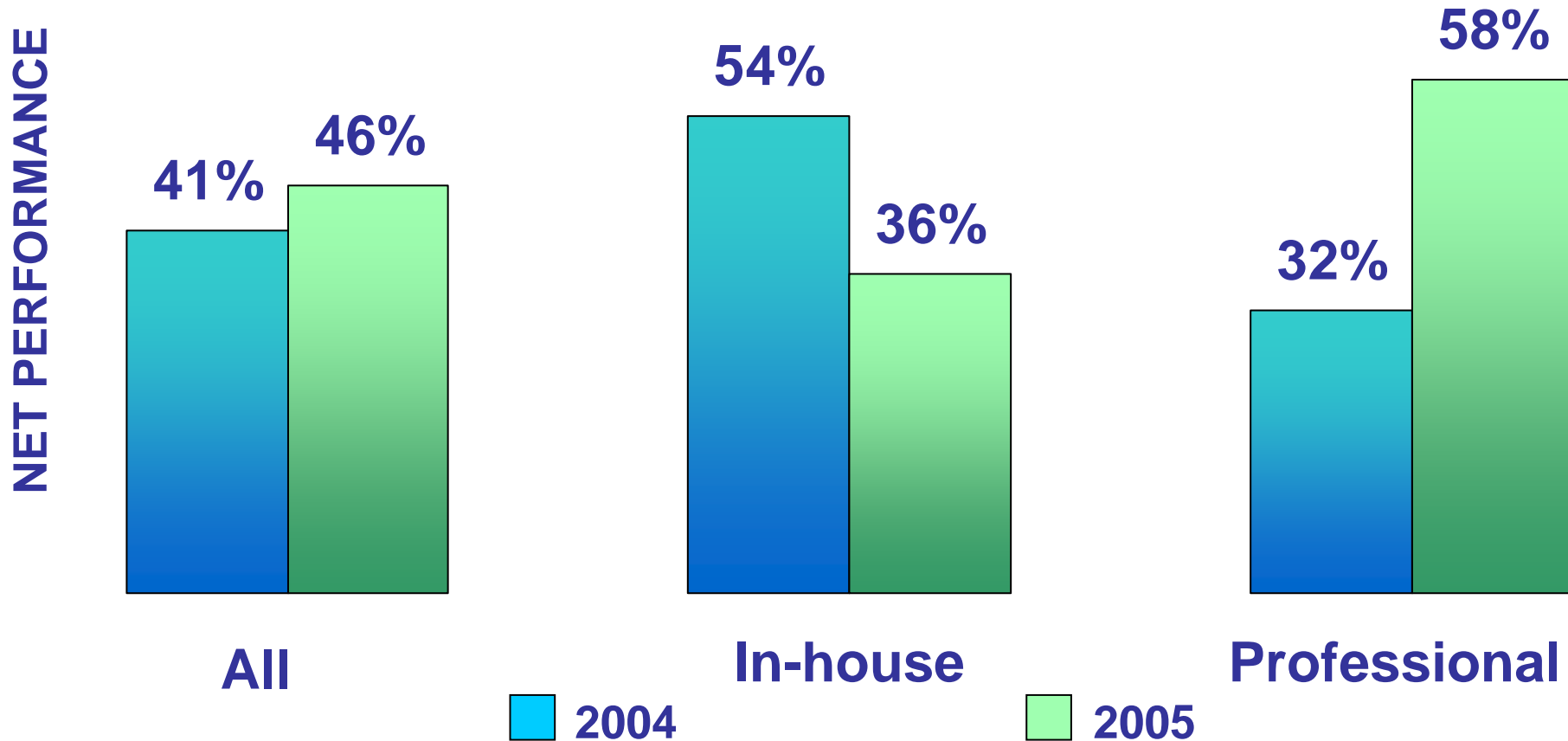


Performance

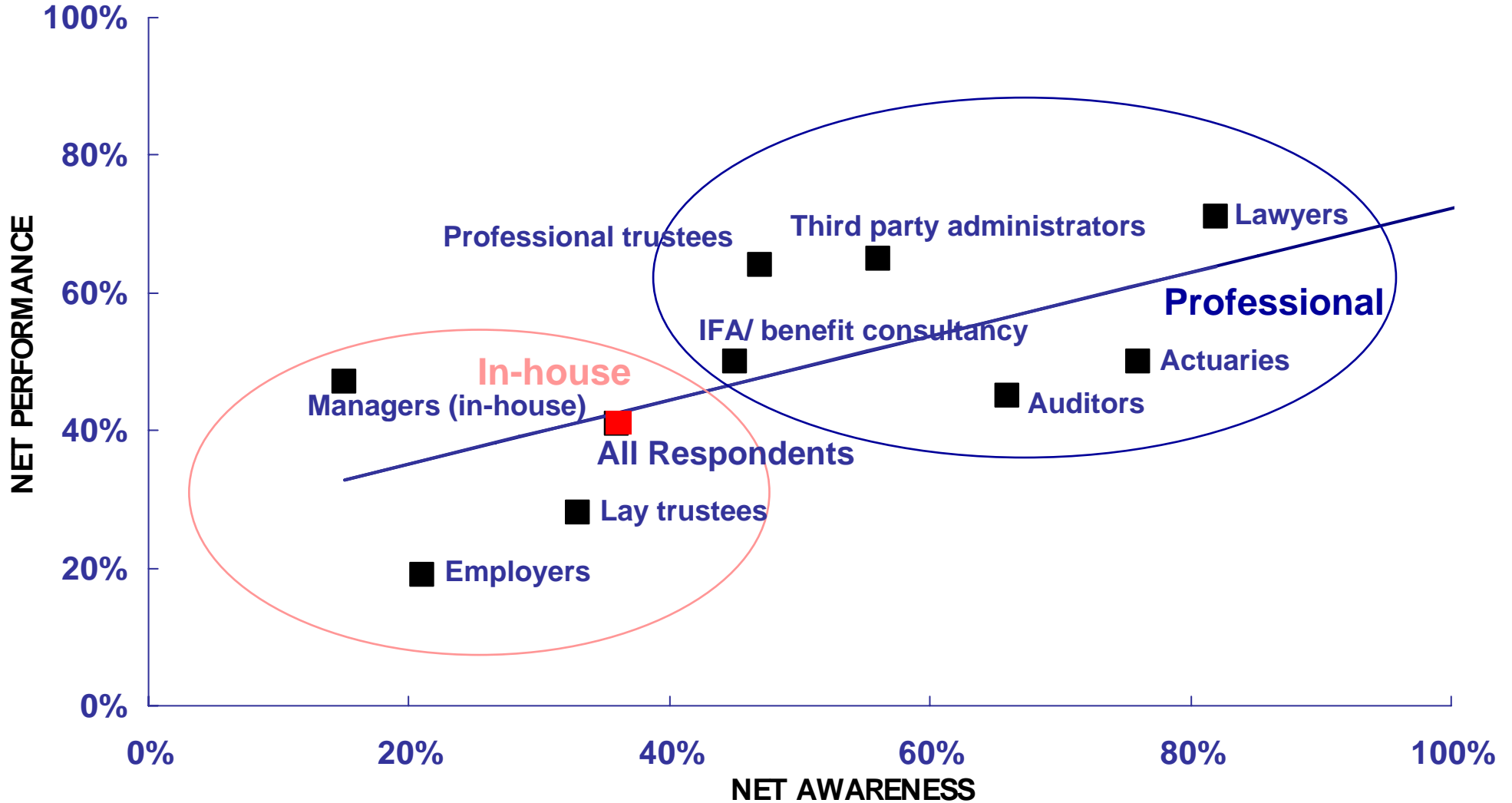
- Professionals by and large rate the Regulator's performance better in all areas than in-house
- The higher than usual number of 'Don't know' and 'Too early to say' answers to questions indicates the dust hasn't settled yet
- Satisfaction with performance has improved on service aspects (e.g. having a professional approach)

Overall perceptions of performance improved but clear differences by audience...

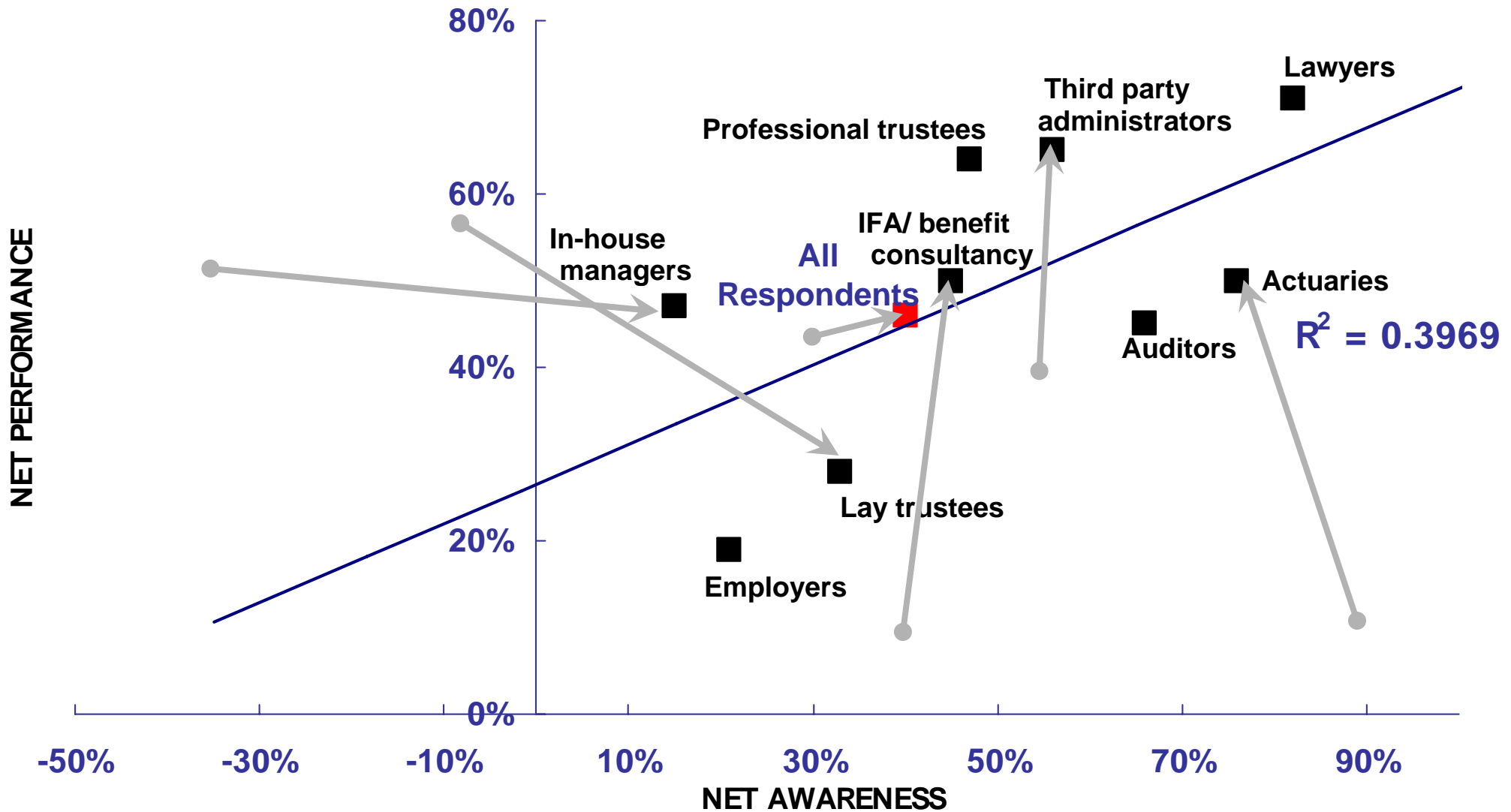
Q Overall, how would you rate the performance of Opra/the Regulator as a regulatory body?



The more stakeholders know about you the better they think of you



But there are shifts in awareness and performance among some audiences....



Shifts in awareness and performance among some audiences

Main movers (1):

IFA/Benefit Consultants and Actuaries – big increase in their perceptions of performance

Main movers (2):

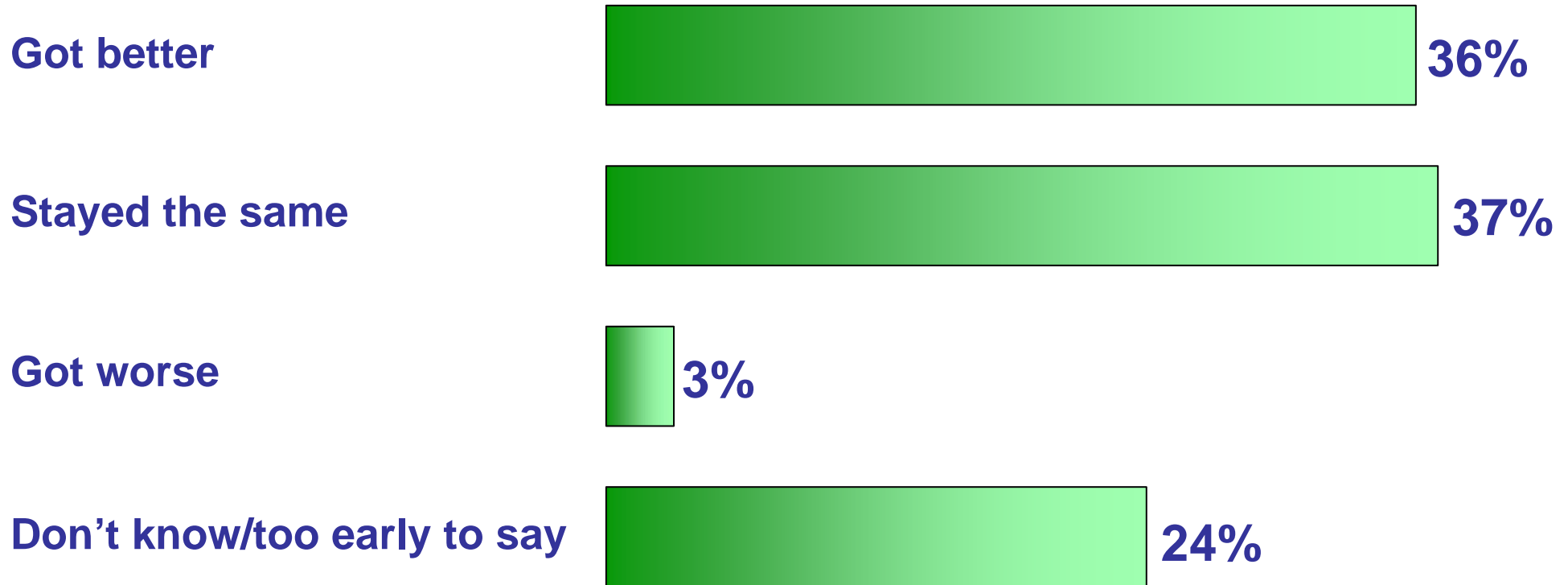
Lay Trustees – big increase in awareness, but their perception of performance has decreased substantially

Main movers (3):

In-house managers – big increase in awareness, no real difference in their perceptions of performance

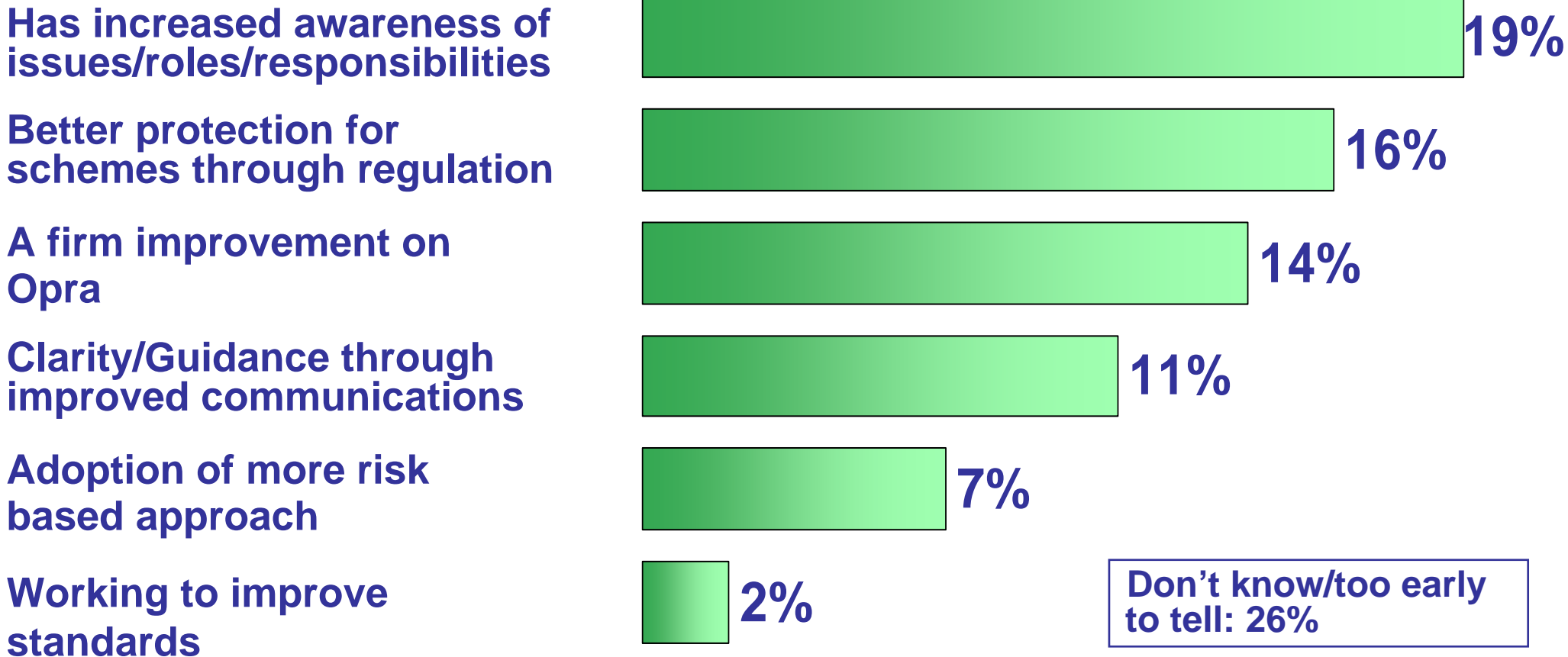
A quarter feel unable to comment on your performance vs. Opra

Q *Do you think the Regulator's performance has got better, worse or stayed the same compared to Opra?*



A range of positive changes cited. Again, one quarter unable to comment

Q *What positive changes, if any, do you feel the new Regulator has brought about?*



Positive changes reflected in stakeholders' comments

Has increased awareness of issues/ roles/ responsibilities

“Employers have rather dragged on their feet on funding and the Pensions Regulator has made them sit up”

Better protection for schemes through regulation

“Increase members' security of benefits [and] to protect members more than Opra”

A firm improvement on Opra

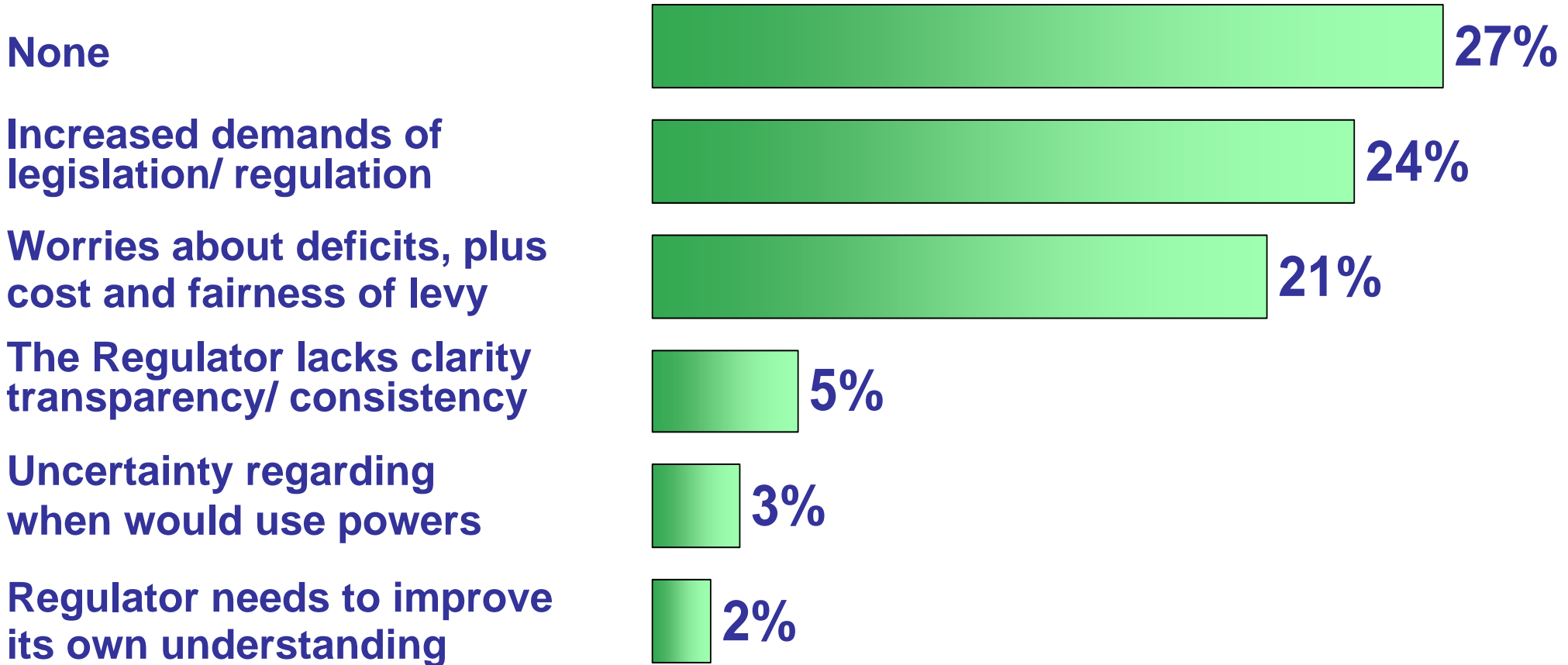
“More proactive, more interested in looking for problems, Opra was tick box mentality”

Clarity/Guidance through improved communications

“The communication we have received is much better and when we need to contact [the Regulator] it easier to get through to the right department”

Main concerns cited are increased regulation and deficit worries

Q What concerns, if any, do you feel the new regulator has brought about?



Negative changes reflected in stakeholders' comments

Increased demands of legislation/regulation

“We have had a 57 page document when before it was only one and I paid £1,400 to have to have it completed by the insurance company”

“I think the main concern is the position of the trustee particularly lay trustees... because I believe that a lot of trustees are now questioning their wish to remain as trustees.”

“Companies are concerned about the amount they will have to pay and may have to close”

Worries about deficits, plus cost & fairness of levy

“Piecemeal way in which changes have been introduced like individual areas have different approaches to the same things, for example consultation”

The Regulator lacks clarity/transparency/consistency

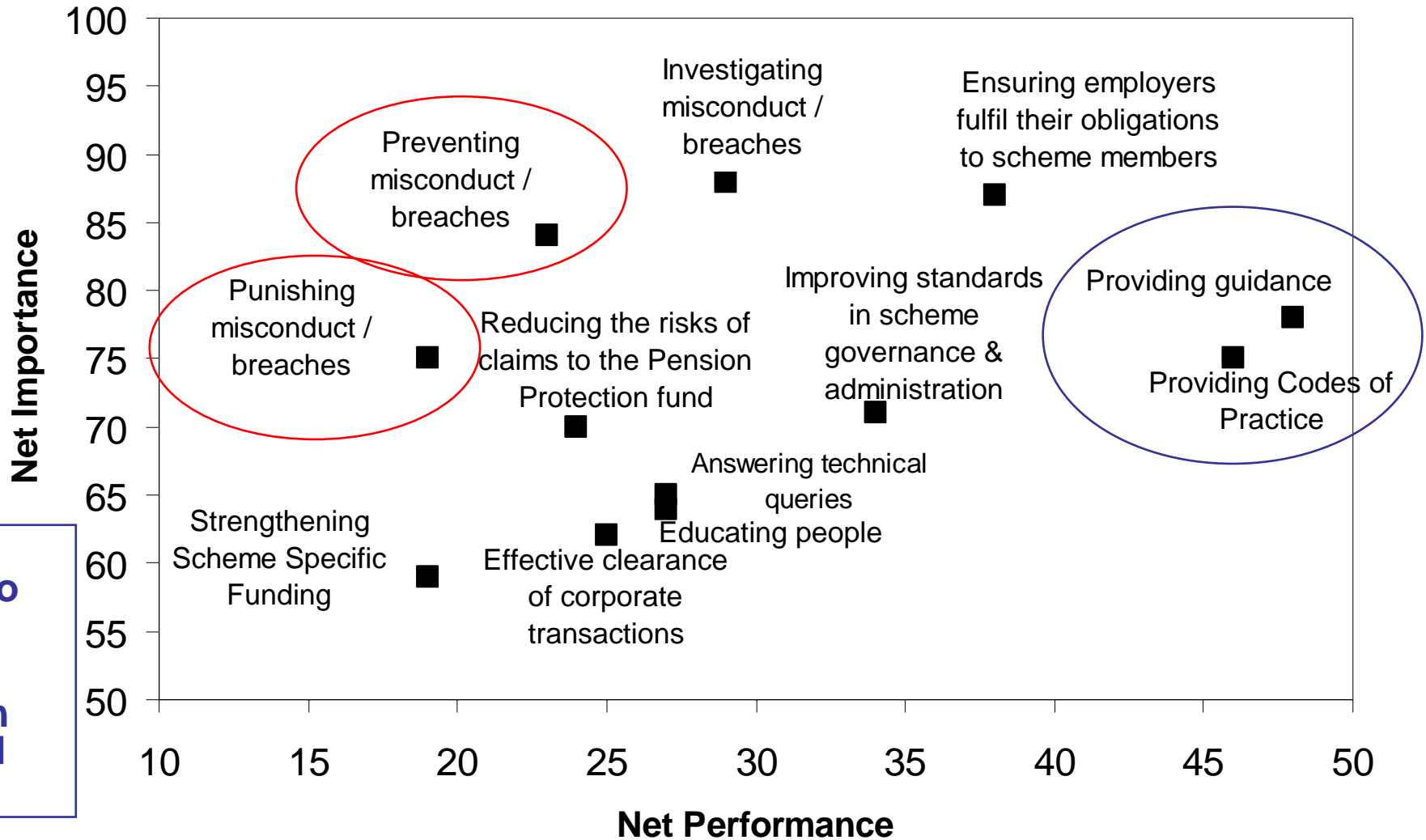
Satisfaction generally positive. Improvements among being reasonable/ pragmatic and consulting

Q How satisfied are you with Opra's/the Regulator's performance on the same factor...?

NET SATISFACTION



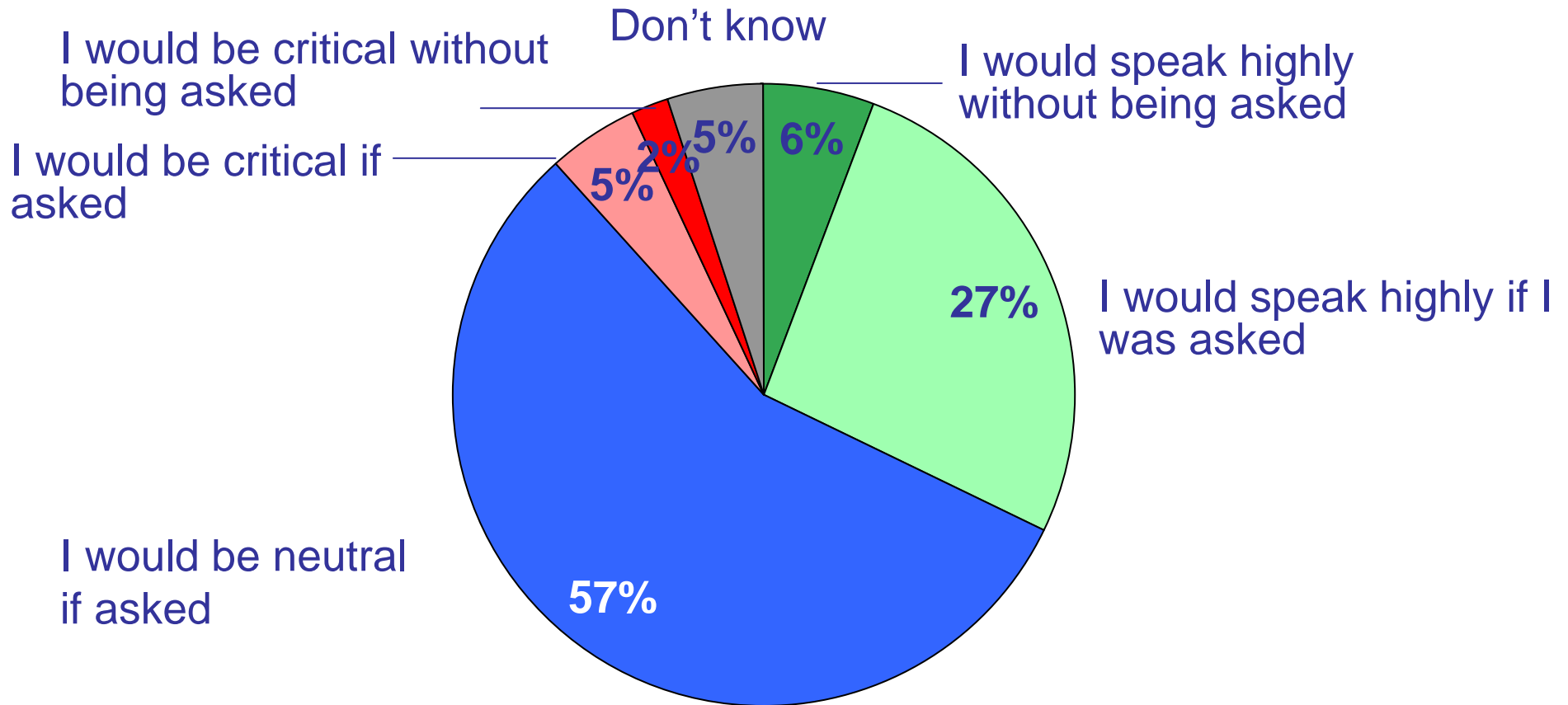
Less positive ratings for preventing/punishing misconduct/breaches



Don't know/too early to tell:
Between 25% and 44%

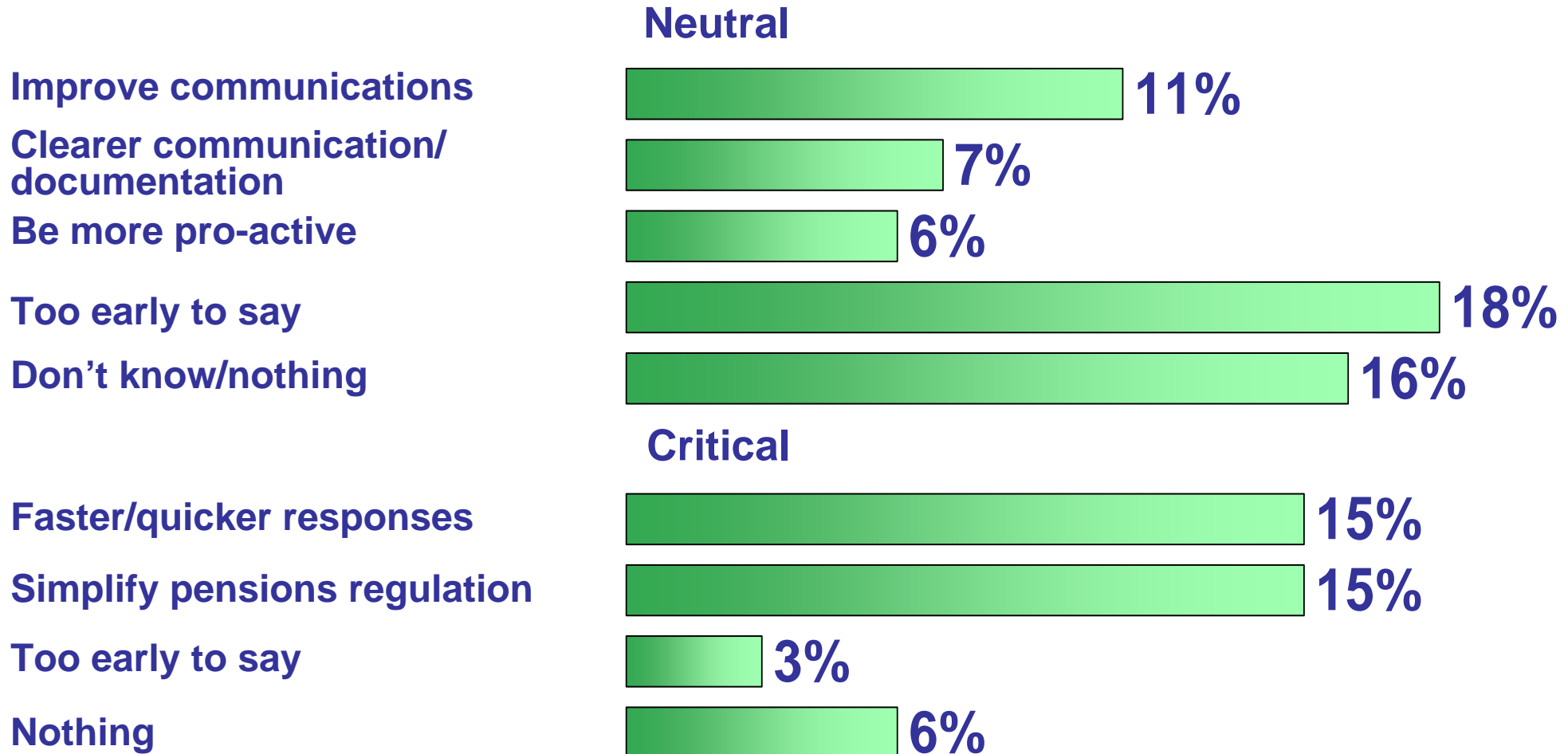
Advocacy levels remain the same as last year

Q Overall, thinking about the service that you have received from Opra/the Regulator, which of these statements best applies to your experience?



A range of suggestions for improvements

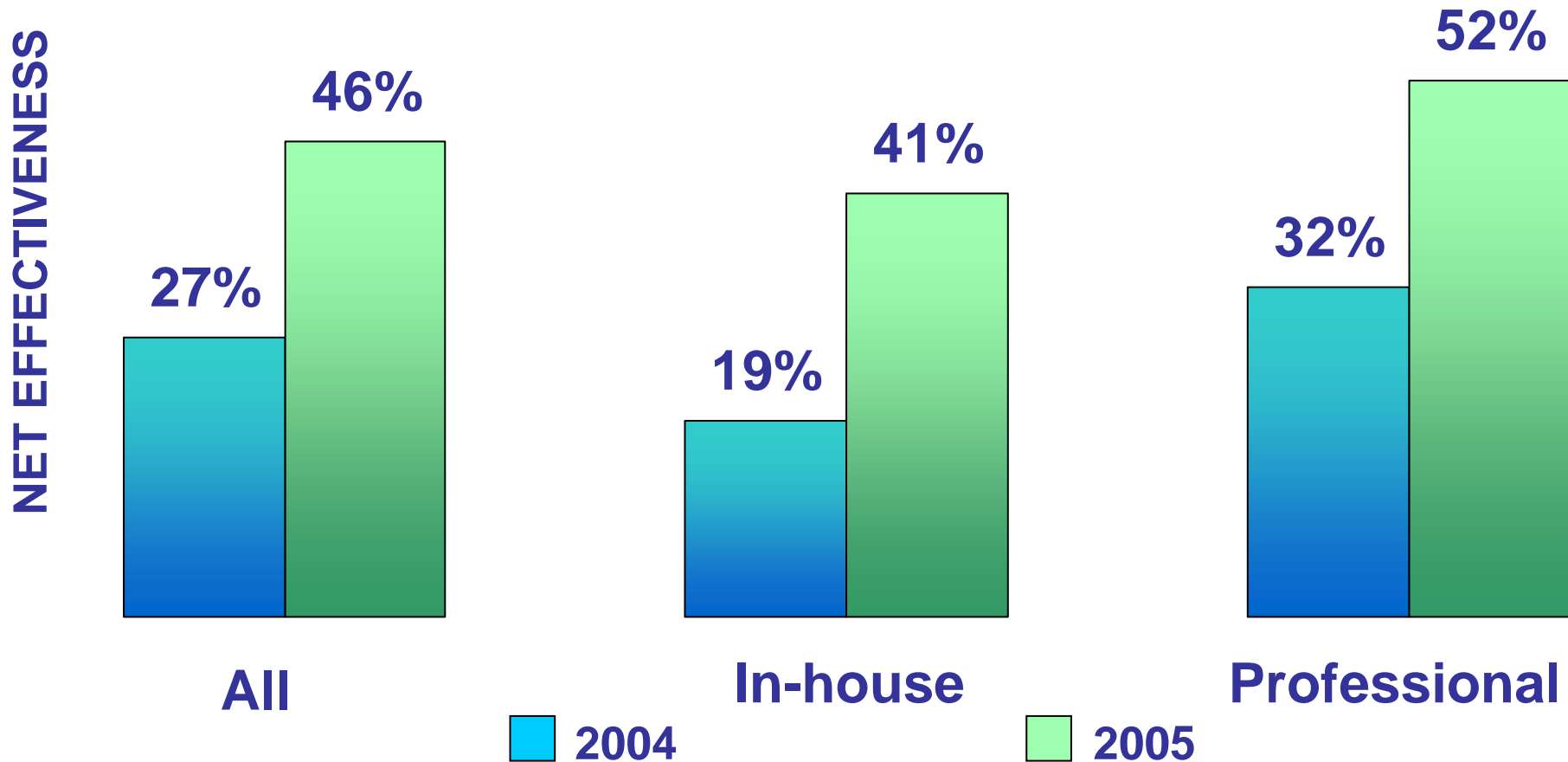
Q *What does the Regulator need to do better in order that you would speak more highly of them?*



Contact and Communications

Clear progress in communication

Q Overall, how effectively, if at all, do you feel Opra/the Regulator communicates with you?



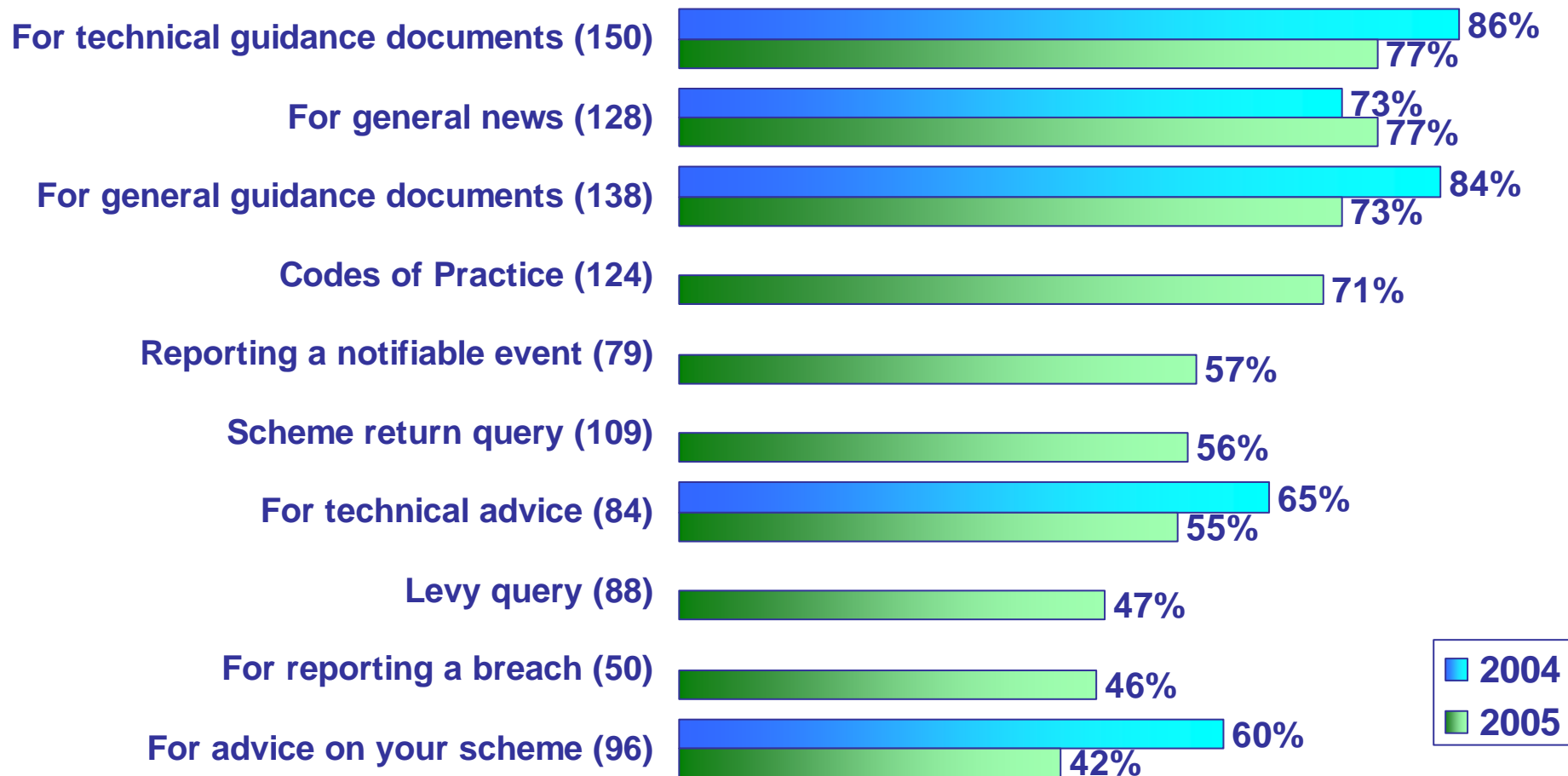
Technical and general guidance most often the reasons for contact

Q *Since the launch of the Regulator in April 2005, have you been in contact with them for any of the following reasons?*



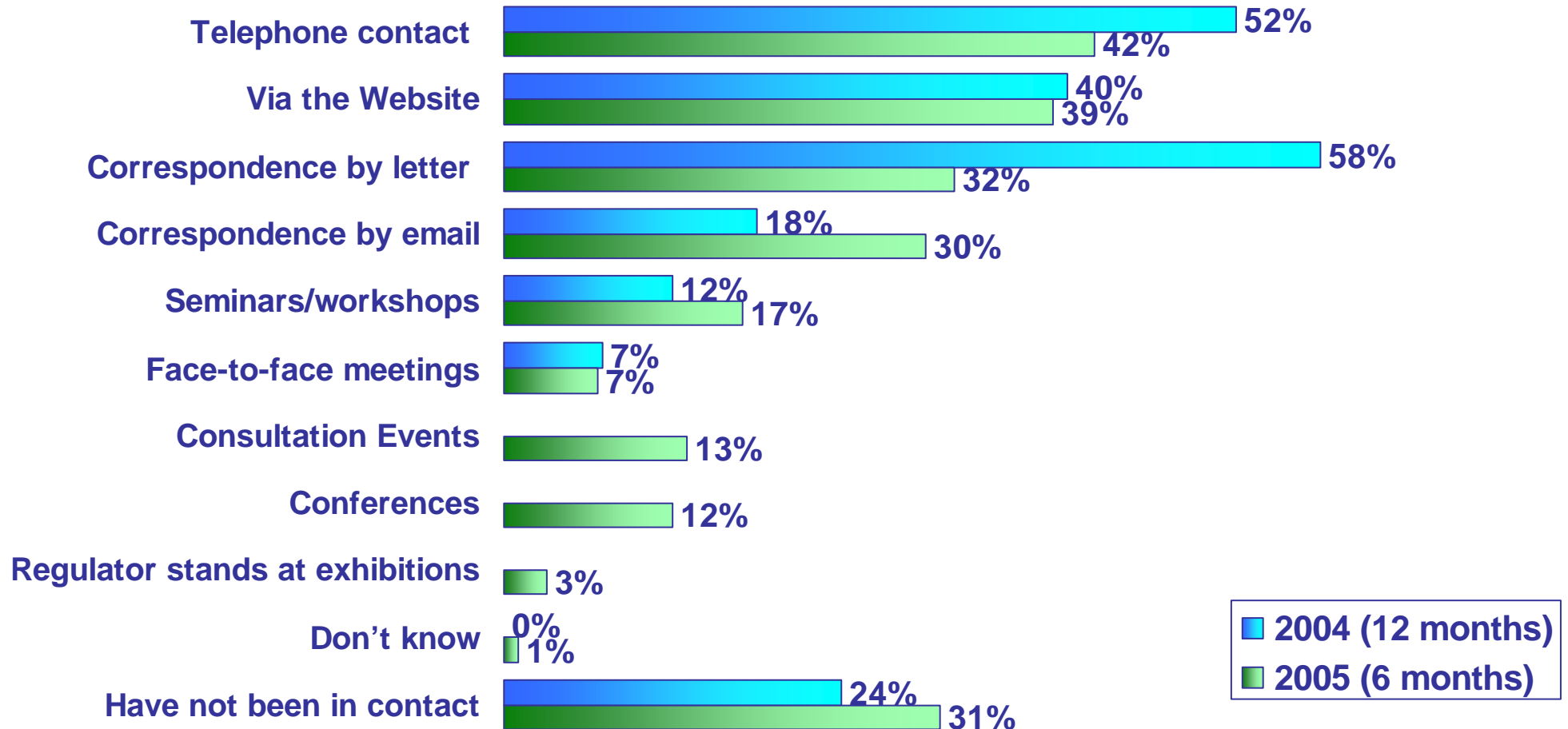
Although positive, satisfaction with contact slightly decreased in a number of areas

Q *Thinking about when you contacted Opra/the Regulator, how satisfied or dissatisfied were you with them...?*



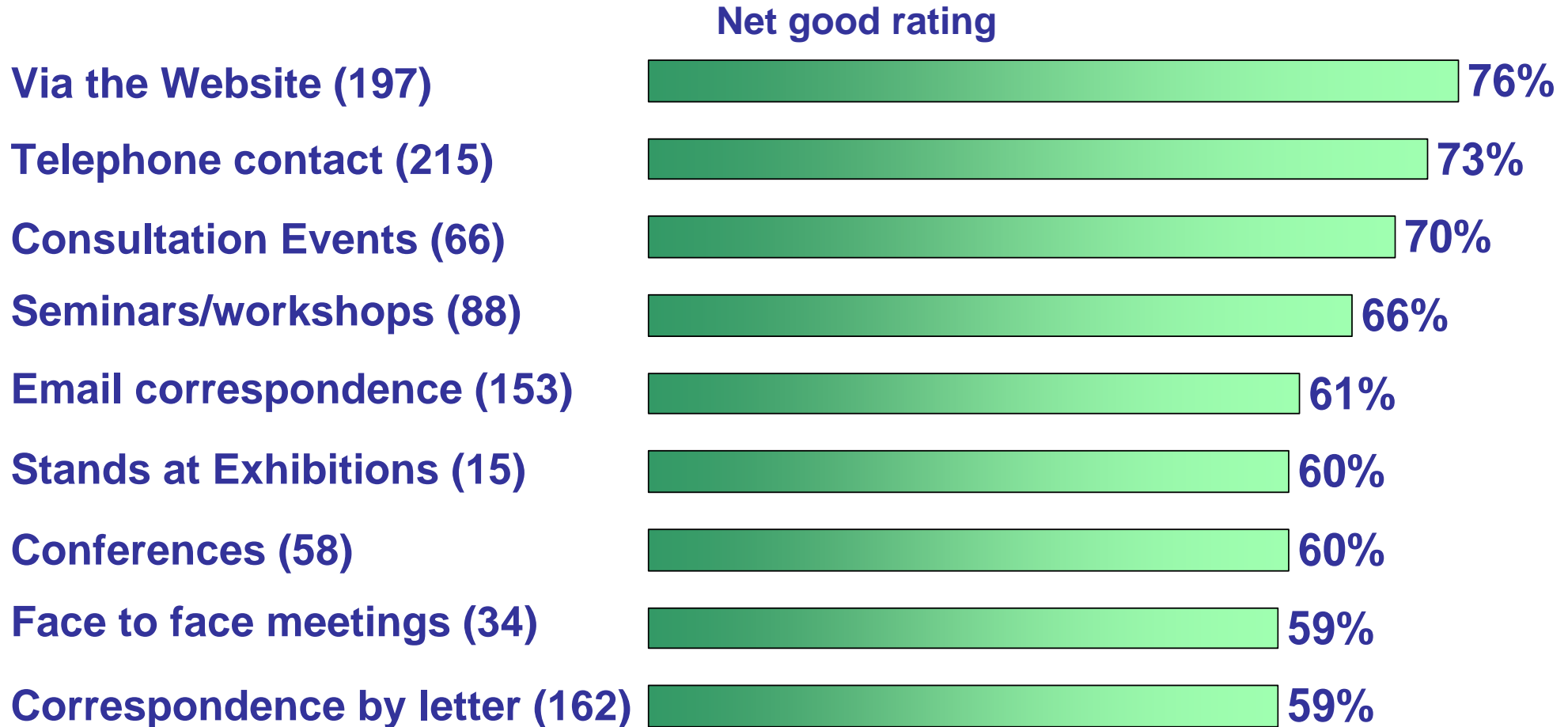
Telephone contact now top method and increased use of email

Q *In the last 12 months (since the Regulator came into being in April 2005) how, if at all, have you been in contact with Opra/the Regulator?*



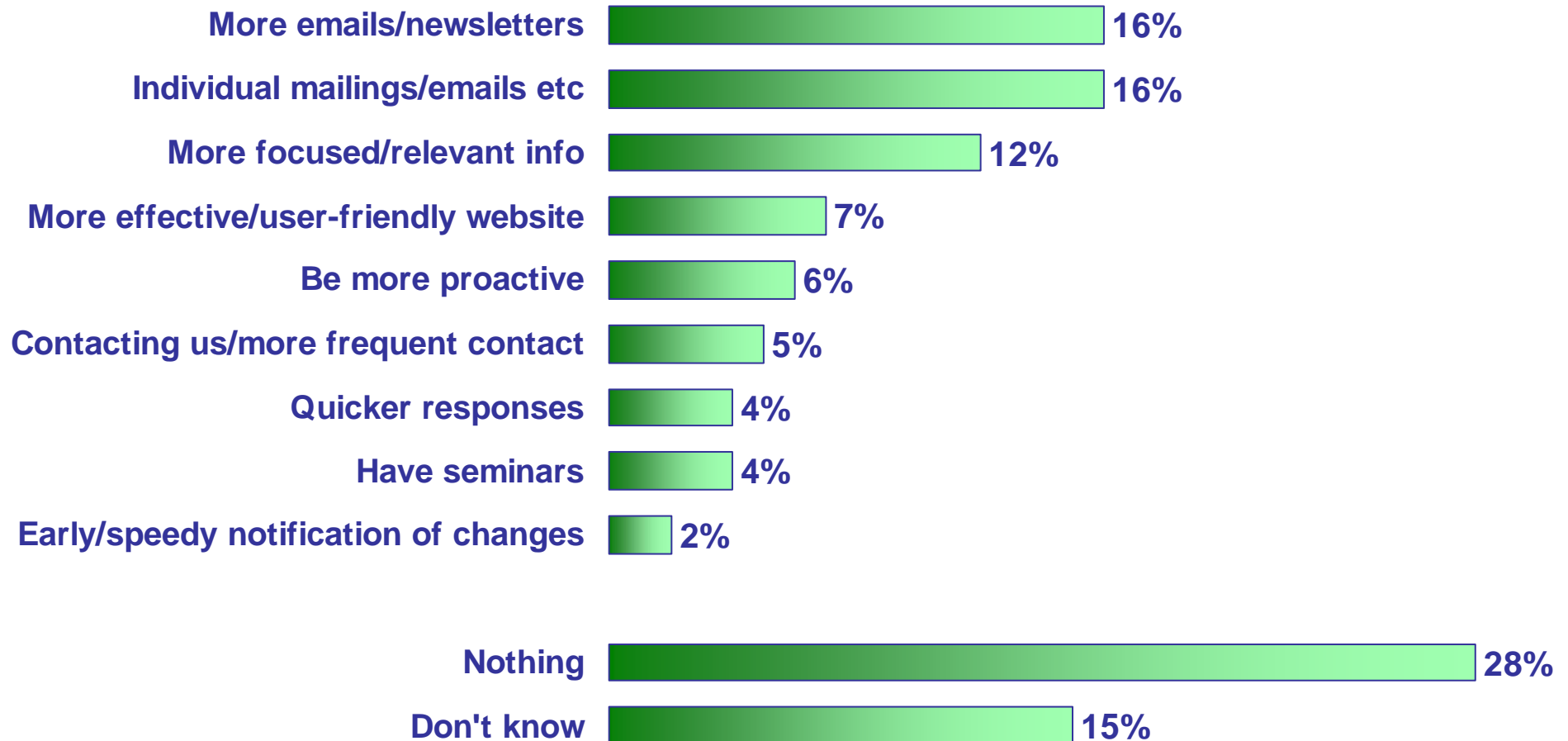
High satisfaction for all channels, especially website

Q How would you rate the quality of Opra's/the Regulator's communication by ...?



Range of suggested improvements to communication

Q *And how do you think the Regulator could improve its communication with you?*
SPONTANEOUS



“Understand the practical difficulties for trustees in complying with an unprecedented volume of legislation in a short time”

“Communications which come in multi-page reports do not receive the attention they deserve, bullet point information does”

“Up until now, I thought it was a body I just had to report to. It needs to be a bit more open in communication and let people know what information is available ”

“I think they should organise their different departments better... Quite a few things have got lost”

What this means for you

- The Regulator is only six months old which is clearly reflected in some of the findings:

“I think time needs to pass and we need to have proof of their actions. I just think it’s too early to make judgements”

- But the transition from Opra to the Regulator appears to have run smoothly
- And awareness has improved
- There is also now a link between awareness and views about performance

- Despite the link between awareness and attitudes, there are lower perceptions of performance amongst the lay trustees and employers
 - Is this a result of the burden they are now under?
 - What steps can you take to get them on-side?
 - How can you raise your profile with them to help them understand why the burdens are there?

- More general communications have also had an impact
 - But has this led to raised expectations?
- All methods of communications get positive results and this will need to be maintained
 - The importance of email is increasing and the Regulator needs to ensure communication this way is tailored, to the point and consistent
- A-day is fast approaching and early indications show that the Regulator may need to do more work to increase stakeholders' understanding of the changes

- Last year there were some criticisms of your performance from professional groups, but work seems to have been done here
 - The challenge will be to maintain these perceptions
- The Regulator needs to continue to be seen to be proactive and consultative
 - Although this is up from last year, there is still room for improvement

Thank You
Questions?