



IFF Research

Perceptions of The Pensions Regulator

A report on the 2015-16 perceptions tracker survey

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1. Executive summary

1.1 Introduction

This report details the key findings of the twelfth annual survey exploring perceptions of The Pensions Regulator (TPR). This latest annual survey was conducted by IFF Research among a sample of TPR's key audiences.

The main objective of the survey was to understand how effectively TPR is perceived to be fulfilling its statutory objectives and related functions from the perspective of its principal audiences. It also gathered findings in relation to pension scams.

The survey was carried out in two waves (September/October 2015 and March/April 2016) by telephone among 11. Audiences included both in-house (ie audiences who undertake activities on behalf of an occupational pension scheme) and external (ie audiences appointed by the trustees or managers of an occupational pension scheme to carry out activities for the scheme).

For an explanation of the reporting phrases and conventions used throughout this report, please see section 2.3.

1.2 Key findings

1.2.1 71% rated TPR's performance over the last year as 'very good' or 'good', lower than the rating in 2014-15 (77%). As in 2014-15, 2% rated TPR's performance as 'poor' or 'very poor'.

Seven in ten respondents (71%) considered TPR's performance over the last year to be 'good' or 'very good', a decrease from 77% in the 2014-15 survey. The rating returned to being similar to the level in 2014-15 (69%) and 2012-13 (66%).

The proportion of respondents who rated TPR's performance as 'poor' or 'very poor' remained similarly low to last year, at 2%.

The fall in the proportion rating TPR as 'good' or 'very good' from 77% last year to 71% this year was driven by responses from employers and non-pension professionals (specifically independent financial advisers and employee benefit consultants). The proportion of employers who participate in a company pension scheme¹ who rated TPR's performance as "good" or "very good" decreased from 83% in 2014-15 to 65% in 2015-16.

¹ For the purposes of this report employers who participate in a "company pension scheme" include employers which sponsor a single employer occupational pension scheme, and employers participating in an occupational scheme for employees of associated employers. Employers are associated if they are part of the same group of companies (including partially owned subsidiaries and joint ventures).

1.2.2 Ratings remained highest on TPR's role in improving scheme governance standards, maximising compliance with automatic enrolment and protecting Defined Benefit² (DB) scheme member benefits.

Overall, 83% of respondents gave a rating of 'very effective' or 'fairly effective' for each aspect of TPR's role in improving standards in scheme governance and administration, protecting the benefits of members of DB schemes and maximising employer compliance with automatic enrolment.

The effectiveness rating for 'maximising employer compliance with their automatic enrolment duties' of 83% was higher than in 2014-15 (77%).

1.2.3 The lowest effectiveness ratings were for enabling clearance of corporate transactions and minimising any adverse impact on an employer's sustainable growth. The proportion rating TPR as ineffective in relation to these was low, at 3% and 11% respectively, and in line with ratings for other roles.

The role in which TPR continued to be rated least effective was in the clearance of corporate transactions, with 38% rating TPR's execution of this as effective. This is due partly to the relatively large proportion of respondents who were unable to give a view: 29% said they didn't know.

Half (51%) rated TPR's performance in 'minimising any adverse impact on an employer's sustainable growth' as effective, similar to in 2014-15 (48%).

The proportion of respondents who rated TPR as ineffective in relation to these two roles was 3% for clearance of corporate transactions and 11% for minimising any adverse impact on an employer's sustainable growth.

1.2.4 TPR's rating against statements relating to the 'Better Regulation Principles' was similar to previous years, with an average agreement rating of 69%.

The average rating on statements relating to the 'PACTT Better Regulation' principles³ was 69%, statistically in line with the 2014-15 and 2013-14 survey results of 72% and 73% respectively.

Breaking this down, levels of agreement with the six individual statements relevant to the PACTT principles were similar to the 2014-15 survey overall. The level of agreement with the statement that TPR is a 'trusted source of information' remained highest, at 91%. It remained lowest for 'explains clearly why decisions have been

² A Defined Benefit pension scheme is a type of pension scheme in which the benefits are defined in the scheme rules and accrue independently of the contributions payable and investment returns. Most commonly, the benefits are related to members' earnings when leaving the scheme or retiring, and the length of pensionable service.

³ Made up of Proportionate, Accountable, Consistent, Transparent and Targeted.

made' and 'proactive in reducing serious risks to members' benefits', at 60% and 59% respectively.

The rating of TPR as 'consistent in its approach to regulation' was lower than in 2014-15, decreasing from 72% to 67%. This decrease was driven by responses from pension scheme lawyers, professional trustees and IFAs/EBCs.

1.2.5 TPR continues to be rated highest on being a good source of information and education and making clear what its expectations are.

Advocacy of TPR as a source of information remained at around nine in ten, with 88% agreeing they 'would recommend TPR as a source of information to others'. As in 2014-15, more than eight in ten agreed that TPR 'is a good source for education' (83%) and that it 'makes clear what it expects from schemes' (82%).

1.2.6 Ratings of TPR were lower than in 2014-15 on 'taking a pragmatic approach based on scheme circumstances' and 'has sufficient powers to make a difference'.

Half (49%) agreed with a statement that TPR takes 'a pragmatic approach based on individual scheme circumstances'. This is a decrease from 2014-15 when rating for this statement was 55%, partly due to a high level of 'neutral' responses and a relatively high proportion of respondents who were unable to give an opinion (29% neither agree nor disagree and 11% don't know).

The level of agreement with the statement 'TPR has sufficient powers to make a difference' fell from 78% in 2014-15 to 73% in 2015-16. The decrease was driven by employers which participate in non-company pension schemes⁴, with 49% of this audience agreeing with this statement. This is compared to 75% of employers with a company pension scheme, where the level of agreement remains in line with 2014-15.

1.2.7 The large majority of respondents continue to perceive TPR as an informative, independent, authoritative and respected organisation.

TPR continues to be perceived as 'informative' by nine in ten (90%), with the majority also agreeing that TPR is 'independent' (83%), 'authoritative' (82%) and 'respected' (80%). Fewer (around six in ten) felt that TPR is transparent (60%), straightforward (60%) or evidence-based (59%).

The rating of TPR as 'approachable' fell from 72% in 2014-15 to 66% in 2015-16, which is similar to the 2013-14 level.

⁴ For the purposes of this report, employers which participate in a "non-company pension scheme" include employers who are participating in a Group Personal Pension (GPP) or who are participating in a master trust (an occupational trust based pension scheme which is open to non-associated employers).

Compared to responses overall, employers were less likely to agree that TPR was 'approachable' (57% for employers, compared to 66% overall), transparent (55% and 60% respectively) and 'evidence based' (47% and 59% respectively).

The proportion of respondents who disagreed with each of the above descriptions of TPR was below 10% in all cases, with the exception of 'straightforward' which 13% disagreed with.

1.2.8 Seven in ten respondents (70%) regularly accessed information on pensions via emails sent by TPR or via TPR's website (66%).

Emails from TPR were the most frequently accessed communication channel, with seven in ten (70%) accessing this on a weekly, monthly or quarterly basis.

Two thirds of respondents visited TPR's website at least quarterly (66%), a decrease from 76% in 2014-15. This decrease was largely driven by a decrease in employers accessing information on the website (from 72% in 2014-15 to 45% in 2015-16). Employers which participate in non-company pension schemes were least likely to access the website at least quarterly (34%).

Around a quarter of respondents (23%) accessed e-learning via TPR's trustee toolkit at least quarterly. A minority (6%) accessed information via TPR's social media accounts at least quarterly.

Between eight in ten and nine in ten respondents said they found TPR's website (91%), emails from TPR (86%) and e-learning via the Trustee toolkit (86%) 'fairly useful' or 'very useful' for getting information about pensions.

1.2.9 A quarter (26%) of relevant audiences⁵ had experience of pension scams, with larger schemes being more likely to have experience of a scam.

A quarter (26%) had experience of pension scams, seven in ten (70%) were aware they existed but had no personal experience of them and a minority (4%) had not heard of these scams. These results are in line with results in 2014-15.

Two-thirds (67%) remembered seeing a leaflet about pension scams⁶, higher than the 56% stating this in 2014-15. Over half (57%) reported having read TPR's action pack on pension scams (similar to 51% in 2014-15). Eight in ten (83%) said they understood the actions called for in the pack, similar to the 85% in 2014-15.

The most commonly reported measures said to be already undertaken by schemes to address the risk of scams were – as in 2014-15 - discussing it at trustee meetings (70%) and putting in place processes to identify scams (69%).

⁵ For the purposes of this research relevant audiences are those who are in a position to take action on scams activity. This includes lay trustees, in-house administrators, pension scheme managers, and third party administrators.

⁶ Respondents were given a description of this leaflet as 'it has a picture of a scorpion with a cork on its tail'.

Eight in ten (83%) of those aware of pension scams felt their trustee board was confident of what action it needs to take if it suspects scams activity.

Three quarters of respondents (76%) felt that members of their schemes had limited knowledge of pension scams; seven in ten (69%) reported that generally members only know a little about them, while 7% felt members are not aware of scams at all.

2. Survey background and objectives

2.1 Introduction

This was the twelfth annual perceptions tracking survey, exploring perceptions of TPR among a sample of its key audiences. The overall aim of the survey was to help TPR understand how effectively it is perceived to be fulfilling its statutory objectives, from the perspective of its principal audiences. The specific aims of the survey were to measure the following:

- Overall performance as a regulatory body in the last twelve months
- TPR's performance against the 'Better Regulation' principles, that is to be: proportionate, accountable, consistent, transparent and targeted (PACTT)
- Views on how effectively TPR carries out its core roles – with statements aligned to TPR's statutory objectives
- Perceptions of TPR against a set of descriptive attributes
- Awareness of, experience of and preparedness for pension scams
- Perceptions of those audiences TPR engaged with regarding DB recovery plan cases
- Audiences' preferred ways of receiving information and communications from TPR and the perceived usefulness of that information.

2.2 Methodology

This report provides a summary of the findings of the survey, which was conducted over two waves between 23 September and 14 October 2015 and 1 March and 6 April 2016. In total, 750 respondents were interviewed in the survey.

The research was undertaken on behalf of TPR by IFF Research, an independent market research organisation. The survey was conducted by telephone.

The survey sample was divided into eleven audiences, which split into the two broad categories of in-house and external (third party) audiences.

The main units of analysis in this report are lay trustees, employers, pension professionals and non-pension professionals.

As part of the employer sample, this year employers participating in a non-company pension scheme were interviewed for the first time since the commencement of the Perceptions Tracker⁷, as well as employers with a company pension scheme.

Table 2.1 shows how the 750 interviews are broken down by audience type.

Table 2.1: Number of interviews conducted by audience type and scheme size (where relevant)

Analysis group		Audience type	Total
In-house	Lay trustees	All lay trustees	155
		Small schemes	50
		Medium schemes	56
		Large schemes	49
	Employers	All employers with company pension schemes ⁸	75
		Small company schemes	25
		Medium company schemes	25
		Large company schemes	25
		All employers with non-company pension schemes ⁹	41
		Small non-company schemes	18
		Medium non-company schemes	19
		Large non-company schemes	4
	Pension professionals	All employers	160
		Pension scheme managers	56
In-house administrators		75	
External		Professional trustees	50
		Pension scheme lawyers	50
		Pension scheme actuaries	50
		Pension scheme auditors	50
	Third party administrators	51	
	Non-pension professionals	Independent financial advisers (IFAs) and employee benefit consultants (EBCs)	51
Accountants		46	
TOTAL			750

^{7 7} Previously a random sample of employers were included in the survey which were likely not to have a company pension scheme in place. However the specification was changed this year to ensure this characteristic was met.

The sample for the research came from a number of different sources. Trustees, pension administrators, scheme managers, actuaries and auditors were sampled from TPR's scheme registry database. Employers were sourced from a combination of TPR's database, Experian's business database and IFF Research's business omnibus. IFAs), EBCs, lawyers and accountants were sourced from desk research.

As was done for the 2014-15 reporting, the survey data was weighted to reflect the target quotas in order that the proportions of the audiences (and therefore the results) were comparable with previous survey waves.

The appendix shows the achieved proportion of total interviews by audience and scheme size (where relevant), compared to the final weighted proportion of all interviews.

In the case of a respondent requesting confirmation of the legitimacy of the research, IFF Research sent an email written by TPR, which set out the background to the survey.

The average interview length was 20 minutes.

2.2.1 Changes to the survey questions

Changes to the questions in this year's survey included:

- An updated section on pensions scams, reflecting TPR's recent communications activity in relation to scams activity.
- An expanded section on the use and perceptions of TPR's communications material, including the use and perceptions of TPR's social media accounts, how the website is used and an additional question asking stakeholders how they keep up-to-date with news and announcements from TPR.

2.3 Reporting conventions

The responses given in the survey reflect the respondents' attitudes towards TPR based on their role within the pensions industry, rather than being specific to any individual scheme.

Throughout this report, where the text discusses differences in the findings between respondent types, scheme types or sizes, or references changes in year-on-year results (ie increases or decreases), these differences are statistically significant at the 95% confidence level¹⁰. This means that if the research were to be repeated we would expect to see the same result 95 times out of 100. A statistically significant result means that the result is not due to chance but is instead attributable to a specific cause and reflects a change in the data. Where results are described as 'in-

¹⁰ Strictly speaking, calculations of statistical significance apply only to samples that have been selected using probability sampling methods. However, in practice it is reasonable to assume that these calculations provide a good indication of significant differences in quota surveys like this one.

line' or 'consistent' this means that any difference in the data is not statistically significant.

On charts where a number has a green circle round it, this means that the number is statistically significantly higher compared to the rest of the sample. Where a number has a red circle round it, this means that the number is statistically significantly lower compared to the rest of the sample.

On charts where a green arrow is shown next to a number, this indicates that the number has statistically significantly increased from the previous wave. Where a red arrow is shown, this means the number has statistically significantly decreased from the previous wave. In tables where a figure appears in **bold** font this also represents a statistically significant difference compared to other sub-groups or the previous year's data.

Where a group is labelled as 'more' or 'less' likely this indicates they are statistically 'more' or 'less' likely (at the 95% confidence level) to provide a particular response to a question, compared to the overall average (minus their own group), unless it is specifically stated otherwise.

Where the percentage shown is less than 0.5%, this is shown in tables by *.

3. Research findings

3.1 Perceptions of TPR’s overall performance in the last year

As shown in Figure 3.1, around seven in ten (71%) respondents considered TPR’s overall performance over the last year to be either ‘good’ or ‘very good’. The 71% is made up of 56% giving a rating of ‘good’ and 16% a rating of ‘very good’.

The proportion rating TPR’s performance as ‘good’ or ‘very good’ fell in 2015-16 from 77% in 2014-15 to 71% in 2015-16, thereby returning to a level similar to that in 2013-14 (69%).

Figure 3.1: The proportion rating TPR’s performance overall as ‘good’ or ‘very good’ over the past twelve months, over time

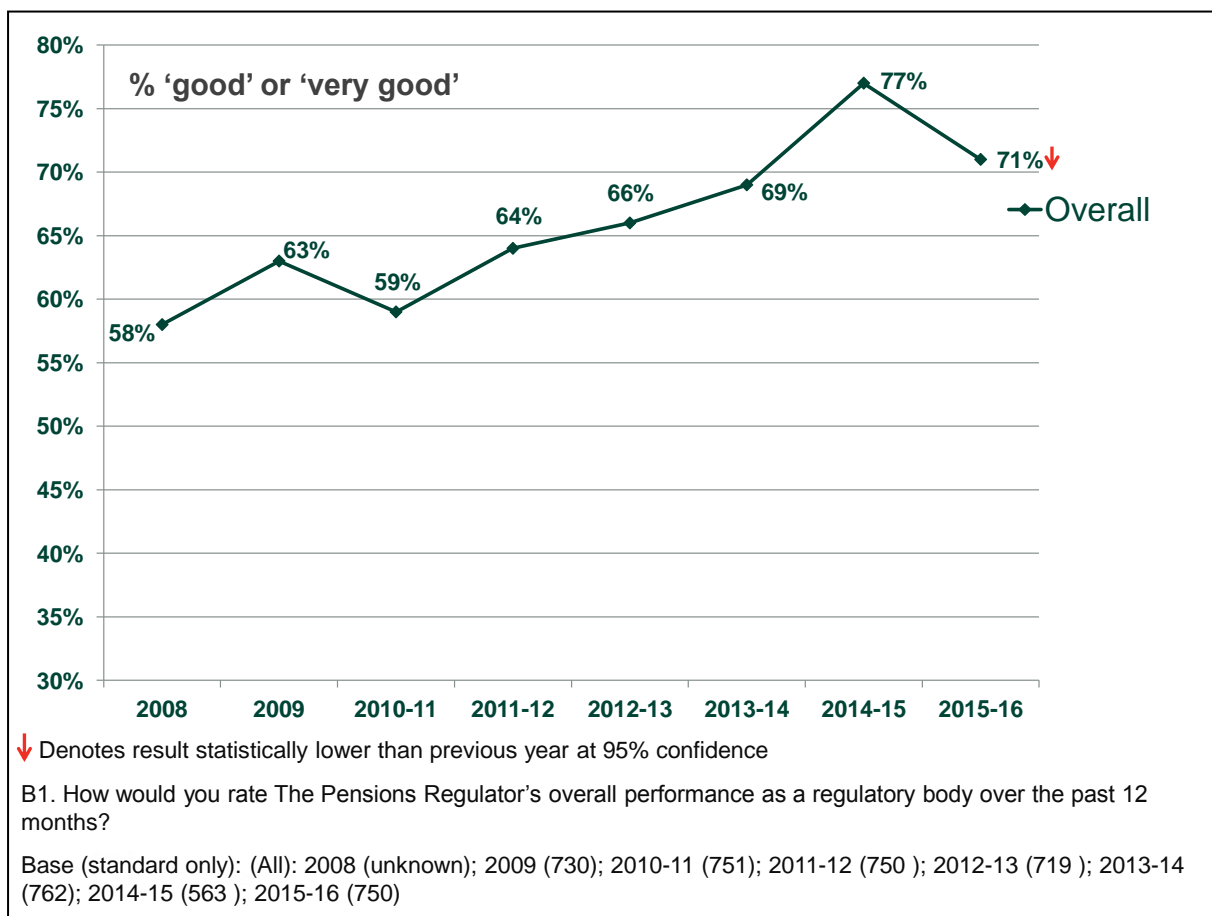
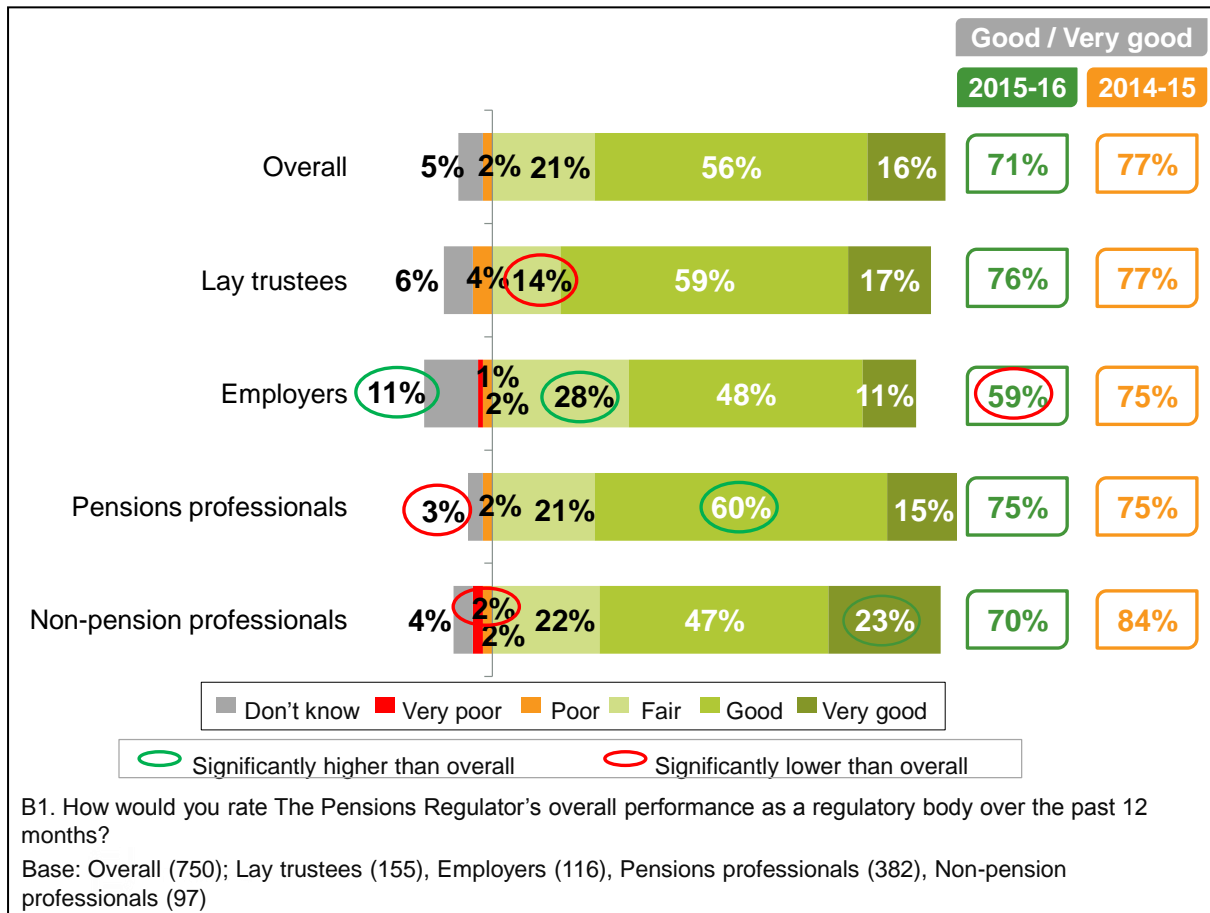


Figure 3.2 shows the overall rating of TPR, analysed by the four main audience groups: lay trustees, employers, pensions professionals (made up of professional trustees, pension lawyers, actuaries, auditors, scheme managers, in-house pensions administrators and third party administrators) and non-pensions professionals (ie accountants and IFAs/EBCs).

The proportion of respondents who rated TPR’s performance as ‘poor’ or ‘very poor’ remained at a similarly low level to last year, at 2% of all respondents. It was highest among lay trustees and non-pension professionals (4%).

Figure 3.2: Rating of TPR’s performance overall over the past 12 months, by audience type



It can be seen that lay trustees, pension professionals and non-pension professionals rated TPR’s performance similarly to the overall average (of 71%). However, employers were less likely than average to rate TPR’s performance as ‘good’ or ‘very good’ (59%). Within employers, employers with a medium-sized company pension scheme (100-999 members) were particularly likely to give TPR a low rating (40% rate TPR performance as ‘good’ or ‘very good’).

The proportion rating TPR’s performance as ‘poor’ or ‘very poor’ remained low (2% overall, rising to 4% among lay trustees and non-pension professionals).

The statistics shown on the right side of Figure 3.2 demonstrate that the fall in the overall rating from 77% giving a ‘very good’ or ‘good’ rating in 2014-15, to 71% in 2015-16, was driven by two of the four main audience subgroups in the survey, namely employers and non-pension professionals.

Specifically the rating fell in 2015-16 vs. 2014-15 among employers who participate in a company pension scheme (from 83% in 2014-15 to 65% in 2015-16). Among non-pension professionals it was IFAs/EBCs among whom the rating fell from 88% in 2014-15 to 71% in 2015-16.

The top three reasons given for rating TPR as ‘good’ or ‘very good’ were that dealings with TPR have generally been good (mentioned by 31% of respondents rating TPR positively), they provide up-to-date guidance (mentioned by 22% of those rating TPR positively), and good communication (mentioned by 20% of those rating TPR positively).

Table 3.1 shows the rating of TPR’s performance by in-house audiences, over time. It can be seen that the proportion of employers who participate in a company pension scheme who rated TPR as “good” or “very good” decreased from 83% in 2014-15 to 65% in 2015-16. However, employer ratings were in line with 2013-14 and all previous waves of research carried out.

Table 3.1: In-house audiences: the proportion rating TPR’s performance overall as ‘good’ or ‘very good’ over the past twelve months

	2008 (430)	2009 (450)	2010 (450)	2011-12 (428)	2013 (403)	2014 (437)	2014-15 (319)	2015-16 (402)
All in-house	55%	58%	56%	64%	61%	67%	78%	70%
- In-house administrators	67%	60%	52%	61%	73%	76%	83%	75%
- Pension scheme managers	62%	64%	61%	77%	73%	74%	84%	73%
- Lay trustees	58%	56%	56%	65%	60%	73%	77%	76%
- Employers	58%	55%	55%	56%	45%	52%	75%	59%

^{NB} Figures shown in bold represent a statistical change from 2014-15

Table 3.2 shows the rating of TPR’s performance by external audiences, over time. The results were consistent with the 2014-15 survey, with the exception of IFAs/EBCs, among whom ratings of “good” and “very good” dropped from 88% in 2014-15 to 71% in 2015-16, thereby reverting to a level similar to 2013-14 (74%).

Table 3.2: External audiences: the proportion rating TPR’s performance overall as ‘good’ or ‘very good’ over the past twelve months

	2008 (283)	2009 (280)	2010 (300)	2011-12 (323)	2013 (316)	2014 (325)	2014-15 (244)	2015-16 (348)
All external	63%	72%	64%	64%	72%	72%	76%	73%
- Professional trustees	58%	66%	74%	55%	67%	68%	80%	68%

- Lawyers	66%	80%	58%	70%	65%	80%	65%	72%
- Actuaries	64%	82%	66%	50%	60%	68%	73%	76%
- Auditors	62%	77%	68%	74%	56%	62%	70%	72%
- IFAs/EBCs	62%	55%	52%	68%	90%	74%	88%	71%
- Third party administrators	68%	70%	64%	74%	90%	88%	76%	86%
- Accountants	n/a	n/a	n/a	56%	79%	60%	80% ¹¹	70%

^{NB} Figures shown in bold represent a statistical change from 2014-15

Figure 3.3 shows the rating of TPR's performance analysed by scheme type (DB / hybrid¹², DC¹³, contract¹⁴), scheme size and whether the respondent is involved with a scheme(s) used for automatic enrolment. This is based on each respondent's own view of the scheme(s) with which they are involved.

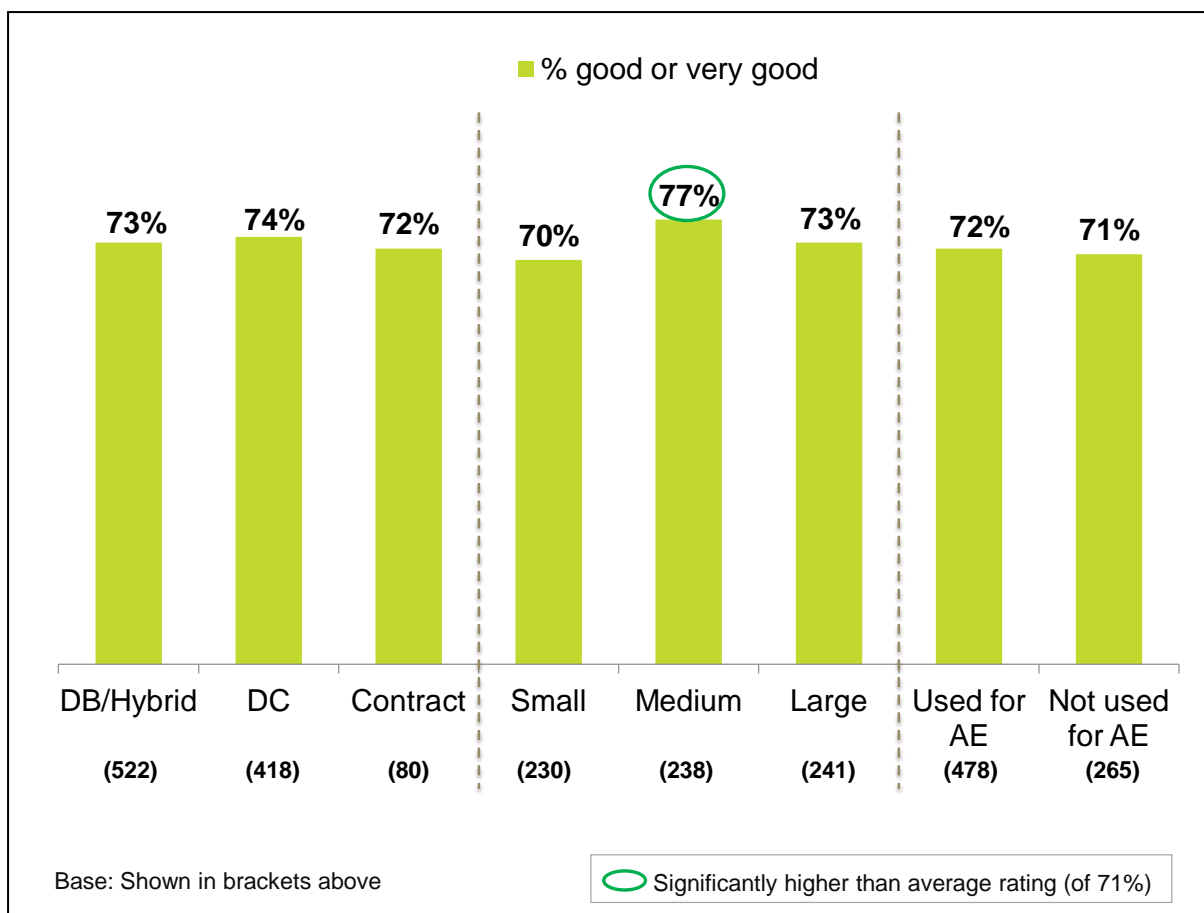
Figure 3.3: The proportion rating TPR's performance overall as 'good' or 'very good' over the past twelve months, by scheme type and scheme size and involvement with automatic enrolment

¹¹ Please note: small base (10)

¹² A Hybrid pension scheme includes both Defined Benefit and Defined Contribution elements.

¹³ A Defined Contribution (DC) schemes is a scheme in which a member's benefits are determined by the value of the pension fund at retirement. The fund, in turn, is determined by the contributions paid into it in respect of that member, and any investment returns.

¹⁴ Contract-based pension schemes are individual contracts between the member of the scheme and the pension provider. The pension provider may be an insurance company, investment platform, or independent provider.



Ratings of TPR's performance as 'good' or 'very good' over the last year were consistent across scheme type, and whether or not a scheme was used for automatic enrolment. However, those involved with medium sized schemes (with 100-999 members) were more likely than average to rate TPR's performance as 'good' or 'very good'.

In addition, whereas ratings by scheme type have remained consistent with the previous wave, those involved with small schemes were less likely than in 2014-15 to rate TPR's performance as 'good' or 'very good' (70%, down from 81% in 2014-15). Further to this, respondents involved with schemes that were being used for automatic enrolment were less likely than in 2014-15 to rate TPR's performance as 'good' or 'very good' (72% compared to 79% in 2014-15).

3.2 Perceptions of TPR's effectiveness in carrying out its core roles

Respondents were asked to rate TPR's effectiveness in carrying out key areas of its remit. The findings have been filtered on the audiences to which TPR's roles are relevant, eg 'Reducing the risks of claims to the PPF' is analysed only among DB audiences.

As shown in Figure 3.5, the highest effectiveness ratings were given in relation to TPR improving standards in scheme governance and administration; protecting the benefits of members of DB schemes; and maximising employer compliance with

automatic enrolment. Overall, 83% gave TPR a rating of 'very effective' or 'fairly effective' in these roles.

The rating given to TPR for 'maximising employer compliance with their automatic enrolment duties' was higher than in 2014-15 (when it was 77%).

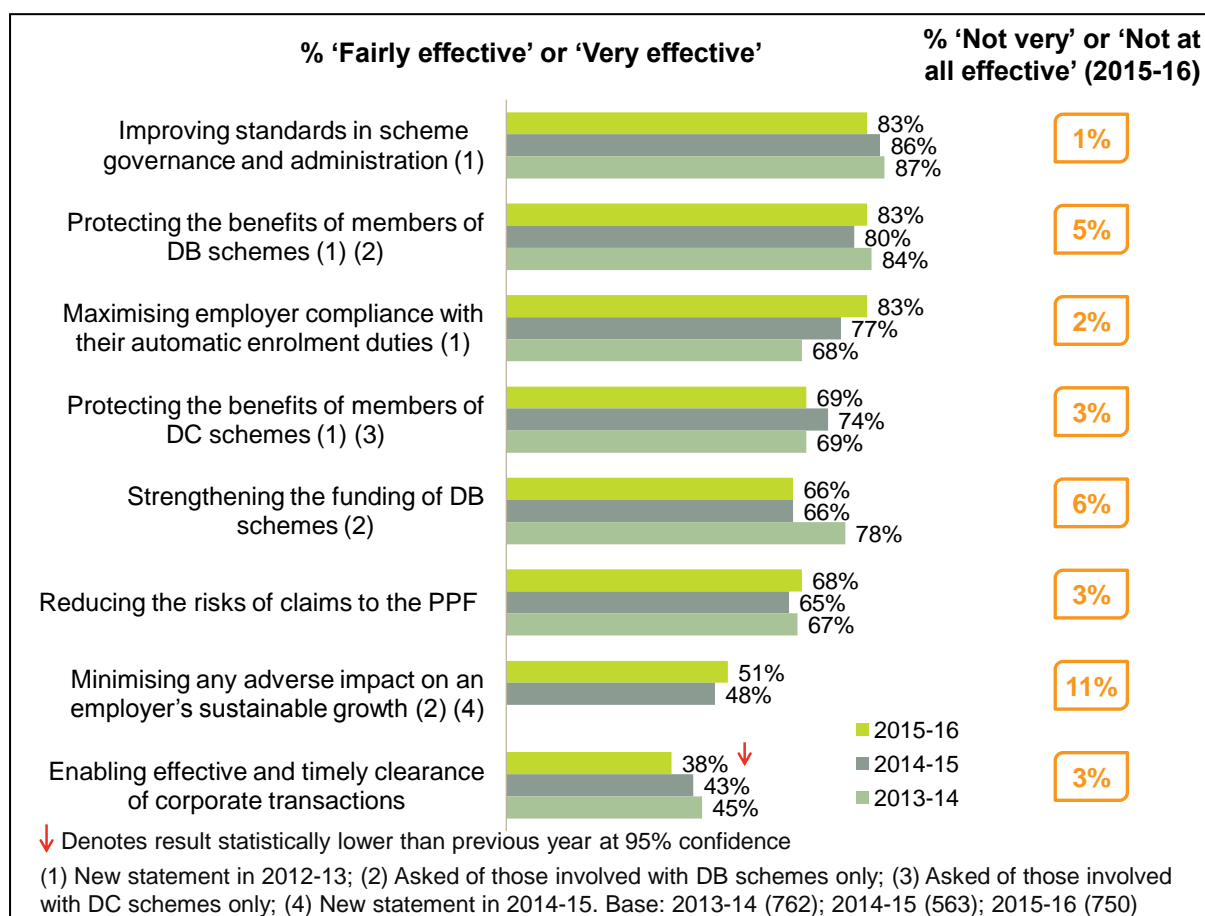
TPR was rated as effective by around 70% of respondents in three of its roles, namely 'Reducing the risks of claims to the Pension Protection Fund' (68%), 'Strengthening the funding of DB schemes' (66%) and 'Protecting the benefits of members of DC work-based pension schemes' (69%).

The proportion of respondents who rated TPR's performance as ineffective in relation to its roles was below 10% for all roles with the exception of 'minimising any adverse impact on an employer's sustainable growth' in relation to which 11% rated TPR as ineffective.

The role which attracted the lowest effectiveness rating continued to be clearance of corporate transactions, with a rating of 38% this year, lower than 43% last year. This is due, in part at least, to the higher proportion of respondents who were unable to comment on TPR's activities in this area (29% didn't know, in line with 2014-15, while 31% rated TPR as neither effective nor ineffective in this role, an increase from 2014-15). The proportion of respondents who rated TPR as ineffective on clearance of corporate transactions was 3%.

TPR's performance in 'minimising any adverse impact on an employer's sustainable growth' was also rated relatively poorly compared to its other roles, with 51% rating TPR as effective in this role. The proportion of respondents who rated TPR as ineffective in relation to this role was 11%. The same proportion (11%) said they did not know.

Figure 3.4: Ratings of TPR in the effective performance of its role and function, over time



Employers associated with DB schemes were significantly less likely than other audiences to feel that TPR was effective in 'reducing the risks of claims to the PPF (55%), compared to around seven in ten lay trustees (69%), pensions professionals (72%) and non-pensions professionals (69%) involved with DB schemes.

Lay trustees associated with DB schemes were significantly more likely than other audiences to feel that TPR was effective in 'protecting the benefits of members of DB schemes' (91%), compared to 83% employers, 81% pensions professionals and 88% non-pensions professionals involved with DB schemes.

3.3 Perceptions of TPR and the way in which it works

TPR continues to be committed to the PACTT Principles of Better Regulation, specifically to be Proportionate, Accountable, Consistent, Transparent and Targeted.

The six statements used in the research to assess the extent to which respondents perceive that TPR adheres to the PACTT Principles are:

- TPR is a trusted source of information
- TPR's actions are proportionate to the risk posed
- TPR is focused on the most important risks to members' benefits
- TPR is proactive in reducing serious risks to members' benefits
- TPR explains clearly why decisions affecting occupational pension schemes have been made
- TPR is consistent in its approach to pension scheme regulation.

As shown in Table 3.4, across the PACTT statements, levels of agreement were broadly similar to the 2014-15 survey. The level of agreement of 'trusted source of information' remained highest, at 91%, while the ratings for 'explains clearly why decisions have been made' and 'proactive in reducing serious risks to members' benefits' remain lowest, at 60% and 59% respectively.

The rating of 'consistent in its approach to regulation' was significantly lower than in 2014-15, decreasing from 72% to 67%.

Table 3.3: Rating of TPR against statements relating to the ‘PACTT Better Regulation’ Principles, % agreeing over time

% who agree strongly or agree that TPR...	2009 (730)	2010-11 (750)	2011-12 (751)	2012-13 (719)	2013-14 (762)	2014-15 (563)	2015-16 (750)
Is a trusted source of information	91%	88%	91%	92%	94%	91%	91%
Is focused on the most important risks to members’ benefits	69%	73%	70%	74%	75%	74%	70%
Is consistent in its approach to regulation	64%	63%	64%	68%	69%	72%	67%
Actions are proportionate to the risk posed	54%	54%	67%	66%	65%	66%	66%
Explains clearly why decisions have been made	65%	61%	66%	71%	67%	64%	60%
Is proactive in reducing serious risks to members’ benefits	65%	67%	70%	68%	69%	64%	59%
Average PACTT Principles score	68%	68%	71%	73%	73%	72%	69%

^{NB} Figures in bold denote a statistically significant difference from the previous wave

The decrease in the proportion of respondents who agreed that TPR ‘is consistent in its approach to regulation’ was driven by responses from pension scheme lawyers (38% agree), professional trustees (52%) and IFAs/EBCs (53%). All of these audiences gave ratings significantly lower than the average.

Those respondents who agreed that ‘TPR’s actions are proportionate to the risk posed’ were more likely than average to:

- Be involved with large schemes (77%); or
- Involved with DB or hybrid schemes (70%).

Likewise, those involved with large schemes and DB / hybrid schemes were more likely than average to agree:

- ‘TPR is focused on the most important risks to members’ benefits’ (76% large schemes and 76% DB / hybrid schemes)
- ‘TPR is proactive in reducing serious risks to members’ benefits’ (64% large schemes and 64% DB / hybrid schemes).

Those involved with schemes that were not used for automatic enrolment were more likely than those involved with schemes that were used for automatic enrolment to agree:

- ‘TPR is proactive in reducing serious risks to members’ benefits’ (64%, compared to 56% of those involved with schemes used for automatic enrolment).
- ‘TPR is consistent in its approach to pension scheme regulation’ (71%, compared to 64% of those involved with schemes used for automatic enrolment).

Table 3.4 shows the proportion of respondents who agreed with each of the statements, analysed by the four audience types (lay trustees, employers, pensions professionals and non-pensions professionals).

Table 3.4: Rating of TPR against statements relating to the ‘PACTT Better Regulation’ Principles, % agreeing by audience type

% who agree strongly or agree that TPR...	Lay trustees (155)	Employers (116)	Pensions professionals (382)	Non-pensions professionals (97)
Is a trusted source of information	88%	92%	92%	88%
Is focused on the most important risks to members’ benefits	82%	58%	73%	57%
Is consistent in its approach to regulation	76%	70%	64%	61%
Actions are proportionate to the risk posed	74%	56%	69%	59%
Explains clearly why decisions have been made	72%	65%	56%	45%
Is proactive in reducing serious risks to members’ benefits	74%	55%	56%	55%
Average PACTT Principles score	78%	66%	68%	61%

^{NB} Figures in bold denote a statistically significant difference from the overall average

Non-pensions professionals were least likely to agree with most of the statements, with an average level of agreement of 61%. This was driven by non-pensions professionals being less likely than the other audience groups to agree that ‘TPR explains clearly why decisions have been made’ (45%) and that they are ‘focused on the most important risks to members’ benefits’ (57%). Despite this, agreement on the

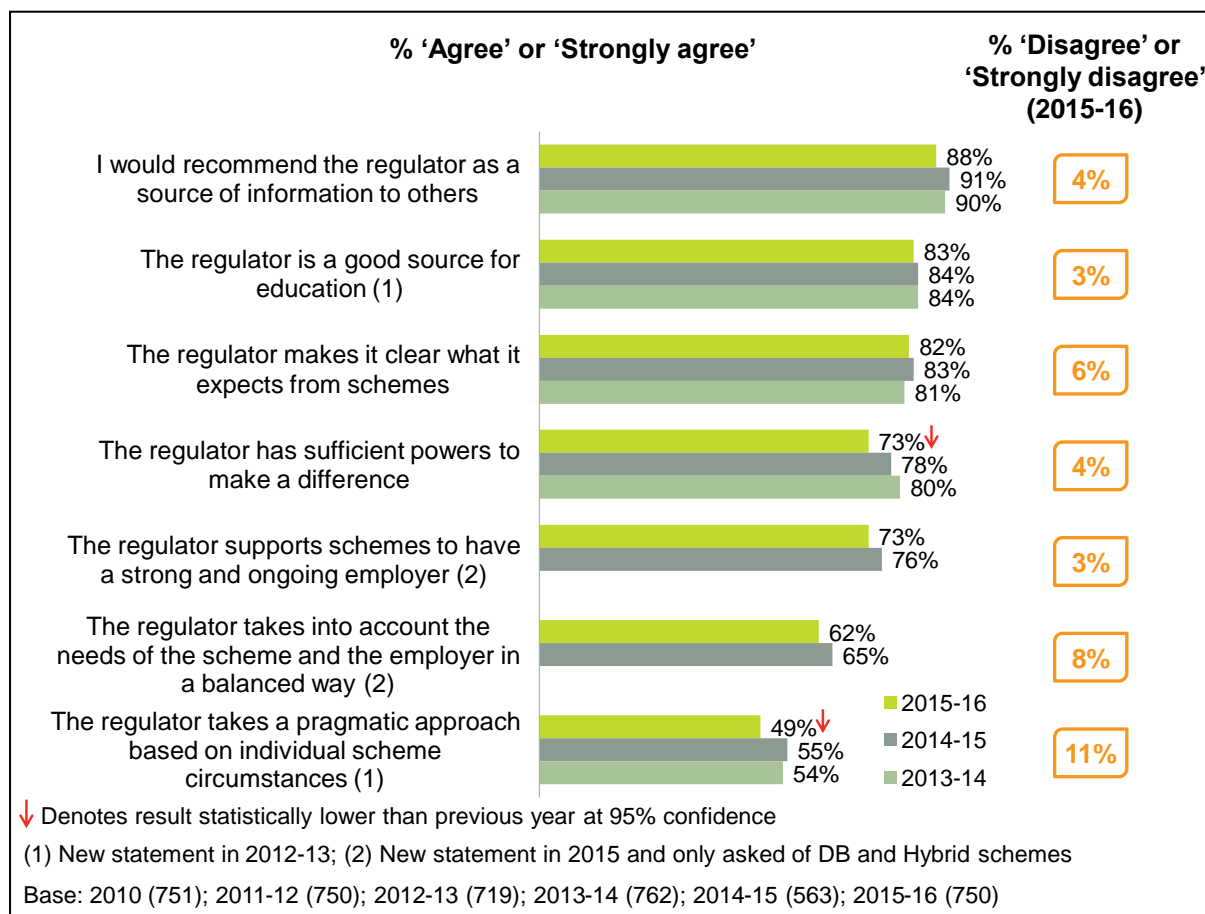
statements among non-pensions professionals has not decreased significantly compared to 2014-15, with the exception of agreeing that 'TPR is a trusted source of information' (where the proportion agreeing dropped from 99% in 2014-15 to 88% in 2015-16).

Compared to 2014-15, employers were significantly less likely to agree that 'TPR is focused on the most important risks to members' benefits' (73% in 2014-15 to 58% in 2015-16), and that 'TPR's actions are proportionate to the risks posed' (69% in 2014-15 to 56% in 2015-16). These decreases are driven by employers participating in non-company pension schemes.

In addition, compared to 2014-15, pensions professionals were significantly less likely to feel that 'TPR is consistent in its approach to pension scheme regulation' (72% in 2014-15 to 64% in 2015-16); 'explains clearly why decisions affecting occupational pension schemes have been made' (67% in 2014-15 to 56% in 2015-16); and 'is proactive in reducing serious risks to members' benefits (65% in 2014-15 to 56% in 2015-16).

In addition to the statements relating to the PACTT Principles, there were seven additional statements with which respondents were again asked to rate the extent to which they agreed or disagreed, shown in figure 3.5. Some statements were only asked of only DB and hybrid schemes (details of this are shown in figure 3.5).

Figure 3.5: Rating of TPR on other (non-PACTT related) statements, % agreeing over time



As Figure 3.5 shows, advocacy of TPR as a source of information remained high, with around nine in ten (88%) agreeing they 'would recommend TPR as a source of information to others', in line with the 2014-15 survey. More than eight in ten also agreed that TPR 'is a good source for education' (83%) and that it 'makes clear what it expects from schemes' (82%), both in line with 2014-15.

The proportion of respondents who disagreed with the statements was below 10% for all statements with the exception of 'TPR takes a pragmatic approach based on individual scheme circumstances' which 11% disagreed with.

The lowest level of endorsement for any of the statements asked, due in part to the higher level of 'neutral' responses and the higher proportion of respondents unable to give an opinion (29% neither agree nor disagree and 11% don't know) was for TPR taking 'a pragmatic approach based on individual scheme circumstances' (49%). This is a significant decrease from 2014-15 when this was 55%.

Level of agreement with the statement 'TPR has sufficient powers to make a difference' decreased significantly from 78% in 2014-15 to 73% in 2015-16. This decrease was driven by employers participating in non-company pension schemes,

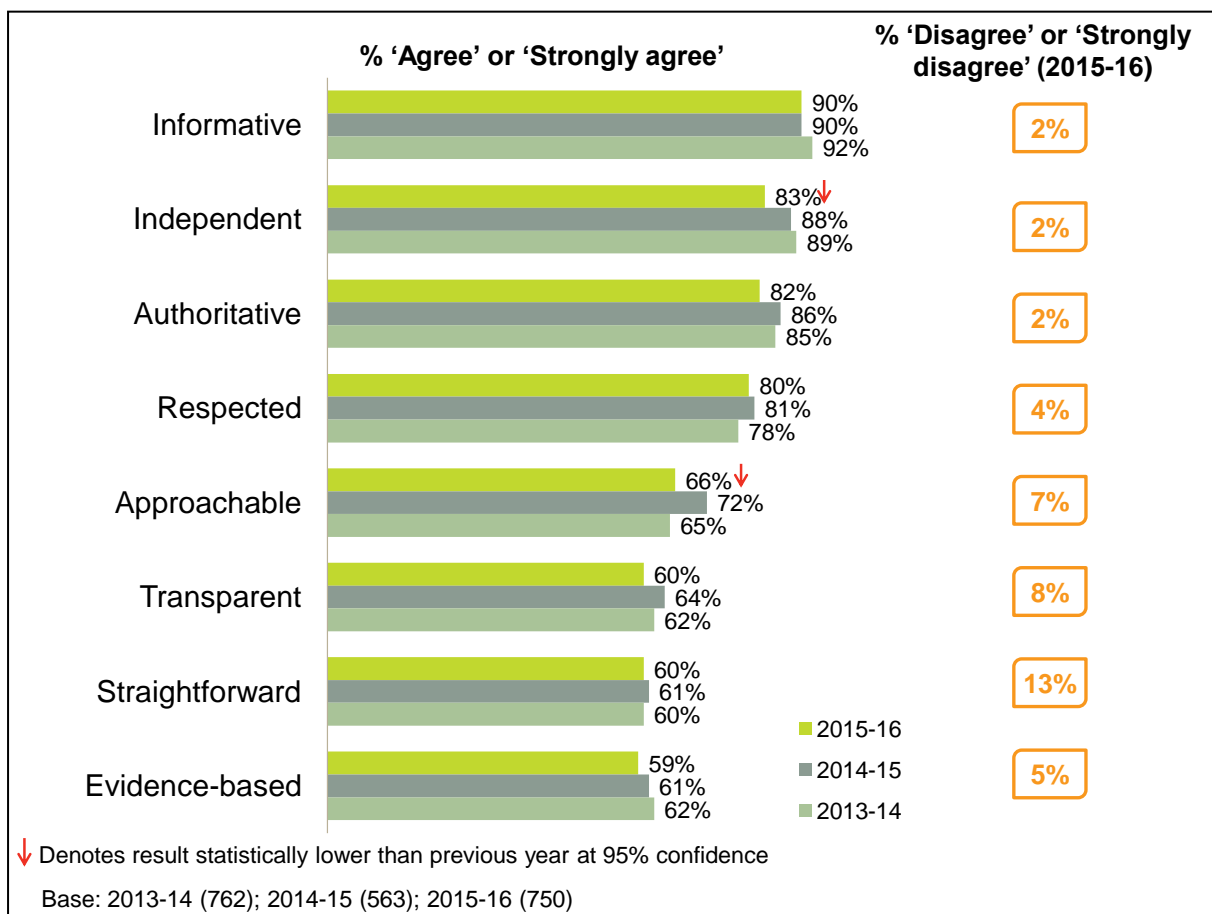
with 49% agreeing with this statement. This is compared to 75% of employers with a company pension scheme where agreement remains in line with 2014-15.

Those respondents who were involved with large schemes and DB / hybrid schemes are more likely than average to agree that 'TPR regulator has sufficient powers to make a difference' (79% and 78% respectively), and 'TPR takes a pragmatic approach based on individual scheme circumstances' (55% for both). Those involved with large schemes were also more likely to have felt 'TPR is a good source for education' (90%).

3.4 Descriptors of TPR

Respondents were asked whether they agreed or disagreed with a number of words or phrases as descriptions of TPR. Figure 3.6 shows the trend in terms of respondents who 'strongly agree' or 'agree' over the past five waves of the research.

Figure 3.6: Descriptors of TPR, over time



TPR continued to be perceived as 'informative' by nine in ten (90%), with the majority also agreeing that TPR was 'independent' (83%), 'authoritative' (82%) and 'respected' (80%).

The proportion of respondents who disagreed with each of the above descriptions of TPR was below 10% in all cases, with the exception of 'straightforward' which 13% disagreed with.

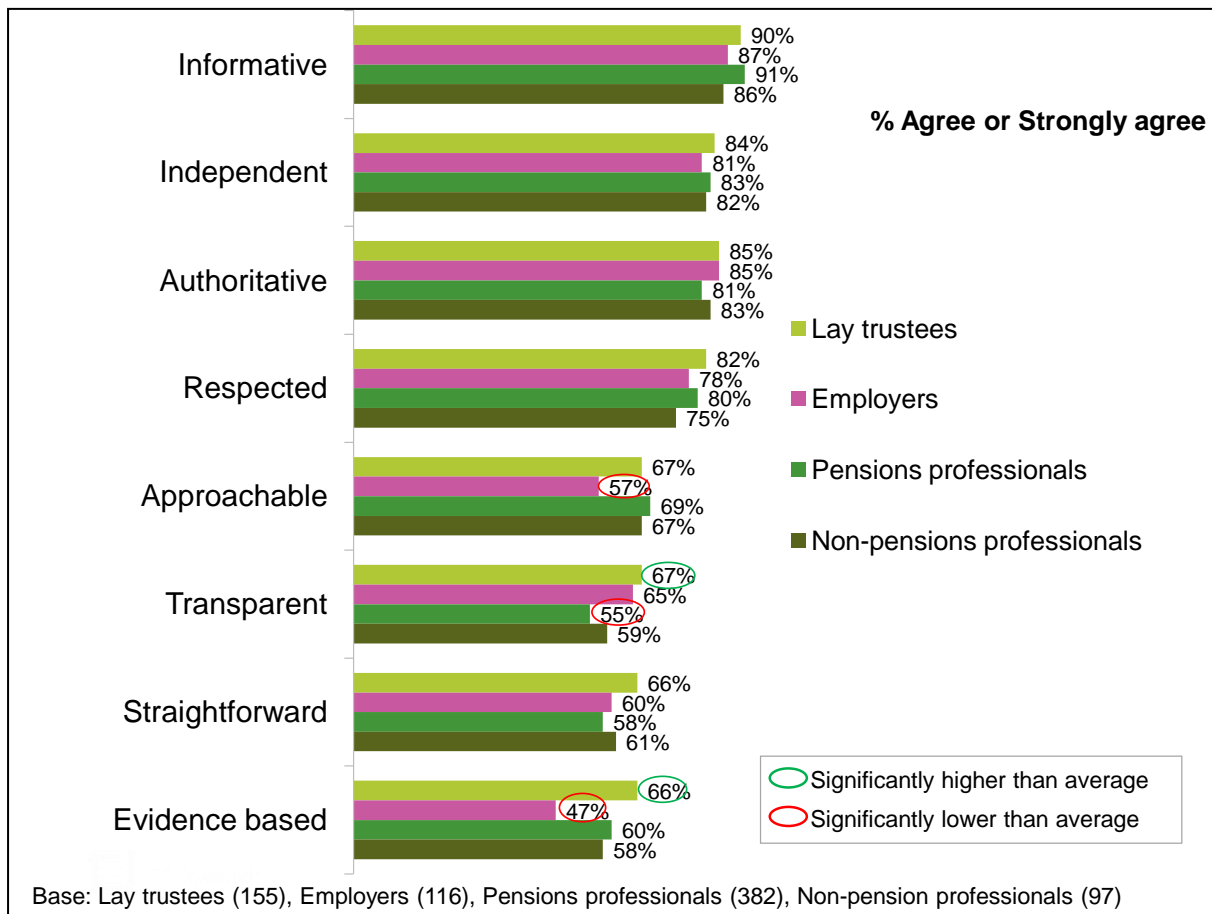
Around six in ten felt that TPR was 'transparent' (60%), 'straightforward' (60%) or 'evidence-based' (59%).

The proportion of respondents who "agree" or "strongly agree" with each description were consistent with 2014, with the exception of:

- 'Independent': down five percentage points from 88% in 2014-15 to 83% in 2015-16 (but back in line with 2011-12 to 2012-13).
 - This decrease was driven by a reduction in levels of agreement among pensions professionals (from 88% in 2014-15 to 83% in 2015-16, not statistically significant)
- 'Approachable': down six percentages points from 72% in 2014-15 to 66% in 2015-16 (but back in line with 2013-14).
 - This drop was driven by a significant decrease in levels of agreement from employers (from 76% in 2014-15 to 57% in 2015-16) and non-pensions professionals (from 86% in 2014-15 to 67% in 2015-16).

Figure 3.7 shows the proportion of respondents who agreed with each of the descriptors, analysed by the four key audience groups.

Figure 3.7: Perceptions of TPR, by audience type



As shown in Figure 3.7, levels of agreement with the descriptors were largely consistent by audience type. However, employers were less likely than average to agree that TPR was ‘approachable’ (57%) and ‘evidence based’ (47%), and pensions professionals were less likely than average to agree TPR was ‘transparent’ (55%). Conversely, lay trustees were more likely than average to agree that TPR was ‘transparent’ (67%) and ‘evidence-based’ (66%).

There were very few differences when analysing these attributes by scheme type, with the only notable differences being that small schemes were more likely than medium and large schemes to consider TPR to be ‘transparent’ (66% small, compared to 56% medium and 56% large), and large schemes were more likely than small schemes to consider TPR to be ‘evidence-based’ (66% large, compared to 52% small). Those involved with DB/hybrid schemes and contract schemes were also more likely to consider TPR ‘evidence-based’ (64% and 71% respectively).

3.5 Communication with TPR

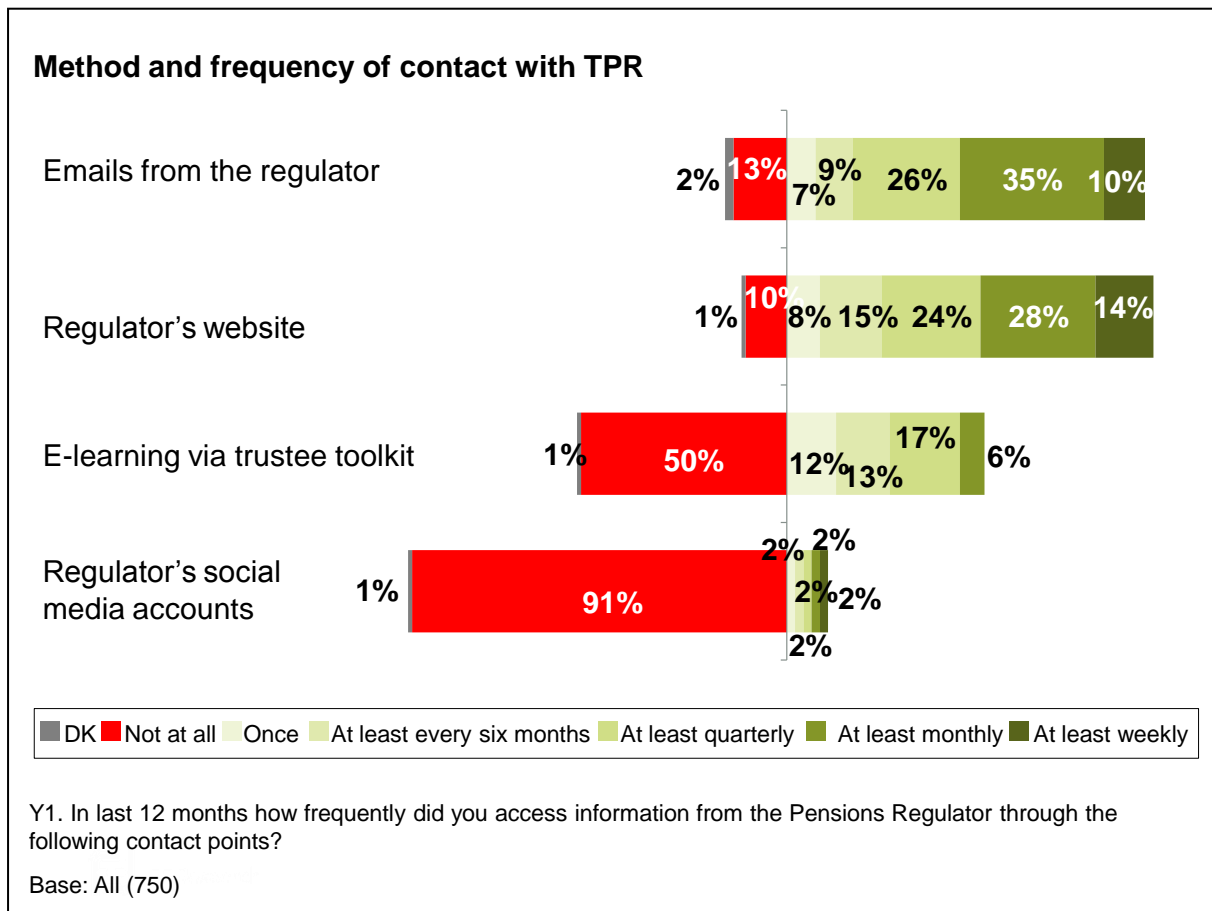
Figure 3.8 shows the frequency with which TPR’s contact points: emails from TPR, e-learning via the Trustee toolkit, TPR’s website and its social media accounts, were accessed by respondents for information in the last 12 months. It highlights that emails from TPR were the most frequently accessed communication channel, with seven in ten respondents (70%) accessing these on a weekly, monthly or quarterly

basis (this was significantly higher among lay trustees, with 79% accessing them on this basis).

Almost as many respondents visited TPR's website at least quarterly (66%), however, this is a significant decrease from 2014-15, when 76% visited the website at least quarterly. The drop was largely driven by a significant decrease in employers accessing information on the website (from 72% in 2014-15 to 45% in 2015-16). Employers who participate in non-company pension schemes were significantly less likely than average, and than employers with a company pension scheme, to have accessed the website at least quarterly (34% Vs. 66% average and 56% for those with a company pension scheme). Pensions professionals and non-pension professionals were significantly more likely than average to access the website for information at least quarterly (79% and 77% respectively).

Around a quarter of respondents (23%) accessed e-learning via the Trustee toolkit at least quarterly; and this was significantly higher among lay trustees (35%). Almost all (91%) had never accessed information via TPR's social media accounts, although a minority (6%) did use them at least quarterly, with pensions professionals (8%) and non-pension professionals (11%) being most likely to use them.

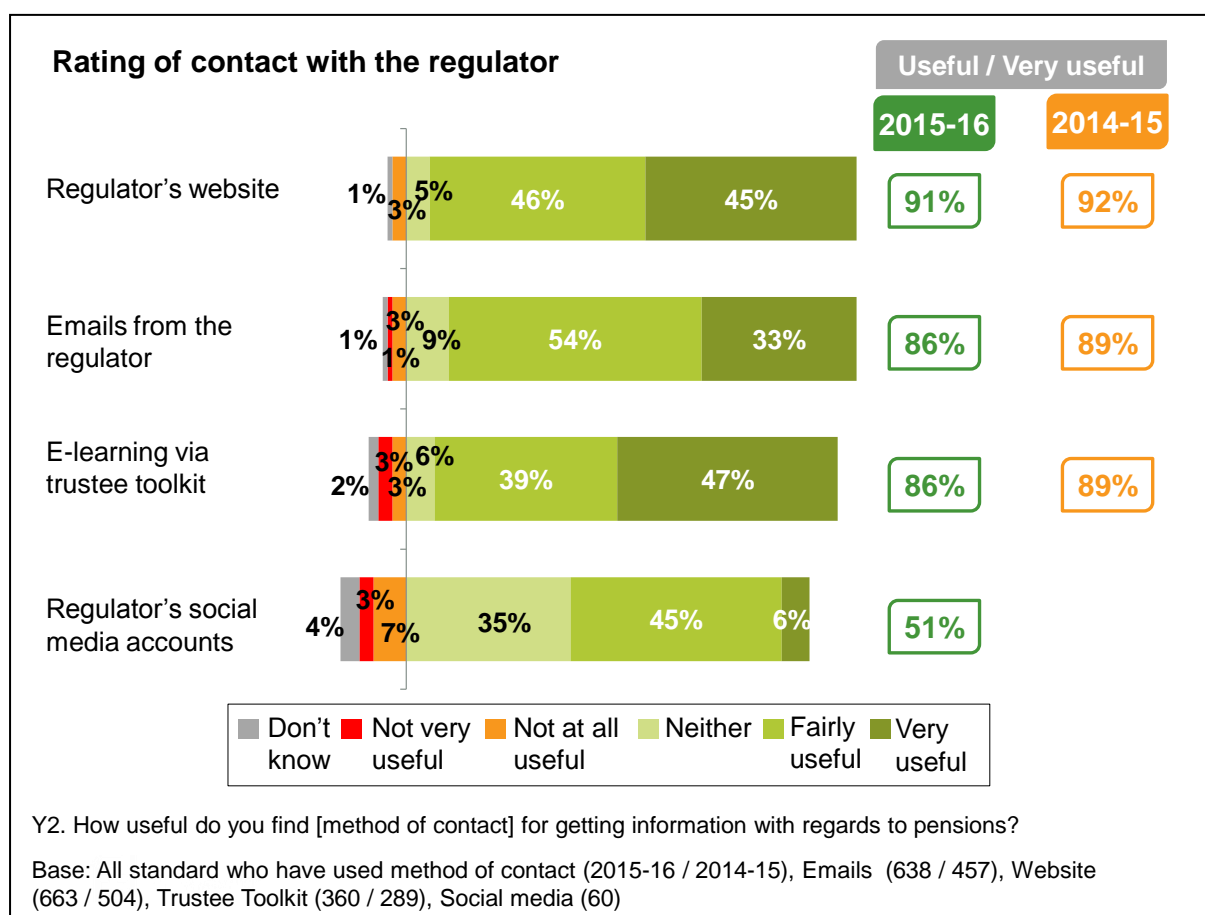
Figure 3.8: Frequency with which TPR’s contact points were accessed in the last 12 months



The majority of those who accessed information from TPR found it useful, with between eight in ten and nine in ten saying TPR’s website (91%), emails from TPR (86%), and e-learning via the Trustee toolkit (86%) were ‘fairly useful’ or ‘very useful’ for getting information about pensions. This remained in line with 2014-15.

As shown in Figure 3.10, perceived usefulness of TPR’s social media accounts was lower, with half (51%) rating them as ‘fairly’ or ‘very useful’.

Figure 3.9: Rating of TPR’s contact points, including over time



The perceived usefulness of information provided by TPR did not vary by audience, with the exception of lay trustees (who were significantly more likely than other audiences to rate e-learning highly; almost all, 92%, found it 'very useful' or 'fairly useful'), and employers (who were significantly less likely to rate it as useful: 74%, found it 'fairly' or 'very useful').

In terms of scheme type, those involved with large schemes were significantly more likely to find:

- E-learning 'fairly' or 'very useful' (93%);
- TPR's website 'fairly' or 'very useful' (94%).

Those that had used the website were also asked to rate the material on the website on various attributes. Figure 3.10 details the responses received, and shows that around eight in ten of those that had visited the website felt that it was 'authoritative' (82%), 'clear' (81%), 'balanced' (80%) and 'consistent with TPR's approach' (80%). TPR's website performed less well in terms of being seen as 'evidence-based', with around two-thirds (63%) feeling this attribute applied. Ratings of the website remained consistent with 2014-15.

There were some significant differences in how the website was rated by audience type, with lay trustees more likely to rate the website as 'clear' (88%) and as 'providing enough detail' (86%). In addition, pensions professionals were more likely to rate the website as 'clear' (85%), 'balanced' (84%) and 'pitched at the right level for their audience' (80%). Non-pensions professionals, on the other hand, were less likely to rate the website as 'clear' (67%), and 'pitched at the right level for their audience' (65%).

In terms of scheme size, those involved with large schemes were more likely to rate the website as 'clear' (88%, compared to 72% of small schemes) and 'balanced' (86%, compared to 75% of small schemes). Medium schemes were more likely to rate the website as 'authoritative' (87%, compared to 78% of large schemes) and 'pitched at the right level for their audience' (82%, compared to 68% of small schemes).

Figure 3.10: Perception of TPR's website, by audience and over time (1 of 2)

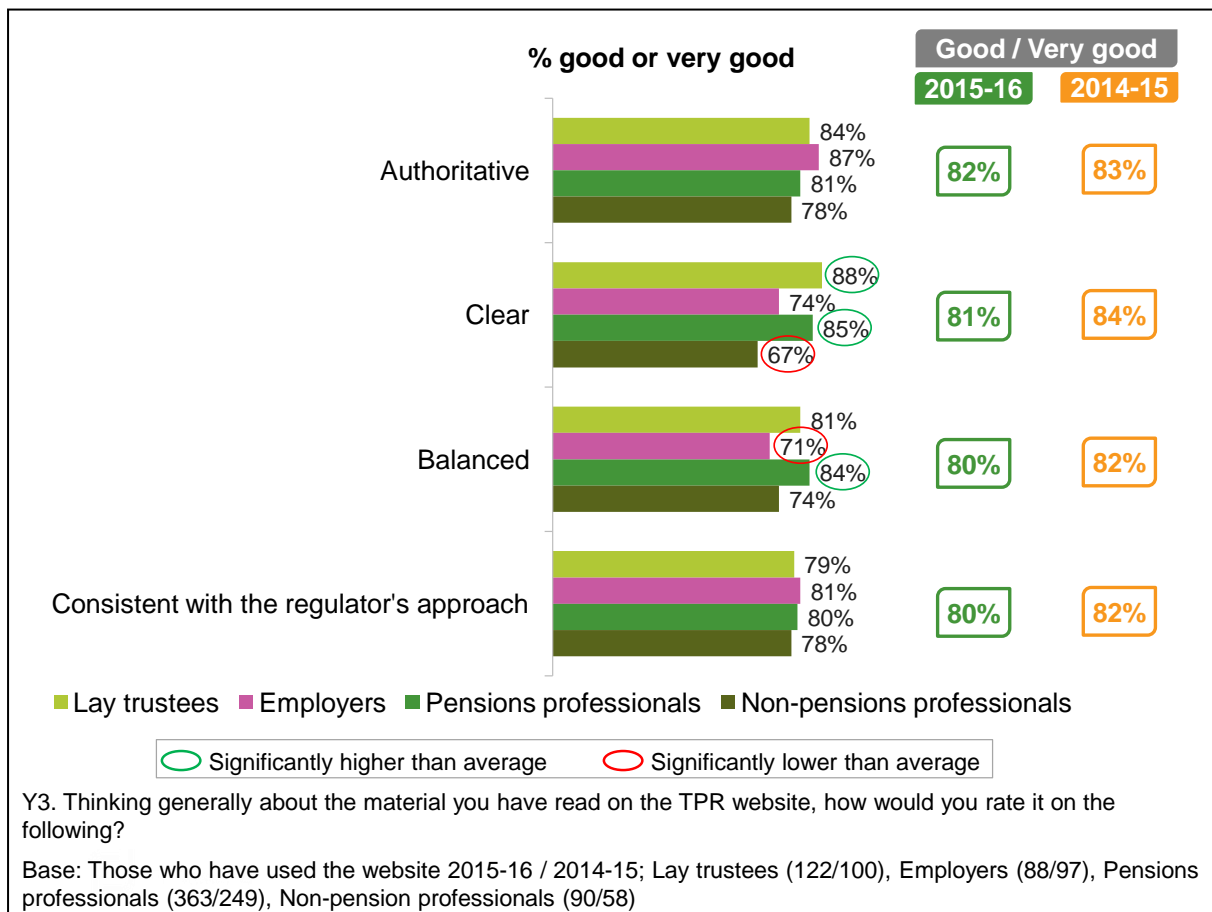
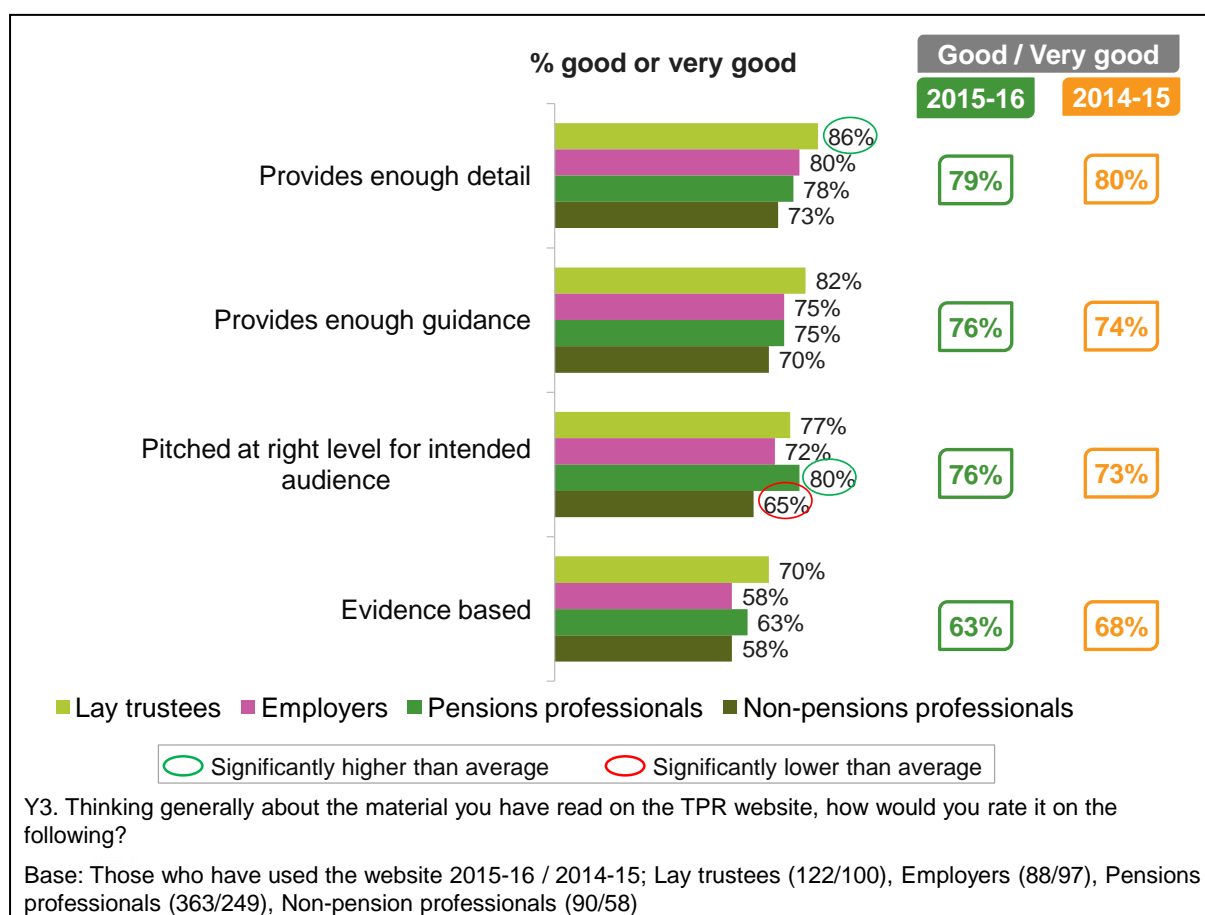


Figure 3.11: Perception of TPR’s website, by audience and over time (2 of 2)



The majority (92%) of those who had visited TPR’s website preferred to do so on a PC or laptop (in line with 89% in 2014-15), compared to on a tablet (9%) or smartphone (5%). They typically accessed the website at work (95%). A minority (5%) accessed the website more frequently at home. This was significantly higher among trustees, with around a quarter (27%) accessing information at home.

The majority of respondents kept up to date with news and announcements from TPR via emails from TPR (76%), with lay trustees being significantly more likely than other audiences to do so (86%). Around half (47%) subscribed to the news by email service and smaller proportions kept up to date via external advisers (14%), media reports / trade publications (10%), internal resources (6%), TPR’s website (5%) and its social media accounts (5%).

Lay trustees and employers were significantly more reliant on external advisers for keeping up to date (26% and 21% respectively), and non-pension professionals were more reliant than average on media reports / trade publications (18%).

Preferences for the format of online content from TPR were mixed: around half preferred to download a PDF file to read or print out (47%), and a similar proportion preferred to read content on a webpage in HTML format (44%). Employers favoured reading content on a webpage (57%, compared to 35% who preferred to download a

file), whereas pensions professionals favoured downloading a file (53%, compared to 39% who preferred to read the content on a webpage).

Three% overall preferred accessing online content via webinars and a further 3% preferred online learning modules; this rose to almost one in ten among lay trustees (9%).

In a new addition to the 2015-16 survey, respondents were asked how likely they would be to use a new web chat service. This is also known as instant messenger, and would enable individuals to ask a customer service representative at TPR for information and help via the website¹⁵. Around half (49%) said they would be 'fairly likely' or 'very likely' to use the web chat service (35% would be 'fairly likely' and 14% 'very likely'). Three in ten (30%) said they would be 'fairly unlikely' to use the service and two in ten (21%) said they would be 'very unlikely' to use it.

Non-pension professionals were significantly more likely to say they would use the service (63% 'fairly' or 'very likely') and lay trustees were significantly less likely (34% 'fairly' or 'very likely').

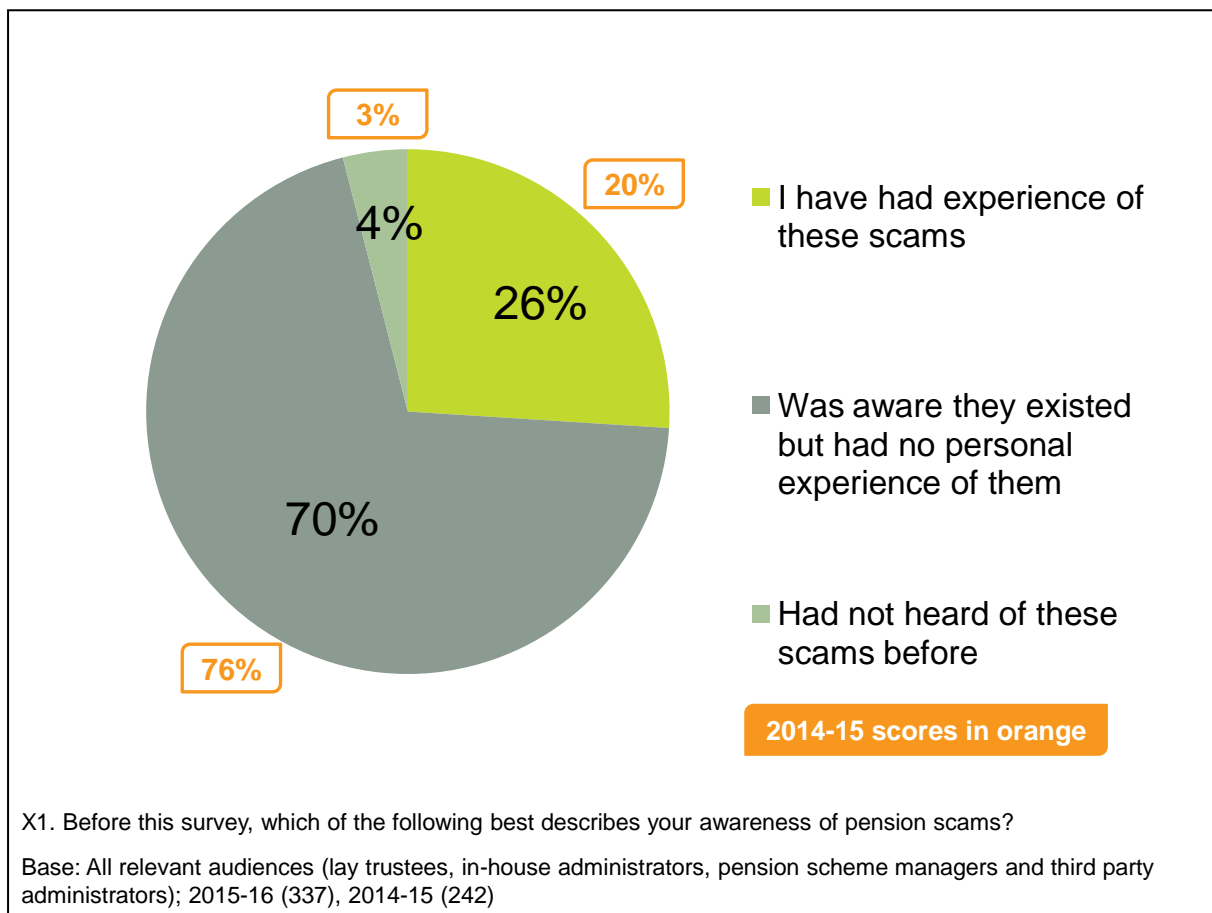
The web chat service appeared unlikely to become the main method of contacting TPR for the majority of respondents. Most said that it wouldn't be their main way of contacting TPR but may lead to them making additional contacts or using it instead of other methods on occasion.

¹⁵ Respondents were made aware that this service could be used on a computer, tablet or smartphone.

3.6 Pension scams

All respondents were given a brief definition of pension scams¹⁶ and asked whether they had experience of these scams, had no personal experience of them but were aware they existed, or had not heard of these scams before. A quarter (26%) of relevant audiences¹⁷ (lay trustees, in-house administrators, pension scheme managers and third party administrators) had experience of these scams, seven in ten (70%) were aware they existed but had no personal experience of them and a minority (4%) had not heard of these scams, all in line with 2014-15 (Figure 3.12).

Figure 3.12: Awareness and experience of pension scams among relevant audiences



Those involved with large schemes were more likely to have experience of pension scams (51% compared to 3% of small schemes and 15% of medium schemes).

¹⁶ Pension scams can occur when people with a pension are targeted by organisations who claim they can help them cash in their pension early. Or, at pension age, when pensions savers are persuaded to transfer their savings into an investment with guaranteed funds or promises of high returns. These products are often unregulated. Typically, 'pension loans' or 'cash incentives' are offered, along with misleading information, to entice savers to request a transfer out of their workplace pension. This can result in them losing a substantial part of their pension fund and facing a large tax bill.

¹⁷ 'Relevant audiences' discussed in this section comprise lay trustees, in-house administrators, pension scheme managers and third party administrators. They are deemed to be 'relevant' for this section because they are in a position to take action in regard to pension scams.

In-house administrators were significantly more likely than average to have not heard of pension scams (8%).

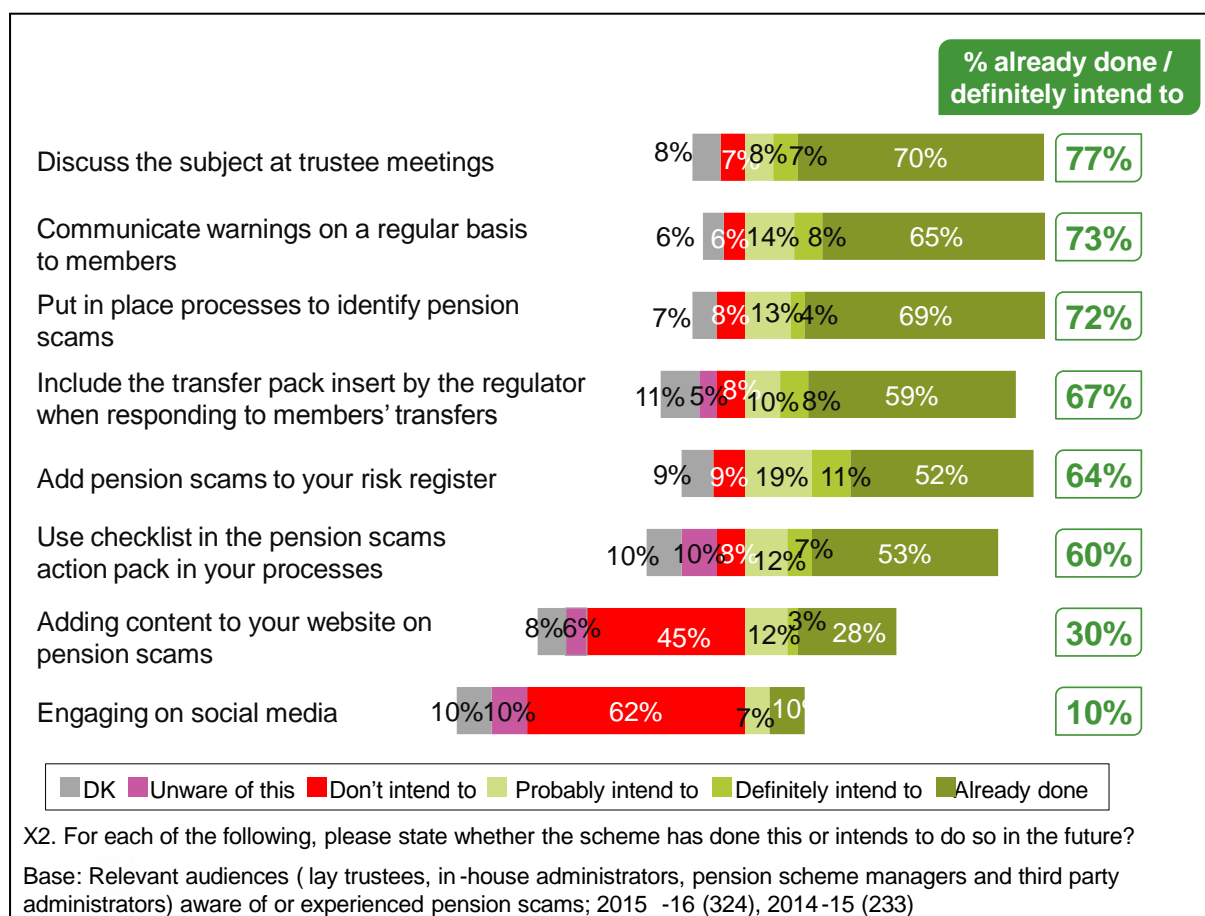
Lay trustees and in-house administrators were significantly less likely than average to have had experience of pension scams (15% and 15% respectively had experience of them) while pension scheme managers and third party administrators were significantly more likely to have experience of them (52% and 41% respectively).

When it came to members' knowledge of pension scams, most respondents felt that the members of their schemes were not well informed: more than two-thirds (69%) reported that generally members only knew a little about them and 7% felt members were not aware of them at all.

Figure 3.13 shows what actions schemes had taken in order to deal with the risk of pension scams. The most reported measure already undertaken was a discussion of pension scams at trustee meetings, with seven in ten (70%) of those relevant audiences who were aware of pension scams saying this has already been done. Schemes were less likely to have added pension scams to their risk register (52%) or to have used the checklist in the pension scams action pack (53%), although 11% and 7% respectively said they definitely intended to do this. Just over a quarter (28%) of relevant audiences had added content to their website on pension scams, but almost half (45%) said they did not intend to do this.

The prevalence of actions taken in relation to pension scams, and intentions to take such action, all remain in line with 2014-15.

Figure 3.13: Actions taken to deal with pension scams, or intention to take such action, among relevant audiences



Over a third (38%) of relevant audiences reported that the scheme had, at some point, suspected members' transfer requests were associated with pension scams activity. Where this had happened, it was most commonly reported to have happened once (16%), twice (15%), or three times (19%) in the last twelve months.

Schemes that had been suspicious typically withheld or delayed members' transfer requests owing to such suspicions (77%), although in one in five cases (21%) suspicions hadn't led to a members' transfer request being refused.

Where schemes had refused or delayed members' transfer requests owing to suspicions, this had typically happened once (32%) or twice (15%).

The three primary ways in which relevant audiences aware of pension scams had seen or heard about them was via printed media such as newspapers or trade magazines (89%), from TPR (80%) or via a professional adviser (73%). A smaller proportion had heard about scams through a pension provider (59%), via the internet (55%) or through a trade / professional body (52%).

When relevant audiences were asked if they could recall seeing TPR-specific communication on pension scams; two-thirds (66%) could remember seeing an

email from TPR about pension scams (similar to 60% in 2014-15) and two-thirds (67%) could remember seeing a leaflet about pension scams¹⁸ (a significant increase from 56% in 2014-15). Over half (57%) reported they had read TPR’s action pack on pension scams (similar to 51% in 2014-15).

Table 3.5 breaks down levels of recall and readership of TPR’s pension scams communications material by audience type and shows that pension scheme managers were the most likely to have seen and read TPR’s communications on pension scams: 95% recalled seeing the leaflet, 84% remembered receiving an email about pension scams from TPR, and 82% had read TPR’s action pack about pension scams.

Lay trustees were less likely than average to remember seeing a leaflet about pension scams (54%), or to have read TPR’s action pack about pension scams (48%), as were in-house administrators (41%).

Table 3.5: Recall and readership of TPR communications on pension scams by relevant audience type

	Lay trustees (152)	In-house administrator (69)	Pension scheme manager (55)	Third party administrator (48)
Remember seeing leaflet about pension scams	54%	58%	95%	77%
Remember receiving an email from TPR about pension scams	66%	55%	84%	56%
Read TPR’s action pack about pension scams	48%	41%	82%	67%

^{NB} Figures in bold denote a statistically significant difference from the overall average

Of those who saw a leaflet or email from TPR on pension scams, around half (48%) said it prompted them to take action in relation to pension scams. This was consistent across audience types (44% lay trustees, 55% in-house administrators, 52% pension scheme managers and 43% third party administrators).

The most common actions that had been taken by respondents were to amend their procedures, for example procedures related to transfer requests and introducing a risk register or safety checks (mentioned by 24% who said it had prompted them to take action), communication to scheme members (mentioned by 24% who said it had prompted them to take action) and communication to trustees (mentioned by 14% who said it had prompted them to take action).

¹⁸ Respondents were given a description of this leaflet as ‘it has a picture of a scorpion with a cork on its tail’.

Relevant audiences that could recall either the email, leaflet, or action pack were asked the extent to which they agreed it had helped them to understand what actions were needed if they should suspect a pensions scam. More than eight in ten (83%) 'agreed' or 'strongly agreed' that they understood what actions were needed (in line with 85% in 2014-15), with most of the remainder unsure of their level of understanding (11% neither agree nor disagree, 3% don't know).

Almost nine in ten (88%) of relevant audiences aware of pension scams felt their trustee board was confident of what action it needed to take if it suspected a pensions scam. Lay trustees were significantly more likely to be confident (94%), as were those involved with large schemes (94%) and DB / hybrid schemes (92%). Conversely, those involved with small schemes and DC schemes (78% and 81% respectively) were significantly less likely to be confident of what action needed to be taken if a pension scam was suspected.

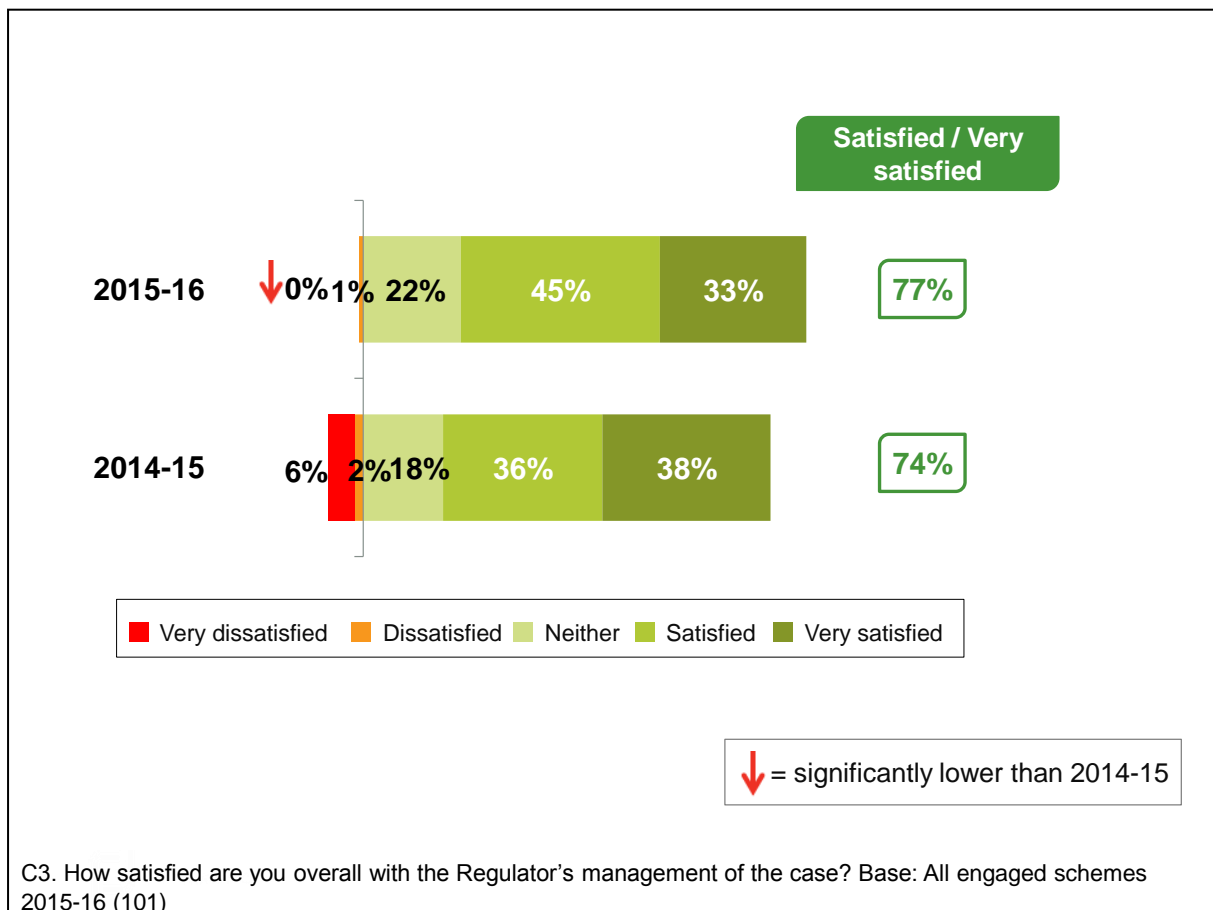
3.7 Perceptions of engagement with DB case teams on recovery plans

In the 2015 Perceptions Tracker survey interviews were conducted with schemes who had been the subject of a case intervention by TPR in relation to their recovery plan submission. The purpose of these interviews was to gain an understanding of the perceptions of TPR’s recovery plan case process among trustees, actuaries and employers associated with DB schemes.

Figure 3.15 shows the level of satisfaction with TPR’s management of the case among those schemes who had been the subject of a recovery plan case and highlights that more than three-quarters of those subject to a case (77%) were satisfied with how this was managed by TPR.

One per cent of schemes subject to a recovery plan case were not satisfied with how the case was managed by TPR, significantly lower than the proportion dissatisfied in 2014-15 (8%).

Figure 3.15: Satisfaction with TPR’s engagement on recovery plan cases



Of those who were satisfied with TPR’s management of a case, the main reasons were that the outcome of the case was satisfactory (mentioned by 40% of those satisfied), that TPR had resolved their problem (19%), that TPR’s approach was practical/appropriate (19%) and that the process was quick and efficient (16%).

The one scheme who said they were dissatisfied with TPR's management of a case said this was due to long delays in the process and TPR not fully understanding the trustees' position.

Appendix

Table A.1 shows the achieved proportion of total interviews by audience and scheme size (where relevant), compared to the final weighted proportion of all interviews.

Table A.1: Achieved proportion of interviews by audience type and scheme size (where relevant) versus weighted proportion of interviews

Analysis group		Audience type	Achieved proportion	Weighted proportion	
In-house	Lay trustees	Small schemes	7%	6%	
		Medium schemes	7%	6%	
		Large schemes	7%	6%	
	Employers with a company pension scheme	Small schemes	3%	3%	
		Medium schemes	3%	3%	
		Large schemes	3%	3%	
	Employers with a non-company pension scheme	Small schemes	2%	3%	
		Medium schemes	3%	3%	
		Large schemes	1%	3%	
	External	Pension professionals	All pension scheme managers	7%	9%
			All in-house administrators	10%	9%
			Professional trustees	7%	6%
Pension scheme lawyers			6%	7%	
Pension scheme actuaries			6%	7%	
Pension scheme auditors			6%	7%	
Non-pension professionals		Third party administrators	6%	7%	
		IFAs and EBCs	6%	7%	
		Accountants	6%	6%	
TOTAL			100%	100%	

Figure A.1 shows the proportion of respondents who said that TPR's performance over the past 12 months had improved, stayed the same, or worsened.

Figure A.1: TPR's performance compared to 12 months ago

