

Sipp roundtable

Simplification shakes up
the Sipp market



It's not as good as it could be, but a lot better than it was



Left to right: Matthew Craig, editor-in-chief, Pensions Management; Stephen Ford, divisional director, Brewin Dolphin Securities; Matt Ward, head of pensions, Defaqto; Gill Cardy, principal, Professional Partnerships; John Moret, director, sales and marketing, Suffolk Life; Martin Walker, director, Fiscal Engineers; Iain Oliver, head of pensions, Norwich Union; Phillip Wood, director, personal financial planning, PricewaterhouseCoopers; John Bradley, partner, John Bradley Financial Services and chairman, Association of Member-directed Schemes

Matthew Craig, editor-in-chief, Pensions Management: Given what's gone on in the past two years around Sipp and A-day, what are the main concerns at the moment?

John Bradley, partner, John Bradley Financial Services; chairman, Association of Member-directed Schemes: I have a lot of concerns at the moment, but I think we could narrow those down to just two main issues.

One is the clarity of the legislation and the guidance coming out of HM Revenue and Customs (HMRC). I suspect that a lot of people have still to grasp the fact that the principle of the new regime is totally different. For 30 years, we've had discretionary legislation and we've relied upon HMRC to come up with practice for that, but they are persuadable because, with practice as opposed to statutory legislation, we have the ability to change their minds. That's gone; we now have a statutory regime that we have to interpret, and we need HMRC's help to do that, largely because the legislation is so poorly drafted.

The other issue is the change in the borrowing regime. I would like to have seen us retain the 75% borrowing, or even the idea,

which we put in the first consultation response, of commercial borrowing limits. I don't see why pension funds should be restricted from borrowing on a commercial basis.

Phillip Wood, director, personal financial planning, PricewaterhouseCoopers: I think clarity around the rules is what we're looking for. Even at this stage, we're still not sure about what's allowable and what's not, which is a strange place to be.

Iain Oliver, head of pensions, Norwich Union: So many of the rules have come out in the last three or four weeks. We had the Financial Services Authority (FSA) come out with its view of what we should be doing for the next 12 months until a regulatory framework is in place for self-invested asset classes. I find it quite disturbing that, at the same time as the Treasury is confusing people with new regulations around residential property, the FSA is acknowledging that it doesn't have any ability to regulate that area.

That almost reopens the door to elements of the offshore property market, in particular, to pose risks to people's pension funds. If I were a customer and I were engaging with

the Sipp market at the moment and thinking about how I could invest in property, I would be quite concerned.

Martin Walker, director, Fiscal Engineers: I think "concern" is a strange place to start. From the advising side, it's a fantastic opportunity for us. It is a big concern that there will be potential abuse, but I think it will be driven more by the mistakes that advisers will actually make. But, in terms of what opportunities exist, I think that we're about to enter into a fantastic time.

John Moret, director, sales and marketing, Suffolk Life: I'm really split in my views. I've always been a big optimist and a champion of self-investment, and one part of me says the opportunities are enormous. Then, I look at the other side and wonder where it's all leading. I just wonder whether somewhere there's somebody with a mission to make pensions as bland as possible by reducing investment choice. If that's the case, where is self investment going to be in five or 10 years?

Gill Cardy, principal, Professional Partnerships: I had a call at 4.30pm on 4 April from someone who realised she might have a problem because her pensions department had just told her she might have a problem. Even though she's a high earner, she had no idea that her accrued pension rights are already worth £2 million, and her employer then says: 'What do you want us to do? Do you want us to continue accruing benefits in this scheme, or do you want to forget that and have a higher salary?' Four thirty on 4 April is really not a great time to realise this.

People don't know enough about pensions. My caller was astounded that the valuation of her scheme worked out to £2 million because she'd never really thought about it; she just belongs to the company's final salary scheme with accelerated accrual. I think there's going to be a few people who, in 10 years' time, will realise they did not make the right decisions because advice and information was not given to them.

Matt Ward, head of pensions, Defaqto: The timing of issues and things happening three months before A-day, as well as the reg-

ulatory aspect, is such that people won't look at the reason why Sipps have done such a good job for the reputation of pensions. It's almost as like Sipps will spend the the next year on trial.

Stephen Ford, divisional director, Brewin Dolphin Securities: I'm an asset manager, rather than a pensions expert, but one problem is finding out the gap between an individual's pension fund and the lifetime allowance. When approaching the lifetime allowances, your investment strategy may have to change and this will make it extremely tricky to manager a pension fund from a long-term perspective. We can also see a time when there may be specialist products that will track the lifetime allowance with some form of capital protection.

At a time when the government is committed to reducing red tape, we are stunned by the insistence on the quarter-up valuation method for the official five yearly review. This will require specialist price feeds and capital investment. We already levy a charge for probate valuations prepared on this basis and will probably have to consider a separate charge for this statutory valuation. There seems to be no logic to this requirement. All other valuations are done on the accepted 'mid-price' basis and we will have to explain to clients why this official valuation is slightly lower.

Finally, any asset manager out there who's trying to manage a Sipp without a financial adviser could ends up in hot water. I think the two parts of the industry are going to have to work a lot closer because there's just no way the consumer or fund manager can manage significant pension assets without a financial adviser.

John Bradley: The whole purpose of simplification is really to make the regime understandable by the public and by professional advisers other than pension consultants. When simplification was first explained to me it was essentially a single, simple regime across the board; light touch legislation with a single act and perhaps half a dozen regulations; and no investment restrictions.

It was recognised that some money would



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be lost through a few wealthy individuals exploiting it, but that was containable within the self-assessment system. There would be cost savings overall because it would take away the mass of legislation that dealt with the top 5-10% of individuals who could exploit the legislation.

Now, all of that is gone. We don't have a simple regime; we have differences between occupational schemes and personal pension plans; we have differences within the occupational sector; and we have differences between SSAs, Sipps and the whole of the rest of the pensions provision.

We don't have light-touch legislation; we have ridiculously overburdening legislation. We have two Finance Acts, we're going to get a third Finance Act, and we have a mass of regulation, a lot of which came out in the last two months and on which the guidance notes are neither up-to-date nor in existence.

And finally, we have investment restrictions. We cannot invest in tangible moveable assets; we cannot invest in residential property. I think that is the most tragic loss from the whole of the simplification project. Although the mass of the population would not have put a residential property in their pension fund, it was something to aspire to.

What the chancellor did on December 5, 2005 was a disaster because he said to the public: 'You don't control your pension funds; I do.' That, I think, is the main reason for your pessimism, John.

Stephen Ford: Prior to simplification at least you know that once you got your funds into a pension scheme, it was relatively free from taxation and you knew what the rules



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where. We have to ask, where is the lifetime allowance going to go, how volatile will it be and will it be immune from fiscal drag. The bottom line is that the chancellor has created a way to tax large pension funds. The rate and application of this power is unknown and this puts a question mark into your mind as to how aggressively you fund these vehicles.

John Moret: Somewhere along the way, between 2002 and 2006, something changed, and it may just be that the chancellor didn't buy into Pickering and the original ideas. It may be that some of the more senior HMRC team, in particular Peter Hopkins, disappeared. Most of the problems we have now have occurred since Peter left. A good example is the way the inheritance tax trust issue was handled by the Treasury. It's appalling and unnecessary. They created a problem for themselves and then backtracked.

Everywhere you go, it seems to be driven by concerns around tax. The pension aspect, or pension provision, seems to be secondary. I think that was clearly highlighted in the budget speech: there was one reference to pensions and no reference to pension simplification.

Stephen Ford: A person whose only crime is to be a successful member of a final salary pension scheme, unless they have a financial adviser who understood protection, they could end up with a tax charge. That seems wrong.

John Bradley: It could actually be worse than that. Right back at the outset, we put to HMRC the situation where somebody gets his lifetime ambition: he's promoted from being a senior manager to a main board member, so he

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moves from a 60th, or maybe even 80th, accrual rate to enhanced benefits – the top of the tree – and all his past service carries forward. All of a sudden, his accrual in the scheme is enormous. He gets a £50,000 a year increase in salary, but that's totally wiped out with the tax charge for the notional increase in his accrual under the scheme. Unless the employer is on the ball, he's going to miss that, and once it's done, it's irrevocable.

Martin Walker: We can't just focus on the negatives here. Let's face it, there are some fantastic changes. Yes, we can talk about the concerns – and I don't disagree with any of the concerns that have been raised – but some of the changes are going to improve the landscape for the majority of people who advise and also those that get advised by financial advisers in this regime. It's not as good as it could be, but it's a lot better than it was.

Iain Oliver: It's easy to get negative about it, but I think we as a group and as an industry have a major responsibility to consumers not to make pension simplification about bad news.

Perhaps consumer confidence is at a bit of a turning point, and the more good news we can bring into the pensions market, the better. If we can take the residential property issue and start thinking about how we can re-energise the market with replacements, like REITs and residential property funds, I really think there's an opportunity to re-engage the consumer.

John Bradley: There's a golden opportunity for the development of Sipp's under the new regime because a Sipp is a relatively simple product that is relatively easy to understand and is transparent. You can see what the costs are. They're so adaptable that they can cover pretty much any sector of the market, right from the high-net-worth individuals down to an internet-based product that you can run online.

Matthew Craig: Is the announcement recently that you can go into residential property if it is in a syndicate of much use?

Iain Oliver: Our technicians have been through the details. First of all, their view at the moment is that, although everyone seems to be saying it's 10 people, it's actually 11, which is bizarre. There's an issue such that you cannot have connected people in the same syndicate. There's also an issue we don't quite understand: you can't have more than one person in the syndicate from the same scheme, which means to me that you can



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have a Norwich Union scheme member and a Standard Life scheme member, but if we were to find another person joining it who happened to have membership in our Sipp, or even our wider personal pension scheme, because our Sipp is part of our wider personal pension scheme, that's not allowed.

As far as we're concerned, it looks like they've deliberately made it unworkable. I don't know whether they've done that on purpose or not, but we need to have a conversation with them about this because I cannot understand how it can work as we've interpreted it.

Gill Cardy: We had somebody who wanted to put his violin into his pension, and we were contemplating exactly how he could do that. Would he have to pay himself for the privilege of practicing everyday? People did get this idea that it was going to be a jolly wheeze, but, at the end of the day, all you had to do was say what some of the basic complications were, quite apart from whether it's a good idea or not.

But I think the residential property episode made people lose a lot of trust. There was never a great deal of trust in the first place but, if the rules are changed even before they are out and finalised, the trust declines even further. In terms of the wider financial planning issues where people have a choice, I think there will be a practical knock on effect.

Phillip Wood: It did engage people, though. That's the whole thing about simplification and property: it engaged the public in pensions, and now that opportunity has really been missed because people are feeling confused and thinking they'll leave the whole area of pensions alone again.

Stephen Ford: We're also seeing with child trust funds. Where there is an element of tax relief, the Government seems to feel that it is its right to exercise some control. Many investors are sceptical on child trust funds as they are worried about what could

happen in 18 years' time, four governments down the road.

Iain Oliver: I'm intrigued about what the Government is going to do next time it needs to make a tax change, because the whole point of pension simplification was that it was the first real piece of retrospective legislation. Historically, the rules were just changed for the future, which is why we ended up with eight different regimes.

The next time they want to tweak the regulations, are we going to get a second regime, or are they going to make it retrospective? The danger of retrospection is that you undermine trust, because people find they can't do things they way they used to. It's going to be fascinating to see where they go next time they want to make a change. I think that's probably one of the biggest uncertainties in the pensions industry looking forward three or four years.

Matthew Craig: John, you mentioned that the discretionary regime is now gone. At what point do you see the penny dropping?

John Bradley: When the mistakes start being made and the tax charges start rolling in. It's a relatively simple mistake that either a client or a practitioner has made, and you look to the HMRC to be reasonable and they'll say: 'I'm sorry; that's what the law says.'

Stephen Ford: You can imagine the newspaper article now: 'Poor old Mr Miggins. He's had to pay HMRC because this box wasn't ticked.'

John Bradley: The responsibility for monitoring schemes has been transferred from HMRC to the practitioner with a rigid set of legislation and penalties. That's actually a masterstroke on the part of government, because all the problems in interpreting the legislation and on monitoring what's going on in the schemes is down to the practitioner now.

Iain Oliver: There is also a phrase that has apparently always been there, but it seems to

be used very regularly now: 'the scheme sanction charge', which is basically HMRC's way of regulating – or punishing, up to a point – providers who break the rules.

It just seems to have crept into virtually every piece of regulation. If x happens, then there's a tax charge on the customer and a scheme sanction charge on the provider. When something goes wrong, it's going to be very interesting to see if the charge is paid by providers or will they pass it on to the customer?

We haven't made up our mind yet about that but if we don't feel that we're in control of the investment decisions, it's going to be quite tough for us to take it on the chin. I can see providers being quite conservative as a result of this.

John Bradley: Which is not what simplification is about; it was about invigorating the market and bringing new players in. There are positive things about the new regime. For brand new customers only, it is simple. You take someone in their early or mid 20s, who is starting a brand new pension scheme. Okay, you have a problem on residential property definitions and so on, but in its basic concept and structure, it's relatively simple. It's the transitional rules that cause the problem, and the fact that the transitional rules were so long delayed, and in some cases so badly explained.

John Moret: We have had three examples of the new regime already. The first was a £750,000 bonus paid into a Sipp. We had a couple of *in specie* contributions, one which was actually up to the lifetime allowance, and we had a couple of enquiries about connected property transactions.

Matt Ward: I know there are lots of issues to consider, but it is a new start. We know what would have happened with residential property; lots of people would have done it right, but there would have been as many people trying to make a mint very quickly from it, which is obviously what scared them into regulating the companies that can offer it. It might not be such a bad thing that people are taking things slowly and exercising a little caution about what they'll accept.

John Bradley: Maybe residential property's not dead; maybe it will come back in a couple of years. I do think there was some credence given to statements by some sectors of the industry that £10 billion would be invested in residential property, which subsequently turned out to be misinformation.

Iain Oliver: I don't think there was a sig-



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nificant amount of credence given to that, from what I can gather. I think they were most concerned by the fact that the FSA didn't have any way of regulating it, which nobody realised until very late on. The FSA were surprised by it, as well.

John Moret: The Treasury certainly knew that there were issues at least 18 months ago when this was flagged as an area of real concern. The Treasury didn't drive it, and the FSA left it until it was too late.

Iain Oliver: I don't know if a change in personnel caused it or something else, but in our conversations with them, they sat there thinking: 'Ooh, goodness; we've not really given this any thought at all.' Maybe it just slipped off the agenda.

John Bradley: The industry had flagged up both the regulatory issue and the fact that HMRC would not have an appetite for residential property right at the outset. We spent six months saying: 'Are you serious about this? The last thing we want is for you to give this to the industry and then take it away again at the last minute, or even a year into the new regime.' What we do need now is a period of stability.

Matthew Craig: What potential is there for fund managers to launch pension products from April 2007?

Stephen Ford: I think there are two types of asset managers out there. One understands what a complicated area pensions has become. For example, cascading wealth to the next generation via family Sipp and IHT planning means that an integrated approach with financial advisers is needed.

What concerns me is the asset managers who are unaware of the ramifications of these changes and are still investing for growth. Under the old regime; the consequences then may have been poor fund performance, but there weren't actually tax charges or other issues. That's where the surprise for our industry lurks.

One of the things that really surprises me is

how this government has created a pensions tax mechanism. I firmly believe that over the next 20 years we will see a reduction in the lifetime allowance so that more tax can be raised. £1.5m does not actually buy a lot of pension once a widows' pension and escalation are factored in. The chancellor has in essence capped the benefits available from pensions for high earners and this seems to have been completely missed by the public at large.

Iain Oliver: We don't think that in certain parts of the market there will be an influx of new players. You have to look at where you can make margin in this market, and stakeholders aren't that place. Personal pensions at the moment aren't that place, either. It depends, really, on how price evolves in the Sipp market and the extent to which we can add value to customers and be able to justify higher prices. Also, it will depend on how Sipp evolves as a concept into places like wraps and wider retirement solutions.

Matt Ward: In a successful market, which Sipp have become, there will always be room for new players. I think the thing that's evident in studying the market is that you really can't rush in to this and come into it with a half cocked proposition. Niche providers and insurance company consciences have been pricked by service delivery, and so if you're going to bring a new proposition into the market, you have to be sure you can deliver on product with competitive fees and underpinned by service.

Martin Walker: Surely some of the niche Sipp providers will find their feet now in terms of becoming bigger players and a bigger influence because the whole benefit of Sipp should be that you have this unfettered environment, accepting the rules as they are, but you have a choice now in terms of where you invest your money. Why would a fund manager want to be involved in the regulation and administration of Sipp when they can just invest the money?

John Bradley: There is a drive from the fund managers to run pension schemes. There was a proposal before the government, which has got to have come from lobbying, to allow fund managers access to the market between now and 2007. Fortunately it was dropped. It would have created huge confusion.

John Moret: From my discussions with fund managers, I think most see the prime target as the corporate market, large company Sipp, and group Sipp. Yes, it will have open architecture in terms of investment but it will be a slightly different animal to the high-net-worth Sipp; however, it will still be a Sipp. Jupiter has been quite public in terms of its ambitions in that particular marketplace, so I think we will see that there will be some of the bigger fund groups taking a position in that part of the market. Whether that spills over into individual Sipp, I'm not sure.

On the other point, I think the regulator will have quite an impact on the Sipp market. Some smaller operators may well struggle with the regulatory standards that are enshrined in the marketplace. It is pushing Sipp into the packaged product arena that is all about projections, cancellation notices, compensation schemes, consulting margins and what have you. I'm not sure how many small Sipp operators will have an appetite for that.

Gill Cardy: I find it quite odd that a significant chunk of the industry at the moment is trying to separate product from investment, because with platforms, wraps, consolidators, supermarkets, and Sipp, investment choice is part of the product.

The conventional life office product providers are now busting a gut to prove that they are actually not just selling their own funds, but that they've got these portfolio funds and multi manager funds. Everybody is desperate to prove that your Norwich Union, Standard Life or whoever else it might be is not actually necessarily a same-company investment fund.

Why would you want a Jupiter Sipp if the point is that you want the Sipp and you can

get into Jupiter anyway? Why would Jupiter actually want the hassle and the confusion to its brand name, its focus? If it's known for having stupendous investment performance, why would it even want to go anywhere near being a pension provider? Why doesn't it just build up all of the links, the key connections with all the companies it wants to build up the partnerships with – companies like Suffolk Life or Fundsnetwork – and let someone else do the admin?

Iain Oliver: The FSA came out in February saying to be careful about advising people into Sipp just so they can access funds that they can already access in stakeholder and personal pensions, because Sipp generally cost more. 'Watch out; we're looking at you' is the type of message I got from that.

Martin Walker: Any life company that promotes a Sipp with four or five different charging levels, where the lowest charging option uses its own funds, is not promoting Sipp properly. It's not promoting the concept; it's promoting a good personal pension. Fair enough; that's what it is, but let's label it that.

A Sipp should be something that gives people flexibility; that's the whole premise. You wouldn't want to put your clients into a commercial property purchase and rely on a helpline for your advice, questions on how the application is going and where the mortgage is. You want the same person at the end of the phone who is in the office that you know; you've probably met them, as well.

Matt Ward: Definitions of Sipp are being stretched. If you can get consumers on that ladder and they've got something to aim for, it's hopefully taking a positive from some of the downsides we've had.

John Bradley: The big positive from the new regime, of course, from a Sipp point of view, is the ability to put much higher contributions in, to have a much bigger ceiling on the annual allowance. There is a slight problem for the self-employed in determining their earnings if you're pushing it right to the limit, but there's a huge amount of freedom for the majority of the population in determining contributions without having to use carry back,

carry forward and other complicated things. This one area where we do have real simplicity. It could encourage a lot of people to put money into pensions.

Gill Cardy: Because I deal with people of more modest means, I would quite often find people who might be less enthusiastic about doing their maximum 17.5% or 20%, because they wonder what's going to happen next year. They can now save that somewhere else into an ordinary deposit account, and when they are more confident that it's okay to commit the money to a pension plan, they can put in up to 100% of their earnings.

I think that I will see more patchy contributions. Nothing and then a three year blast, then nothing and then a three year blast when people are happy. That might not be so great from an investment point of view for all sorts of reasons, but that might give people a lot more confidence in their planning.

John Moret: One of the things I'm not clear on is whether the changes will actually encourage people to pre-fund, or fund their pension earlier, or whether in fact it will move it the other way such that, because they have the opportunity later in life to put in chunky amounts, people will use other vehicles and only come to pensions fairly late in life.

However, I could see a situation where people put as much as they can in early as possible and tick the box – that's pensions taken care of – and move on to other things. Or they go the other way, forget pensions and then in their late 40s or early 50s they move a lot of those assets back into pensions.

[NB John Bradley had to leave for a meeting with HMRC at this point.]

Matthew Craig: Do you think the Sipp/SSAS divide is going to stay, or will that disappear in the future?

John Moret: I've changed, actually. I thought at one time that SSASs were almost dead and buried; now I think there still will be a place for SSASs, and it may be for the small family companies. While I think there will be a place for them, I think there is limited growth potential.

Stephen Ford: We're looking at Sipp and

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the way you can exercise employee share options into them, and perhaps looking at them as quite a big driver of getting out of an unfunded older corporate schemes. Where there are no employer contributions and with competitive providers, there's no great cost implication. You can then have the freedom to get the benefits of your employee share options into these schemes using tax relieved cash. That's proving quite interesting for people who are lucky enough to have share options.

John Moret: I think the challenge insurance companies face in the new environment is one of differentiation. With the product barriers falling away and more of them moving to all-embracing propositions, differentiation starts to become quite a challenge. Some will be very much investment-driven and some may be price-driven, while some may actually be more customer-focused perhaps, with a cradle-to-grave type solution, but I do think it's going to become tougher.

Martin Walker: It must be a threat to the insurance companies. The whole wrap/Sipp explosion is a threat because it's service based. I understand the logic in terms of the progression through the pensions that you've put in place, but there's a huge risk that people who build up pensions in a low-cost environment get to that point and say: 'thank you very much,' but then take it away to someone else to manage. The power shift is happening, and it's already happened. You've got your Sipp providers, your investment advisers, and your financial advisers, and they're not the same people.

John Moret: I don't often speak for the opposition, but Standard Life has actually made that shift quite successfully. I think it can be done, but it needs a massive commitment.

Matt Ward: From our point of view, it's more a realisation – and it's a good thing – that the jack of all trades approach won't work; that's where insurers have come from and that's been their role for a long time. Finally the focus is on the end consumer and, be it by a marketing difference rather than a tax regime, the adviser will hopefully be able to say: 'This is what I want for this client, and I know who I want to do it.'

Iain Oliver: Providers haven't been on the ball with some of our products, so I think service is going to be absolutely key. We get mixed messages on brand from different segments of the market. The one that means the



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most to me is from the employer sector, where the finance director and the HR director say that their employees will only be happy with a scheme if it's with a household name. Whether that's actually true or not, it certainly seems to be the view of a lot of the customers we deal with.

At a time when we expect schemes to be moving around all over the place, we've actually been able to hold on pretty well to our existing books

Gill Cardy: I think there is the issue of whether anybody is better than anybody else. There's been the periodic thing about 'why would I put business with any one particular product provider if their service is awful'. Well, if I judged a product provider on service, actually I wouldn't do any business with anybody. In fact, I might as well just go home.

Iain Oliver: We have to crack that. You're absolutely right.

Martin Walker: There's far more accountability with some of the niche players and smaller players; we certainly feel more accountable if they want us to provide that service because we're a small player but, in the insurance companies' radar, it's just not relevant what we do. For a smaller Sipp provider or for an investment house that we place our funds with, we have a role to play and they want to provide that service back.

John Moret: It's interesting. We've just done some research, and one of the things that came through was 'don't grow too big' because there was a perception that growth means that service deteriorates.

Matthew Craig: Who will be the winners after A-day?

Stephen Ford: I think financial advisers are going to be the big winners. Their role has been hugely strengthened by simplification, and I think, to a certain extent, brand new customers will be winners.

Matt Ward: Hopefully the consumers will be. Service is key; providers are going to have

less excuses if they couldn't do this, or they couldn't deliver on that. Providers will live or die by their ability to deliver product innovation, superior customer service and competitive charges. Hopefully, this will enable the consumer to start to get some trust back in things at some stage.

Gill Cardy: I'd also like to think that, in the long run, it's the consumer, but in the short term it's going to be the geeks, anoraks, and advisers. Their knowledge and ability to wheedle their way through the rules and the intricacies will be knowledge that comes at an exceptionally high premium and, until that transitional issue is gone, consumers may not actually be the biggest day-to-day beneficiaries.

John Moret: I think Sipp providers or administrators are in an incredibly strong position, but not necessarily all of them, because I do think that in 2007 there will be a shake up. I also agree that the new type of professional adviser coming through is in a really strong position going forward.

Martin Walker: I agree: the big winner will be the clients who have that adviser working with them; the big loser will be the clients without the adviser working for them. If you have a good adviser or a good planner, you can benefit tremendously under the new regime.

Iain Oliver: Some of the bigger providers will do very well and some will do very poorly. Overall, HMRC will probably be the main beneficiary because it only has one regime to worry about and because it has so many ways now for covering tax charges from customers and from providers.

Phillip Wood: The problems we've talked about relate to very few people. The vast majority will win out of the changes.

If you have any comments on this roundtable, please email pensions.management@ft.com