



# Regulatory priorities, opportunities and challenges for the retirement sector

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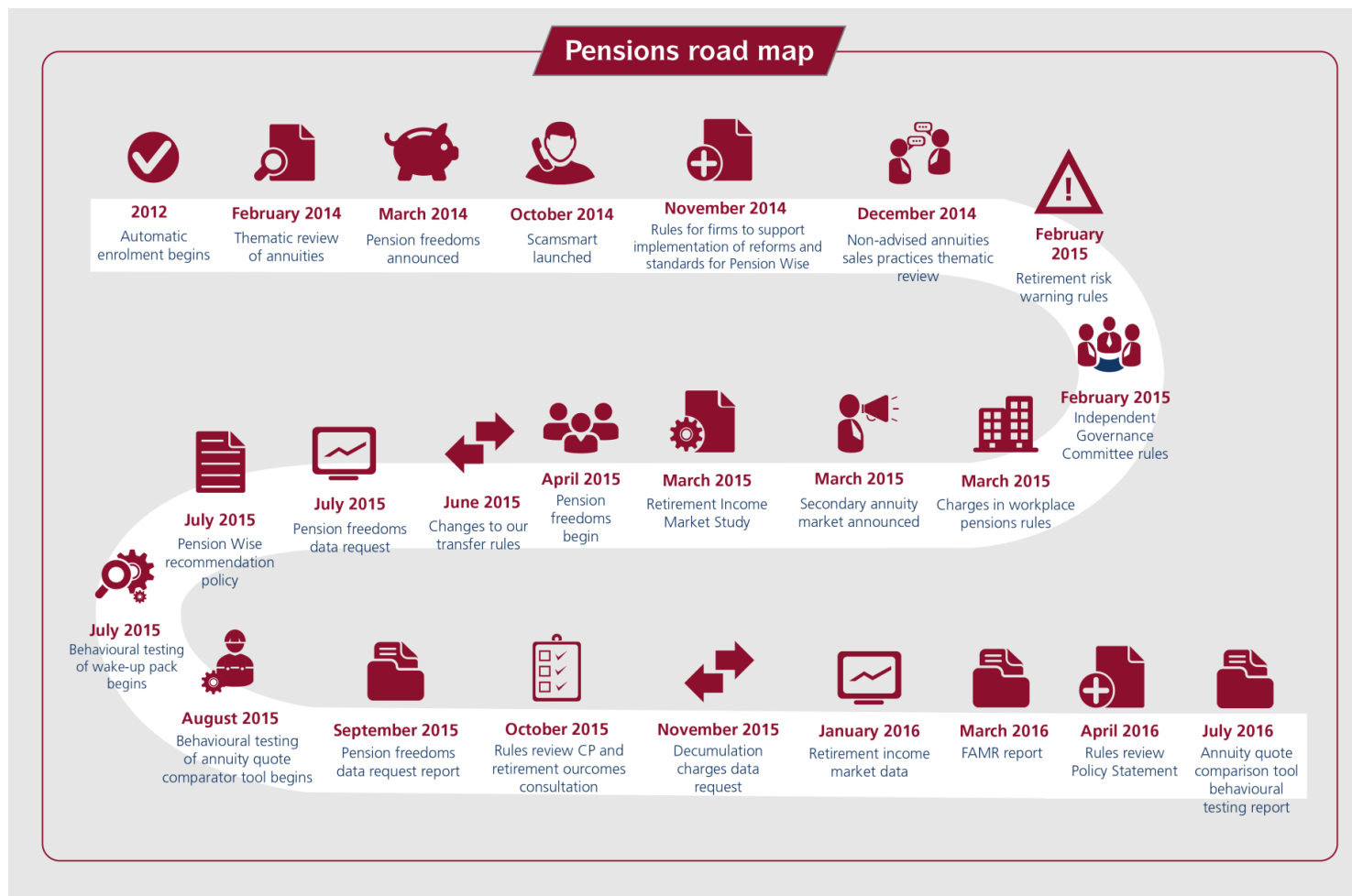
# Agenda

- Overview
- Pensions freedoms
- Regulatory priorities

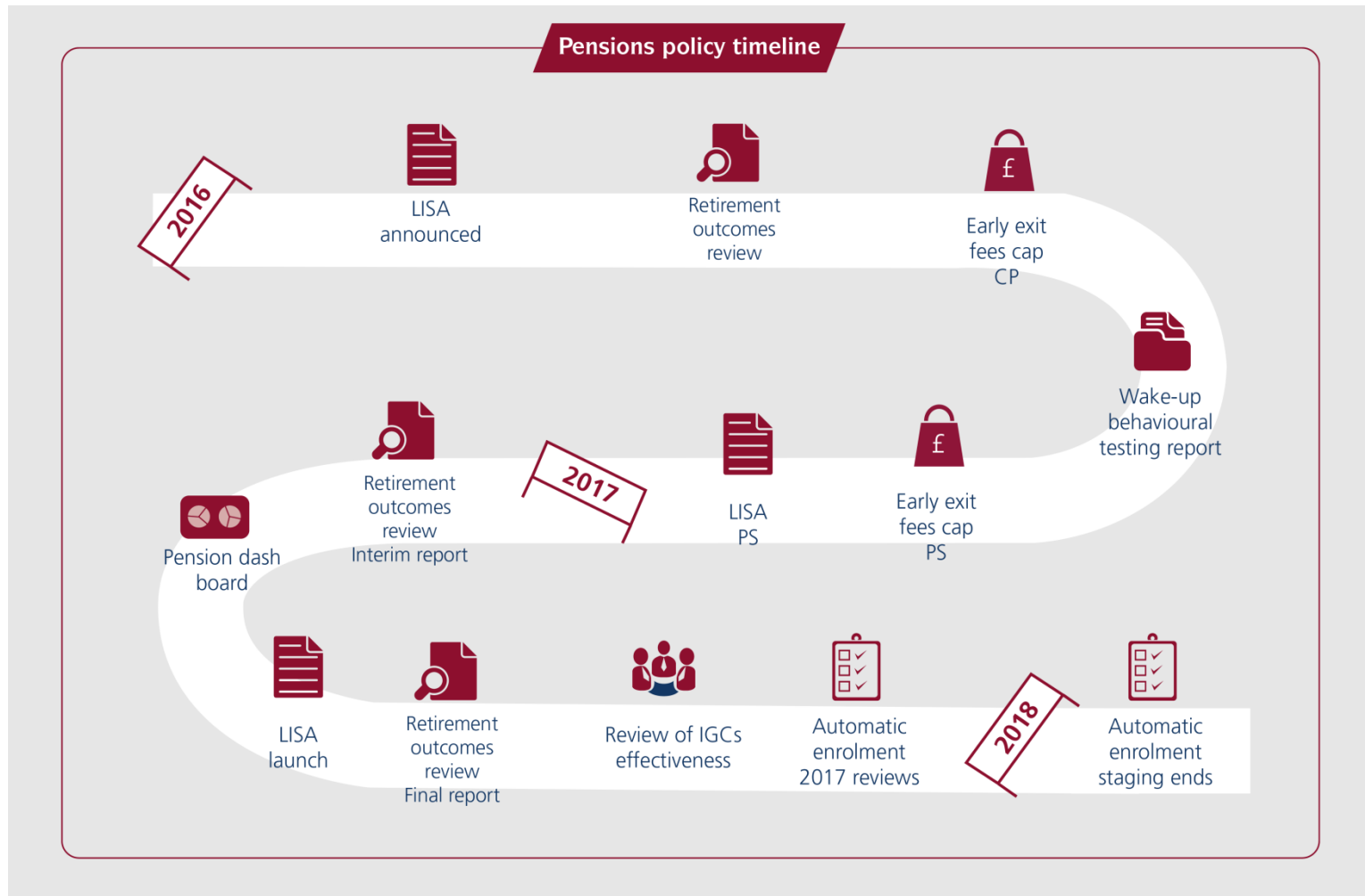
# Pensions – the FCA Mission

- Responsibility, complexity and timeframe
- Ageing population and our next steps
- Regulation of conduct for long-term financial products

# Overview (1): looking back



# Overview (2): timeline



# Pensions freedoms – impact of changes on retirement income market

<b>Before April 2015</b>	<b>After April 2015#</b>
<ul style="list-style-type: none"><li>• Most customers purchased annuities</li><li>• Drawdown market was limited – mainly those with large pots</li><li>• Drawdown sales usually advised</li><li>• Some shopping around</li></ul>	<p>Change in products</p> <ul style="list-style-type: none"><li>• Decline in annuity sales</li><li>• Growth of drawdown</li><li>• More pots cashed in or used to take partial withdrawals</li></ul> <p>And distribution</p> <ul style="list-style-type: none"><li>• Increase in non-advised drawdown sales</li><li>• Most products are still taken out with the customers' existing pension provider</li></ul>

# Jan to Mar 2016 data based on a representative sample of life insurers and SIPP operators

# Regulatory priorities for pensions

- Lifetime ISA
- Early exit charges cap
- Annuity comparator
- Pensions dashboard
- Retirement Outcome Review
- Pensions advice
- Supervisory priorities

# Questions?