

Stronger Nudge

Guidance Notes

This document is provided for use by professional advisers in conjunction with products provided by Talbot & Muir. The information in this document is based on our interpretation of the new regulations.

Overview

Stronger Nudge changes from 1 June 2022

You may already be aware of the 'Stronger Nudge' regulations coming into force on 1 June 2022. The new rules are designed to encourage more savers to attend a Pension Wise guidance appointment before accessing or transferring their pension benefits.

Pension Wise offers free, impartial guidance about pension benefit options and is provided by the Government as part of its MoneyHelper service. Pension Wise is currently available to savers from age 50 and only offers guidance in relation to defined contribution schemes, such as SIPP's and other personal pensions.

The new regulations require us as a provider to give the stronger nudge for all requests that take place on or after 1st June. Talbot and Muir will not chase for Stronger Nudge information from any clients for forms received prior to 1st June. We would still advocate clients seeking regulated financial advice or guidance from MoneyHelper.

Who are Money Helper?

MoneyHelper is a free, impartial service from the Government, which offers guidance to help clients make an informed decision about what to do with their pension savings. This includes providing the different options available in order to access their pension savings. Pensions guidance is delivered at an appointment with an independent pensions specialist. It is not to be confused with regulated financial advice, which can only be provided by a regulated financial adviser.

Is it Money Helper or Pension Wise?

MoneyHelper is the new name which brings together three former brands - Pension Wise, the Money and Pensions Service, and the Pensions Advisory Service. The website still refers to the former Pension Wise name, as well as the new name, MoneyHelper.

Is Talbot and Muir partnered with MoneyHelper?

No. MoneyHelper is an independent service from the Government, and not in any way associated or affiliated with Talbot and Muir.

How are clients affected?

Before taking benefits, or transferring in or out, we must tell clients about the nature and purpose of taking guidance from MoneyHelper before we can proceed with their request. Clients must either take advice from a regulated adviser or take guidance from MoneyHelper or, explicitly opt out. If they require guidance, we must offer to book an appointment on the client's behalf. The client can of course book the MoneyHelper appointment themselves.

What if a client has already taken regulated advice?

Clients are able to explicitly opt out if they do not require guidance - the forms contain a space for them to confirm this to us. Once this has been done, we can proceed with their request as usual.

What if I am the client's financial adviser?

If you are the client's financial adviser and have given advice on the transfer or drawdown request, then the client does not need to be given the stronger nudge, but the client must confirm this on the relevant form prior to us progressing the request.

The client though must confirm that they have received regulated financial advice on the relevant form prior to us progressing the request.

What is the new administrative process?

There are 4 elements. Firstly, if a client contacts us directly and starts to enquire about either taking benefits or transferring (in or out), then we would make them aware of MoneyHelper and the importance of either seeking guidance or regulated financial advice.

Secondly, the Declarations form, benefits and transfer forms are being updated to capture the client's Stronger Nudge options. For all benefits and transfer forms received from 1st June we must have the Stronger Nudge decision from the client. This will be checked at the initial vetting stage and recorded. Where the Stronger Nudge information is either: missing; incomplete; or inconsistent on the form, we would refer this back to the adviser or client for clarification.

Thirdly, if the client chooses to seek guidance from MoneyHelper, they can book the appointment themselves, but Talbot and Muir must offer to do this for them as well. The Declarations, benefits and transfer forms have been updated to capture all the information from the client needed for Talbot and Muir to book the appointment on the client's behalf. If the client's MoneyHelper appointment is after the date of the receipt of the form, then Talbot and Muir must contact the client after the date of the appointment and confirm they have attended, and that they did not need to amend their benefit/transfer request.

And fourthly, we can only progress the benefit / transfer request once we have: all the Stronger Nudge information and (where appropriate) we have confirmed that the client has attended their MoneyHelper appointment.

Can you proceed with the request whilst the client waits for their appointment?

We are able to take steps to progress the request whilst we wait for the appointment, such as processing disinvestment or obtaining a valuation, but we cannot make any payments in respect of the drawdown request or the transfer.

How will the client's call with MoneyHelper/Pension wise be booked?

Clients will have the choice to either book the appointment themselves (online or via telephone), or to have Talbot and Muir book the appointment on their behalf, using the MoneyHelper online booking service. Our new forms will capture appropriate information to help us to do this, such as the best dates to use, the client's telephone number, a memorable word to use on the MoneyHelper site, and consent to transfer their personal data to MoneyHelper.

What happens if a client submits forms before or after the regulation change (1st June 2022)?

The new regulations require us to give the Stronger Nudge for all requests on or after 1st June. Talbot and Muir has interpreted this as meaning all forms received on or after 1st June.

Talbot and Muir will not chase for Stronger Nudge information from any clients for forms received prior to 1st June 2022.

What happens when someone aged 49 submits an application then becomes 50 before we complete the Stronger Nudge process?

The requirement applies only at the point the transfer is initially requested. If the client turns 50 after this date, then the process can complete without the Stronger Nudge being required.

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