

[Press release: CMA sets out investment consultants reforms](#)

The CMA has today announced a range of reforms to the investment consultancy and fiduciary management sector after finding competition problems.

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It follows an extensive [market investigation](#) into the sector which the Competition and Markets Authority (CMA) started in September last year, at the request of the Financial Conduct Authority (FCA).

Investment consultants advise pension trustees, who oversee companies' pension schemes, on how to invest their funds. Some pension trustees delegate investment decisions to fiduciary managers. A number of firms offer both services.

These firms have influence over half of all UK households' retirement savings and advise on pension scheme assets worth £1.6 trillion. When the pension scheme gets good investment advice, this helps secure the retirement incomes of its members.

The CMA has found competition problems within both the investment consultancy and – to a greater degree – the fiduciary management markets. Its final conclusions are that:

- Some pension trustees will choose their existing investment consultant to be their fiduciary manager even if a better deal may be available elsewhere, with only a third of pension trustees asking fiduciary managers to compete for their business through a tender.
- Investment consultants who offer fiduciary management services also have an advantage when it comes to getting business from existing clients, as they are able to steer customers towards their own service.
- Many pension trustees do not have sufficient information on the fees or quality of investment consultancy and fiduciary management to be able to judge if they're getting a good deal from their existing provider, or if they could do better elsewhere.
- These features reduce pension trustees' ability to effectively compare all their options and reduce providers' incentives to compete. We consider that this could lead a worse deal for pension trustees and the people whose pensions they manage.

The CMA will now require a number of changes to these markets to deal with its concerns, including:

- Pension trustees who wish to delegate investment decisions for more than 20% of their scheme assets to a fiduciary manager must run a competitive tender with at least three firms. Trustees who have appointed a fiduciary manager without a tender must put the service out to tender within five years. This will increase competition and reduce the competitive advantage held by incumbent investment consultants when it comes to getting new business.
- Fiduciary management firms must provide potential clients with clear information on their fees and use a standard approach to show how they have performed for other clients, so that pension trustees have the information they need to compare different providers.
- The CMA recommends that The Pensions Regulator (TPR) produces new guidance to help trustees with these services.
- The CMA also recommends that the UK Government broadens the regulatory scope of both the FCA and TPR, to ensure greater oversight of this sector in the future.

John Wotton, Chair of the CMA's Investment Consultants Market Investigation, said:

This is an extremely important sector that influences how well millions of people's pension savings are invested, yet we've found that many pension trustees may not be getting the best value for money for their members. Some lack the information they need to compare providers and so could be sticking with their existing investment consultant or fiduciary manager when there are better options available.

It's therefore imperative we make these changes so that the sector works better for those it is meant to support – pension scheme members.

The CMA will issue a draft of the Order(s), which will set out its requirements, for consultation in early 2019. Implementation of the new requirements is expected to begin later in the year.

Notes to Editors

1. The CMA is the UK's primary competition and consumer authority. It is an independent non-ministerial government department with responsibility for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer law.
2. As set out in the FCA's [terms of reference](#), the investigation covers investment consultancy services, which provide advice to institutional investors (mainly pension funds) and employers on their pension schemes; and fiduciary management services, where the provider makes and implements decisions for the investor (for example, to select a fund in

which to invest).

3. The CMA appointed a group of independent CMA panel members to carry out the investigation and make decisions in this case, which is chaired by John Wotton, one of the CMA's designated inquiry chairs. The other panel members are Lesley Ainsworth, Bob Spedding and Tim Tutton. All the appointees are chosen from the CMA's expert independent panel members, who come from a variety of backgrounds, including economics, law, accountancy and business.
4. Enquiries should be directed to the press@cma.gov.uk, on 020 3738 6460.
5. For more information see the [CMA's homepage](#), or follow us on Twitter [@CMAgovuk](#) and [LinkedIn](#). Sign up to our [email alerts](#) to receive updates on the markets cases.

[News story: HMPPS Staff Awards – nominate an unsung hero](#)

HMPPS wants to hear your story so that outstanding staff can be recognised and rewarded at our Staff Awards.

These awards have a specific category called Changing Lives so you can nominate those unsung heroes. The winners will be announced at the Prison Officer of the Year and Probation Awards in July 2019.

Whether you were a victim of crime, spent time in custody or on probation, or you were a family member affected, you now have the chance to nominate a member of the prison or probation service who went the extra mile for you.

Rory Stewart, Prisons and Probation Minister, said: "These awards are a perfect way to pay tribute to our prison and probation staff for their extraordinary service, commitment and resilience. I attended last year's awards and I was humbled by how many people wanted to thank our staff for the impact they have had on their lives.

"It truly shows the difference our staff can make and by helping people turn their lives around, they reduce reoffending and protect the public."

This is the third year this category has been part of the awards and there have been some powerful nominations from people who credit HMPPS with changing and, in some cases, saving their lives.

Deadline

You have until Friday 8 February to submit your nomination, so if there's an individual you think deserves a nomination you can fill in the [nomination form](#) and submit it to nominations@noms.gsi.gov.uk

Press release: Preventable illness is factor in slower life expectancy increases

Preventable illnesses, including [heart disease](#) and [stroke](#), are one of several factors behind the slowing improvements in life expectancy in England, according to a new review published by Public Health England (PHE).

Life expectancy trends are an important measure of the nation's overall health. The [Review of recent trends in mortality in England](#) looks at why long-term improvements in life expectancy have slowed since 2011, following decades of continued increases.

Between 2006 and 2011, life expectancy increased by 1.6 years in males and 1.3 years in females, but between 2011 and 2016 the increase was only 0.4 and 0.1 years for males and females respectively. Currently, life expectancy in England has reached 79.6 years for men and 83.2 for women.

However, stubborn inequalities have widened in recent years – those in the poorest areas have seen less improvement in life expectancy than those in the wealthiest. For women in the most deprived communities, life expectancy has actually decreased. From 2014 to 2016, the gap in life expectancy was 9.3 years for males and 7.3 years for females.

A slowdown in improvement in mortality from heart disease and stroke – 2 leading causes of death – has had a significant impact on these trends. With 80% of premature heart attacks and strokes potentially avoidable, this shows the importance of addressing risk factors such as smoking, obesity, high blood pressure and other causes of inequalities.

Mortality rates from dementia have increased, but this is largely due to changes in diagnostic and recording practices. Dementia is already the leading cause of death in women and is likely to become the leading cause of death in men too, overtaking heart disease.

The review concluded that a number of other factors, operating simultaneously, have also potentially contributed to the slowdown in life expectancy.

These include:

- a large increase in deaths in the winters between 2014 and 2018, which was also seen in a number of other European countries – this coincided with the circulation of a subtype of flu, the influenza A (H3N2) subtype, known to predominantly affect older people

- more older people living with dementia and other long-term conditions, which may make them particularly vulnerable to the effects of flu and other winter risks, and who may be particularly reliant on health and social care services
- an increase in death rates from accidental poisoning, in particular, drug misuse – this led to mortality rates among younger adults making no contribution to changes in life expectancy trends between 2011 and 2016, in contrast to the small positive contributions seen previously

A similar slowdown in improvement has been seen in other large European countries. However, the report found the UK continues to lag behind other European countries on life expectancy, particularly for women.

Professor John Newton, Director of Health Improvement at PHE, said:

With the number of people aged 85 years and over set to increase, we're likely to see the burden of dementia and many other long-term conditions follow suit.

The solution to reversing these trends will be complex as the causes themselves are not straightforward. What comes out loud and clear from the evidence is the potential for effective prevention activity, particularly for heart disease, to improve health outcomes and reduce the enormous disparities in life expectancy.

Further work is required to understand any potential causal link between changes in health and changes in social care funding or provision of services within England or different countries.

According to the [Health Profile for England 2018](#), the slowdown has not been observed for long enough for statistical analysis to determine whether it will continue. The future trend is uncertain for both sexes but PHE will continue to closely monitor trends in mortality rates and life expectancy in England.

Background

1. [Review of recent trends in mortality in England](#) contains further information on the slowdown in life expectancy in England.
2. PHE is leading the prevention, personal responsibility and health inequalities work stream as part of the development of the [NHS long-term plan](#).
3. This season PHE has recommended that all those under-65 have the quadrivalent flu vaccine, which protects against both the main B strains and the 2 main flu A subtypes. Adults aged 65 or over are being offered a new 'adjuvanted' vaccine in order to improve the immune response.

Press release: Preventable illness is factor in slower life expectancy increases

A new report from Public Health England shows that preventable illness is one of many factors behind slowdown in raising life expectancy.