Former pensions minister Ros Altmann calls for six-month pause on pension transfers

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Former pensions minister Ros Altmann has called for pension transfers to be suspended for six months in wake of market turmoil caused by the coronavirus.

Altmann said it was "impossible" for pension scheme trustees to be sure of the underlying value of the pension fund, or each individual's share of it and that recently calculated cash equivalent transfer values or fund valuations could be "significantly inaccurate" due to "wild market movements" during the coronavirus panic.

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"It is not clear where markets may settle, or what long-term interest rates will be in coming weeks or months," Altmann said. "Pension scheme trustees and independent governance committees will be struggling to understand what the underlying investments are worth, and the turmoil in the markets, coupled with staff being out of the office, suggests that any current valuation risks being unreliable.

> **It is not clear where markets may settle, or what long-term interest rates will be in coming weeks or months"**

"Therefore, introducing measures to delay all pension transfers for up to 6 months would seem a sensible way of helping to stabilise pension schemes and allow time for a clearer picture to emerge."

The last couple of weeks have seen significant turbulence in markets across the world. The FTSE suffered its second worst day in history, worse even than the day Lehman Brothers collapsed. Meanwhile in the United States trading was suspended three times last week after US equity markets triggered circuit-breakers imposed after the global financial crisis.

The former pensions minister said a temporary stop to transfers would also help to avoid further scam losses and give schemes a chance to go over old records and undertake a data cleanse to ensure the data held by schemes and pension administrators was correct.

She continued: "Using the dislocation associated with the coronavirus to focus on the underlying vital issues relevant to pension schemes would be a huge benefit to pension customers in the long-run. Rather than trying to keep schemes operating as normal in the short-term, it would be far more valuable to take the opportunity to correct the past mistakes that will otherwise continue to plague pensioners in future."

Interactive Investor chief executive Richard Wilson did not welcome Altmann's idea, describing her comments as "ludicrous and anti-competitive".

He said: "In falling markets, one of the few tools investors have is the ability to control their costs, and if necessary, find a cheaper provider. So, it is disappointing to see someone of Ros' influence, who has always championed the consumer, calling for the only power that investors have - the freedom to move - to be taken out of their hands. This, for the sake of sparing a few pension fund trustees a headache, is ludicrous and anti-competitive."