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**Consultation response from Barclays Bank Plc (“Barclays”) in respect of the Barclays Bank UK Retirement Fund (“UKRF”)**

Barclays, having considered the Trustee of the UKRF’s views on the matter, is supportive of the increased regulatory focus and actions to improve transparency in the asset management industry by requiring that all costs and charges are disclosed to Trustees and pension scheme managers. The new disclosures will allow Trustees to fully benchmark the investment funds they use and assess performance and risk against costs. This increased transparency should also apply pressure on asset managers to improve investment efficiencies and potentially drive competition in pricing which will benefit all investors.

While we are fully supportive of this greater transparency and disclosure we believe there is a clear difference in the depth of information required by Trustees and by members. The proposals as drafted will see complex information presented within a document (the Trust’s report and accounts) that is generally not accessed by members. Using a wide range of projections to show the effect of charges means it will be presented in a way that is likely to cause confusion or prevent clear understanding for the majority of members. The proposed public disclosure of limited scheme information is also likely to lead to false benchmarking as it will not consider all of the variables that deliver value. The Pensions Regulator, in its supporting guide to the DC Code of Practice, lists the wide range of areas outside of cost that contribute to member value. Focusing just on investment cost could cause members to make poor decisions with regards their pension savings. It is unclear from the consultation exactly what members are expected to be able to do with the publicly available information about other pensions schemes. It is clear what Trustees should do (assess value, benchmark, seek to improve value) but for members the choice is to pay the cost, move to a cheaper fund (which may not improve their pension outcome) or stop saving (which will be a bad pension decision).

Our belief is that a simpler method of communication should be made available to members that is more likely to be understood by the average member. The objective should be to encourage members to continue to engage with pensions savings rather than be daunted by the complexity.

The proposals to only disclose information on underlying pooled funds on request is sensible as this information is only likely to be of interest or benefit to a small number of members. We also agree that only disclosing the top level pooled funds is sensible. The administrative burden on Trustees could be reduced however by the annual production of a list of all pooled funds invested in which could be provided to members on request, rather than personalised reports showing the pooled funds they invested in during the year. Members would be able to identify the funds they were invested in and this would enable the information to be provided to them more promptly.