fair telecoms campaign **news release**

Government uses "ban on pensions cold calling" response to indicate support for the practice – i.e. No Ban

We note, in parallel with the 2018 Budget Statement, publication of the Treasury consultation response "Regulations to ban pensions cold calling".

This includes a draft Statutory Instrument which will be discussed in parliament prior to its (inevitable) approval and passing.

Our response to the consultation pointed out that the proposed tweak to regulations failed to meet the stated objectives. We also noted that most calls already being received are in breach of the regulations as they stand.

The problem is that the government believes that unsolicited direct marketing by telephone is a potentially legitimate way of doing business. It therefore seeks only to prohibit the practice of activity which is already illegal (i.e. scams).

As with other meaningless tweaks to the relevant regulations, there can be no hope of compliance by those who are already setting out to break the law. This means that not only are these measures misguided - as unsolicited direct marketing by telephone is widely accepted by the public as an unacceptable practice – they are also unlikely to achieve the desired effect.

Quotations from the document, with comments

" **The policy is to ban pensions cold calling, or unsolicited direct marketing calls relating to pensions products and services.**

The comments which follow would suggest otherwise!

" **… unless the caller is authorised by the Financial Conduct Authority (FCA), or is the trustee or manager of an occupational or personal pension scheme …**

Qualifying this with nonsense about consent or an expectation does nothing to address the tolerance of unsolicited direct marketing calls.

" **exemptions … could potentially create a loophole which scammers could seek to exploit**

Spot on. If consumers are not clearly told that all cold calling of a particular type is illegal then they will remain vulnerable to scammers.

" **the technical exemptions to the ban are aimed at ensuring the ban does not have a disproportionate impact on the activities of industry**

So unsolicited direct marketing by telephone is an activity that the government does not seek to prohibit!

" **the government does not consider a ban on cold calling in relation to all investment products to be proportionate at the moment**

A major concern in relation to "pensions cold calling" was over those promoting inappropriate investment of withdrawn pension pots. This effect of a previous government policy was a major factor in leading to this point. It is now dismissed.

" **the message to consumers will be clear that all pensions cold calling is illegal**

If consumers are to be misled in this way, then why go to so much trouble in permitting the practice under certain conditions. **Why not persuade the FCA to actually prohibit both cold calling and use of leads obtained in this way for all financial services***?*

David Hickson

Tuesday, 30 October 2018