

# A warm welcome to the new 'minister for personal finance'

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Comment: Ros Altmann's inclusion in the new government should give consumers a powerful champion in the corridors of power

Whoever David Cameron chooses to promote to his government or evict from it we will definitely have a new pensions minister.

The previous incumbent, Steve Webb, was a member of the Liberal Democrats, who are no longer needed in government. Mr Webb was also one of the many Lib Dem MPs to lose their seat.

Mr Webb was responsible, at least in part, for the revolution that has taken place in Britain's pension system and savers have good reason to mourn his departure.

He was the first pensions minister in a generation to take the role seriously Labour, notoriously, appointed numerous people to the role under Tony Blair and Gordon Brown.

We can thank Mr Webb for the new pension freedoms that scrapped what amounted to compulsory annuity purchase, and for moves to allow those who bought annuities they didn't want to reverse the purchase.

He also oversaw the introduction of "automatic enrolment", which means that almost all workers will save in a private pension, and piloted the legislation for the new "flat-rate" state pension through Parliament.

So who will replace him, and are we in danger of a return to the days of invisible pensions ministers who achieve nothing for savers?

Thankfully, that doesn't look likely. We know that Ros Altmann, a tireless champion of older people and savers and campaigner for a simpler, more transparent system of pensions, will be a minister in the new government.

As things stand her role will be "a minister with responsibility for financial consumer protection and financial education".

But I understand that she could end up as pensions minister now that Mr Webb has gone. Presumably it would depend on what Mr Cameron has in mind for the other possible candidates for the role, who include David Gauke, a Treasury minister in the previous administration. Either way, arguably Ms Altmann could become a new "minister for personal finance".

The big changes in the pensions landscape have now been made. They offer a great opportunity for people to save for the future in a tax-efficient and flexible way.

But you can't embrace these opportunities if you lack the knowledge and confidence to tackle what remains a hugely complex challenge. It is here that Ms Altmann's ideas could make a difference.

She looks at savings and pensions from the point of view of the consumer, not the industry, and realises the need for education on the one hand and simplification on the other.

So Ms Altmann wants to bring financial education to the masses and to persuade, or force, firms to deal fairly with their customers, putting an end to the long series of mis-selling scandals we have seen in recent decades.

What else could the new minister do? She wants the Government and regulators to crack down on mortgage lenders that discriminate against older borrowers, as Telegraph Money has repeatedly

reported. At the moment, banks are cynically exploiting regulations supposed to be about “affordability” as a way of stopping customers from switching to cheaper loans or downsizing.

Ms Altmann would also like to see the ban on commission on financial advice and DIY investments extended to annuity sales. Currently, firms that sell annuities on a “non-advised” basis can still take a commission, often undisclosed, from your pension pot.

Perhaps of more benefit to better-off savers and members of final salary pension schemes, she will lobby her new Cabinet colleagues to scrap the lifetime limit on pension savings and the Tories’ new proposal for a drastic reduction in the amount that high earners can save in a pension each year.

Finally, Ms Altmann said she would like to see the Government “look again” at the question of frozen state pensions for expats who live in certain countries such as Australia and Canada, something this newspaper has been campaigning for.

Whatever her exact role in the new administration, she should be just the right person to improve the lot of savers.

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