

Pensions MANAGEMENT

DP increases distance from regulator

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The latest recruits to the Determinations Panel (DP) will boost the level of independence from the Pensions Regulator, according to industry commentators.

Peter Hinchliffe, Andrew Long, Elizabeth Neville, Alasdair Smith and Anthony Stern were appointed last week.

Legal and regulatory experts have claimed the new appointees exhibit a wider array of experience than their predecessors in judicial and quasi-judicial roles, as well as within pensions. This, claimed Jennie Kreser, partner at Silverman Sherliker and ex OPRA lawyer, should enable them "to exercise sound judgment in the complex cases that come before it".

"The latest recruits to the DP will be a significant boost to the independence from the pension regulator, so badly needed," Kreser continued. "The new appointees have excellent experience in other judicial and quasi-judicial roles as well as within pensions."

The DP is responsible for making decisions on cases where the regulator seeks to exert specific powers, such as its moral hazard authority.

Chairman of the DP John Scampion said the replacement panel members had a "particularly rich and varied experience that is relevant to the work of the DP, and their appointment will bring a depth and breadth to the panel and make a telling contribution to its work".

Simon Kew, a partner at Jackal Advisory and ex-regulator enforcer said he was pleased to see a strengthening of the DP. He stated: "There has been a perception in industry that the DP is something of a 'rubber stamping' exercise for the regulator's cases. I don't believe this to be the case, but perception can sometimes be extremely difficult to dispel."

He further expressed his expectations for the revamped panel to be "much more robust in challenging the regulator which will, in turn, ensure the regulator's case against targets will be significantly more watertight moving forward".

PM understands some critics of the former panel members, Duncan Campbell, Olivia Dickson and Michael Maunsell who will step down in early 2012, had suggested the problems with the DP were derived from individuals on the panel who were without the necessary judicial skills and therefore inadequate in passing judgment on cases.

A source who wished to remain anonymous said the panel was "meant to be independent check on the regulator, not its lap dog," and said it was hard to believe the former panel makeup was unbiased in its decision making, "when one of your members (now departed) was the husband of the immediate past chairman".

Others were more positive, with one commentator telling PM they imagined the more robust panel would ensure that getting borderline cases through the DP will become increasingly difficult for the regulator.

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