



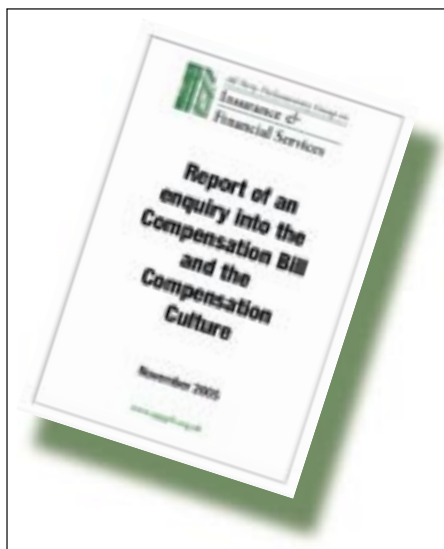
All Party Parliamentary Group on **Insurance & Financial Services**

Compensation Bill comes under close scrutiny

THE GROUP has delivered on its commitment to play a major part in the debate on the Compensation Bill by publishing a detailed report following a series of committee hearings on the subject.

The report is critical of several aspects of the Bill and makes several key recommendations for strengthening it.

- Drop Part 1 on negligence.
- Introduce immediate enabling powers to crack down on worst abuses.
- Identify and fund an independent regulator as a matter of urgency.
- Ensure that all entities offering claims management services and advice are regulated consistently.
- Ensure that the relevant provisions of the Legal Services Bill are aligned with the Compensation Bill.
- The Law Society should act now
 - i) to enforce the disclosure of referral fees to clients;
 - ii) prohibit members from accepting referrals from firms not currently regulated by the Claims Standards Council; and
 - iii) draw up a strong Code of Conduct with the Claims Management Council.



Report: constructive contribution

The group's deputy chairman, Lord Hunt of Wirral, outlined many of these concerns when the Bill had its second reading in the House of Lords at the end of November.

The report has been sent to ministers and a wide range of interested parties and has been welcomed as a constructive contribution to an important debate.

It is available on the group's website – www.appgifs.org.uk.

Trade unions air their concerns about sector

ALLIANCE for Finance, the umbrella body for trade unions in the financial services sector, aired a wide range of concerns when it met the group recently.

The unions were very critical of employers for setting sales targets that encouraged mis-selling. In particular, they said payment protection insurance was oversold because advisers were put under unacceptable pressure to hit unrealistic targets.

Closely linked to these concerns was the lack of commitment by most major employers to education and training. According to the union representatives, this rarely gets beyond paying lip-service. Without a radical refocusing on this area, customer service and employee satisfaction are unlikely to improve.

The group urged them to put their concerns about target driven mis-selling to the Financial Services Authority.

News Bulletin

No 4 Dec 2005

Adair Turner sets out the case for radical pensions reforms at joint meeting

THREE All Party Groups came together to provide a forum for Lord (Adair) Turner to set out the case for adopting the radical reforms to the UK pension system advocated in his recent controversial report.

The Insurance & Financial Services Group joined forces with the Occupational Pensions and Pensions Consensus groups to give Lord Turner an opportunity to brief backbench MPs and Peers and answer their questions.

Lord Turner told members that he understood much of the reaction to his far-reaching proposals but urged people not to lose sight of the need to create a viable solution. He said he was sympathetic to small businesses and hoped that reform could be achieved without adding too much to their costs.

Chairman: John Greenway MP

Deputies: Baroness Turner of Camden,

Vince Cable MP, Lord Hunt of Wirral

Hon Secs: Sir John Butterfill MP,

Jim Cousins MP, Edward Leigh MP

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