Andy Agathangelou

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All of Andy's work revolves around the idea of 'enlightened self-interest' – the business ethics philosophy that by doing good you can do well. Andy believes that collaborative, campaigning communities are a pragmatic approach for like-minded people to drive positive change.

He is the Founding Chair of the Transparency Task Force, the collaborative, campaigning community dedicated to driving up the levels of transparency in financial services, right around the world.

Andy is also: Founding Chair at the Technology Task Force, Governor at the Pensions Policy Institute, Member of the Independent Advisory Board to the Investment Association, Founding Chair at Friends of the Association of Member Nominated Trustees, Founding Chair at Friends of Automatic Enrolment and Chair of Pensions BIB.

Transparency Task Force

by Andy Agathangelou

1. The purpose of this article

This article has been put together to explain why the Transparency Task Force was formed, what it is doing and why it is superbly aligned with UKSA.

2. About the Transparency Task Force

The Transparency Task Force is the collaborative, campaigning community, dedicated to driving up the levels of transparency in financial services, right around the world.

We believe that higher levels of transparency are a pre-requisite for fairer, safer and more efficient markets being able to deliver better value for money and better outcomes to the consumer.

We seek to operate in a co-operative, collegiate and consensus-building way, focusing on solutions not blame and we are perhaps unique in being made up of a truly pan-industry cross-section of members, trade bodies and professional associations. As such we are well-placed to establish consensus that does not merely reflect the wishes of one particular 'tribe' or another and are therefore able to strive for a win/win/win; whereby consumers, market participants and the efficacy of government policies can all benefit from the work we do.

Furthermore, because of the correlation between transparency, truthfulness and trustworthiness, we expect our work will help to repair the self-inflicted reputational damage the Financial Services sector has suffered for decades.

3. "Sunlight is the best disinfectant"

That beautifully simple phrase sums up what the Transparency Task Force is all about. We believe that market behaviour is improved when it is visible; and conversely, that behaviour that is able to take place 'in the shadows' tends to be at the expense of the consumer.

This is because the sector has been notoriously opportunistic, using obfuscation and opacity to enhance its profit margins at the expense of the consumer; profiting from things being kept hidden - sometimes deliberately, sometimes not – things like the true costs of investing, the true performance of products and the true risks to the consumer of the financial services products they might buy.
This has a detrimental impact on two fronts: it completely undermines the efficient workings of the market and it also jeopardises social justice; a state of affairs that must not be allowed to continue.

There are no easy answers to these problems but let's get straight to some home truths: every time there is a scam or a scandal it hurts the sector as a whole, not just the guilty; and every time, for example, that an asset manager is shown to be withholding information on costs or obfuscating around performance figures it hurts the industry as a whole, not just the particular firm involved.

We have a collective interest in stamping out any market behaviour that reflects badly on the industry as a whole, but it won't be easy. Part of the problem is that trustworthiness is an outcome not an input; you cannot control how trusted you are, but you can control factors that are conducive to greater trustworthiness; and it's on that basis that we need to recognise the very special qualities that transparency has because it is a lever we can all pull on.

I would argue that it is easy to see the correlation between transparency, truthfulness and trustworthiness: greater transparency does lead to greater truthfulness; which in turn, over time, will lead to greater trustworthiness. It must make sense therefore for all parts of the industry to support efforts to drive up transparency; our collective reputations quite literally depend on it.

4. Teams of volunteers

Opacity is 'a festering sore on the face of financial services' and we need to work collectively to treat that sore. If we do this well then everybody wins; other than those that don't deserve to. Those of us who care about the sector and the people it serves can, and should, work together to help put things right. Let's stand up, not stand by; and let's take heart from the famous quote by Margaret Mead: 'Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has'.

It was with that sentiment in mind that we put out a clarion call for volunteers and I'm delighted to report that market reaction to what we are doing has been extremely positive and supportive; so much so that in under two years we now have over 160 people involved. They are organised into seven teams of volunteers, each team focused on a set of transparency-related issues and desired outcomes; and each working on a project that will help make a difference:

The Banking Team
The Market Integrity Team
The Foreign Exchange Team
The Costs & Charges Team
The Stewardship & Decision-Making Team
The International Best Practice Team
The Scams & Scandals Team

We're looking for more volunteers so please do get in touch if you'd like to become 'part of the solution'.

5. Our strategy for driving the change that is needed

Our strategy for driving the change that is needed is to bring together two types of people:

#1, Those with a sense of 'passion & purpose' about what needs to be done – such as ethically-minded financial services professionals, enlightened market participants, thought leaders, pro-consumer campaigners and leading academics involved in our teams;

#2, Those with the 'power & position' to make it happen – such as regulators, politicians, financial services leaders, trade bodies and professional associations.

By finding ways to bring these two groups together we know we can influence developments. A good example of that took place at the House of Commons in September 2016; we organised the first Transparency Strategy Summit in the world. We had attendance and participation from the Financial Conduct Authority, the Pensions Regulator, the Department for Work & Pensions, the Treasury, The Investment Association, the Pensions Advisory Service and many other Trade Bodies and Professional Associations plus several highly respected thought leaders – it was a great event that led to some very worthwhile outputs.

6. The Transparency Times

We have been publishing a monthly online magazine, the Transparency Times, since May 2016. It now goes out to over 6,000 people and is available free of charge. It carries articles that support the idea that greater transparency is needed in the financial services industry.

Contributors have included academics, politicians, market participants, thought leaders, regulators and so on.

7. Special event on the 17th May

Our most recent Symposium was on 17th May; dedicated to a question of fundamental importance to the pensions industry:

"What is the true purpose and potential of the Pensions Industry?

This was a highly impactful and thought-provoking event, designed to galvanise support for the idea that there is wisdom in establishing purpose as a bed-rock for thought leadership and policy-making.
The symposium was particularly interesting to those that hope and believe that the pension capital markets could, and should, become a 'force for good' for our planet and society as a whole; as well as enabling the efficient provision of financial security in old age. It particularly appealed to those interested in the development of a more progressive approach to pensions policy-making and who believe that Socially Responsible Investing and Environmental, Social and Governance factors are important.
As Tracy Blackwell, Chief Executive of Pension Insurance Corporation put it so brilliantly recently:

"It's hard to lose your way as an industry if you focus on the why!"

Perhaps it is possible for the pensions industry to formulate an over-arching vision statement articulating what it aspires for its purpose to be?
Would such a vision statement help to guide and steer pensions policy?
Maybe it would to create a sense of collective purpose amongst pension professionals?
We are hopeful that this event will help to galvanise support for the idea that the pensions industry could, if it chose to, become a key driver for improvements on many fronts that are of such grave concern to so many. This conference will be used to share insights on this most-vital of all topics and if all goes to plan delegates will have the chance help build consensus on how the pensions and investments industries accept their responsibilities moving forward.
Presenters and panellists included:

- John Hunter, Chairman, UK Shareholders Association
- Tony Greenham, Director of Economy, Enterprise & Manufacturing, the RSA
- David Pitt-Watson, Executive Fellow, The London Business School
- Leon Kamhi, Executive Director: Head of Responsibility at Hermes Investment Management
- Catherine Howarth, Chief Executive, ShareAction
- Nicholas Morris, Visiting Fellow at the Martin School, Oxford; Adjunct Professor, Faculty of Law, New South Wales
- Hugh Wheelan, Managing Editor, Responsible Investor Magazine
- Steve Conley, Managing Director, Workplace Pensions Direct
- Nico Aspinall, Chair, Resource and Environment Board, Institute & Faculty of Actuaries
- Tracy Blackwell, Chief Executive, Pension Insurance Corporation
- Henry Tapper, Founder, the Pension PlayPen

8. Naturally aligned

I have been very impressed by the insight, integrity and intent of UKSA's leadership and I think the dialogue between UKSA and the TTF to date has been very encouraging. It is clear that we are naturally aligned on many issues and there is a healthy appetite on both sides to explore how we can be mutually-supportive. Collaboration is key, especially when there are so many vested interests to be overcome.

Andy Agathangelou
Founding Chair, Transparency Task Force