



From the Minister of State  
for Work and Pensions

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Dear Terry,

Thank you for your letter of 8 July in which you requested an update on PAG's suggested improvements to the Financial Assistance Scheme (FAS).

As you are aware my officials have been in discussions with the insurance industry, and these discussions are still ongoing. The relative costs and benefits of any proposals will have to be carefully balanced and I am sure you will appreciate these are difficult concepts.

We also need to ensure that any further issues raised in relation to the consultation on the consolidated FAS regulations, including the extension of FAS to additional schemes, are taken into account in our overall thinking.

We will continue to explore the options that PAG have raised earlier, and should there be any developments that I can share with you before your meeting at the end of the month, my officials will contact you.

**STEVE WEBB MP**  
**MINISTER OF STATE FOR PENSIONS**

